



NON-FINANCIAL DATA REPORT COGNOR GROUP FOR 2019

1. LETTER OF THE PRESIDENT OF THE MANAGEMENT BOARD.....	4
2. INFORMATION ABOUT THE COMPANY.....	5
2.1. BUSINESS MODEL OF THE GROUP AND INFLUENCE ON THE DEVELOPMENT OF THE ECONOMY.....	6
2.2. CHAIN VALUES AND SUPPLIES.....	12
3. STRATEGY AND PLANS OF THE ENTERPRISE.....	15
3.1. CHALLENGES AND OPPORTUNITIES.....	16
3.2. GROUP POTENTIAL AND MAIN GOAL.....	16
3.3. RISK PROTECTION MECHANISMS.....	20
4. HUMAN CAPITAL.....	25
4.1. MANAGEMENT OF EMPLOYEES' POTENTIAL.....	26
4.2. SAFETY AT WORK.....	39
4.3. ETHICS AND EQUAL RIGHTS.....	43
5. RELATIONS WITH THE ENVIRONMENT OF THE COMPANY.....	48
5.1. RESPONSIBILITY FOR THE PRODUCT AND CUSTOMER'S GOOD.....	49
5.2. COMPLIANCE WITH THE RULES AND REGULATIONS.....	50
6. CULTURE MANAGEMENT AND CAPITAL MARKET.....	51
6.1. MANAGEMENT.....	52
6.2. SUPERVISORY BOARD.....	53
6.3. CORPORATE GOVERNANCE AND GOOD PRACTICE.....	53
6.4. CAPITAL MARKET.....	54
6.5. STAKEHOLDERS GROUP.....	55
6.6. ORGANIZATION AFFILIATION.....	56
7. RATIONAL USE OF THE ENVIRONMENT.....	58
7.1. EMISSIONS.....	62
7.2. MATERIALS, RAW MATERIALS AND ENERGY.....	75
7.3. WATER.....	83
7.4. WASTEWATER.....	85
7.5. WASTE.....	87
8. INFORMATION ABOUT THE REPORT.....	91
9. GRI INDEX.....	94

1.LETTER OF THE PRESIDENT OF THE MANAGEMENT BOARD



G4-1

Dear Sir/Madam,

I am pleased to present to you the third non-financial report of the Cognor Capital Group for 2019, summarizing the results of our activities in this area. I am convinced that the data contained in the document will better illustrate our business and understand its day to day work activities and the potential for development.

The Cognor Group is a company listed on the Warsaw Stock Exchange since 1997. Currently, Cognor primarily brings together entities involved in the production of steel products as well as the acquisition and recycling of metal scrap. The Company's strategy is focused on conducting business activity based on recognized standards of business ethics on the basis of years of experience and accumulated know-how. We strive for a partnership model of cooperation in the internal as well as external aspect which creates a favorable climate for the development of competences. The goal is to respond to the expectations of various stakeholders in the aspect of sustainable development.

We are aware that our activities have consequences for the environment and have an impact on society, which is why the overriding principle that we follow is respect for resources and social responsibility. We perceive ourselves as continuators of the metallurgical tradition and the resulting work ethos. We value our achievements in the process of creating value such as trust, credibility, reliability and we strive to identify with them the Cognor brand. We would like to maintain the reputation of a valued employer and a responsible business partner. We are not only aware of the need to comply with laws and regulations, but also actively support the process of change leading to their greater efficiency and transparency.

I hope that this report, in an accessible and interesting way, presents the non-financial aspects of our business. I invite you to read the report.

President of the Management Board of Cognor Holding S.A
Przemysław Sztuczkowski



2. INFORMATION ABOUT THE COMPANY



2.1. INFORMATION ABOUT THE COMPANY

EC DMA

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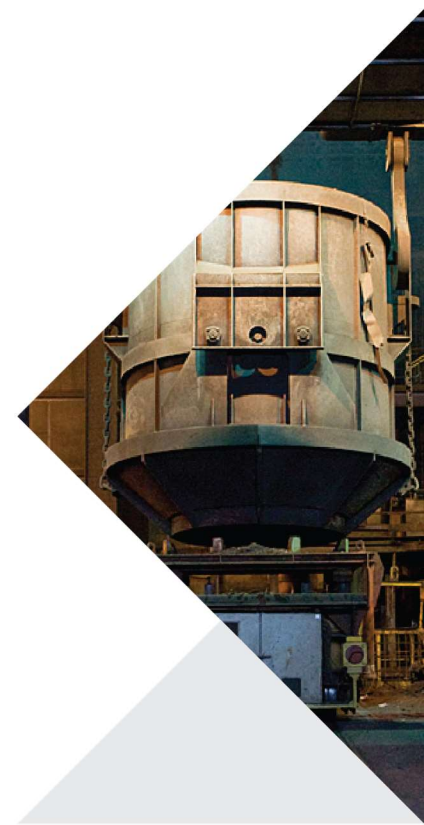
Cognor Holding S.A. is a leading company in the Capital Group (Cognor, Group, Company, Firm) operating in Poland, selling its products on the local market and abroad. The core business of the Group is the production of steel scrap (semi-finished product, billet) and metallurgical final products, which are manufactured from steel scrap in a large part obtained on its own. As a consequence, we are a vertically integrated producer. Other activities, that do not have a significant impact on the Group's results, include the production of non-ferrous metal products, purchase of non-ferrous metal scrap, transport services, sheet metal roof forming and developer's activities.

Cognor is a leading producer of quality steels and is the only Polish manufacturer of stainless steel, steel armor plate (including Rosomak Wheeled Armored Vehicle) and heat-resistant steels. We have a significant share in the market of smooth bars, square bars, flat bars, angles, ribbed bars and alloy steel bars. Thanks to the extensive specialization of its plants, the Group fulfills orders of a wide range of products, including both basic and alloy steels, and also in the field of atypical genre.

The Group's operations are defined by four areas:

- Raw material division – covers purchasing, processing, treatment and sales of steel scrap;
- Production division – covers the processing of steel scrap into billets and billets into steel products; sales of these products; processing of colored scrap into final products and sales of these products;
- Sales division – covers product sales (steel products, steel scrap, steel billets, colored scrap, colored and other products);
- Other areas – cover holding activities conducted by the company, financing activities, developer's activity, and recovery of materials.

Thanks to many years of experience, the Group is widely recognized on the Polish and the European market; managed by highly qualified and experienced staff, possessing comprehensive knowledge and extensive industry experience. Thus, the Group often accurately identifies market trends, which allows it to maintain good customer relationships and therefore high volume of turnover.

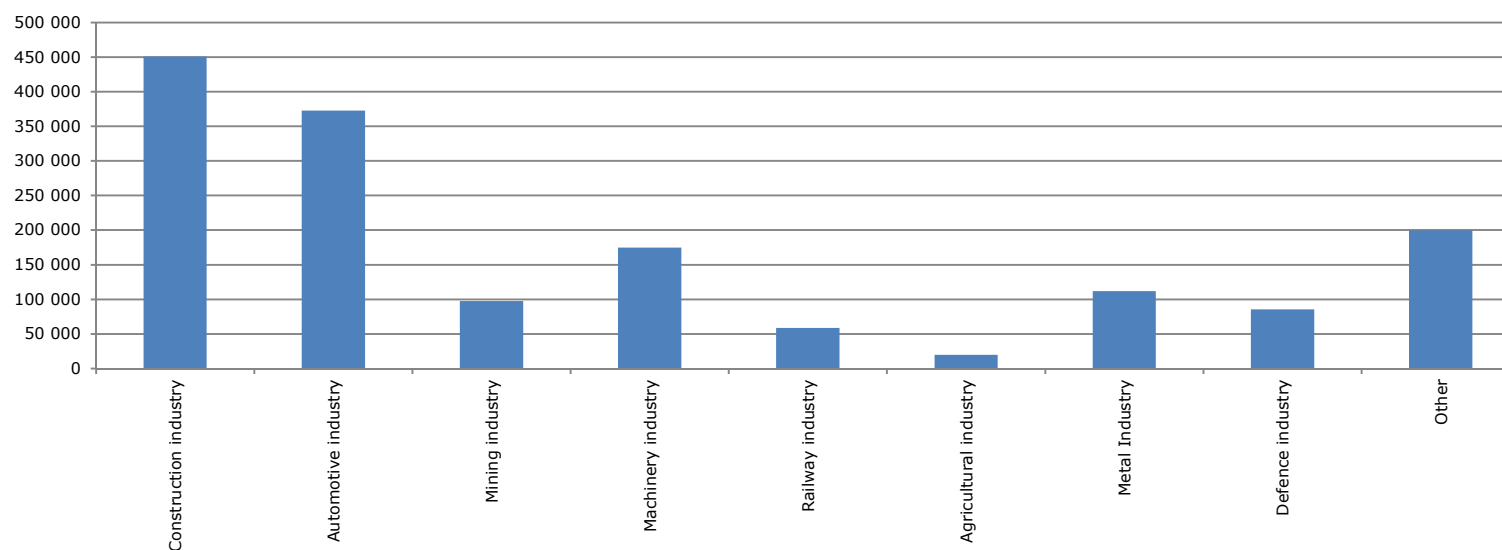


The Group sells products that are used in the construction, automotive, machine and armament industries. The structure of the Group's sales revenues by industry segments and geographical tables are presented in the tables below.

EC DMA

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No.	Industry sales segments	Cognor - 2019	
		/ data in thous. PLN /	/ percentage /
1	Construction industry	450 972	28.71%
2	Automotive industry	372 452	23.71%
3	Mining industry	97 347	6.20%
4	Machinery industry	174 756	11.13%
5	Railway industry	58 464	3.72%
6	Agricultural industry	19 720	1.26%
7	Metal Industry	111 715	7.11%
8	Defense industry	85 453	5.44%
9	Other	199 790	12.72%

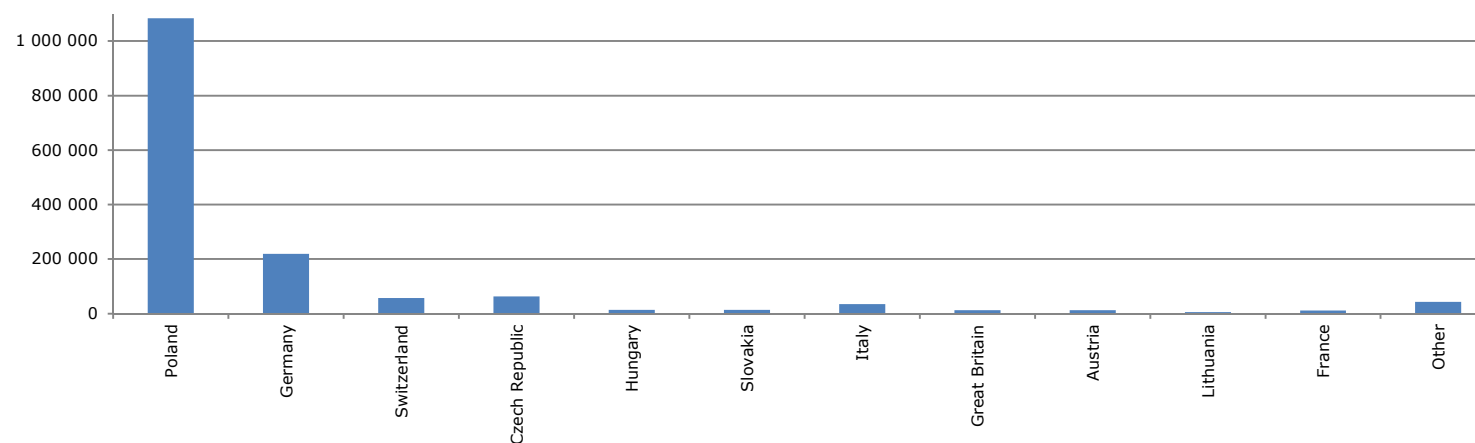


No.	Industry sales segments	Cognor - 2018	
		/ data in thous. PLN /	/ percentage /
1	Construction industry	525 663	30.94%
2	Automotive industry	452 144	26.61%
3	Mining industry	155 839	7.21%
4	Machinery industry	174 575	10.27%
5	Railway industry	72 766	4.28%
6	Agricultural industry	11 839	0.70%
7	Metal Industry	113 915	6.70%
8	Defense industry	109 575	6.45%
9	Other	116 053	6.83%

No.	Industry sales segments	Cognor - 2017	
		/ data in thous. PLN /	/ percentage /
1	Construction industry	498 719	34.3%
2	Automotive industry	311 411	21.4%
3	Mining industry	155 839	10.7%
4	Machinery industry	143 310	9.9%
5	Railway industry	58 053	4.0%
6	Agricultural industry	5 879	0.4%
7	Metal Industry	111 009	7.6%
8	Defense industry	75 895	5.2%
9	Other	92 287	6.4%

NON-FINANCIAL DATA REPORT COGNOR GROUP FOR 2019

No.	Geographical sales segments	Cognor - 2019	
		/ data in thous. PLN /	/ percentage /
1	Poland	1 083 676	68.99%
2	Germany	219 723	13.99%
3	Switzerland	57 560	3.66%
4	Czech Republic	62 428	3.97%
5	Hungary	13 390	0.85%
6	Slovakia	13 635	0.87%
7	Italy	34 986	2.23%
8	Great Britain	12 931	0.82%
9	Austria	12 515	0.80%
10	Lithuania	5 384	0.34%
11	France	11 028	0.70%
12	Other	43 413	2.78%



No.	Geographical sales segments	Cognor - 2018	
		/ data in thous. PLN /	/ percentage /
1	Poland	1 122 267	66.05%
2	Germany	273 790	16.11%
3	Switzerland	64 017	3.77%
4	Czech Republic	93 487	5.50%
5	Hungary	18 045	1.06%
6	Slovakia	13 242	0.78%
7	Italy	48 523	2.86%
8	Great Britain	6 832	0.40%
9	Austria	14 581	0.86%
10	Lithuania	5 747	0.34%
11	France	13 242	0.77%
12	Other	25 519	1.50%

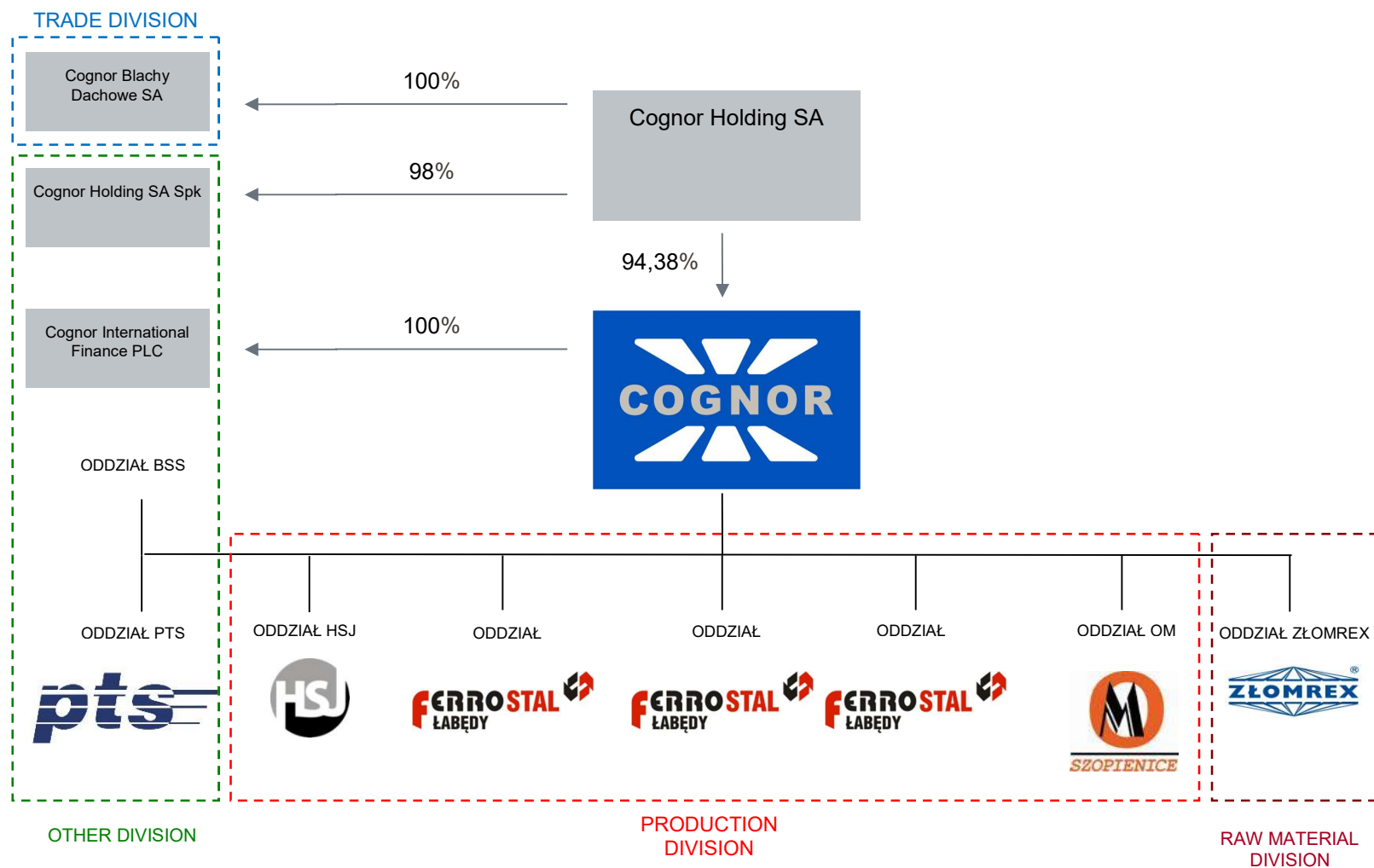
No.	Geographical sales segments	Cognor - 2017	
		/ data in thous. PLN /	/ percentage /
1	Poland	1 036 504	71.4 %
2	Germany	212 859	14.7 %
3	Switzerland	41 762	2.9 %
4	Czech Republic	75 356	5.2 %
5	Hungary	16 898	1.2 %
6	Slovakia	9 950	0.7 %
7	Italy	8 397	0.6 %
8	Spain	10 170	0.7 %
9	Austria	10 009	0.7 %
10	Lithuania	3 805	0.3 %
11	Romania	5 607	0.4 %
12	Other	21 085	1.4 %

G4-7

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According to the sectoral division used by the Warsaw Stock Exchange, Cognor Holding S.A. is classified in the iron and steel industry. As the parent undertaking, it creates the Cognor Group together with its 5 subsidiaries. One of the subsidiaries - Cognor S.A. - has separated 7 branches of its structure, constituting separate plants. The Stalowa Wola branch includes a steel mill, long products rolling mill and two rolling mills of flat products. The Gliwice branch is a steel plant and there are rolling mills in Zawiercie and Kraków. The Wrocław branch deals in obtaining and trading in scrap metal. The Katowice branch produces products such as rolled and cast zinc

anodes, solid and hollow rods from bronze and brass. The PTS branch in Kraków is a transport division. The graph below illustrates in which divisions individual entities are active.



Name and legal form of the entity	Headquarters	Core business	Held shares and voting rights	
SUBSIDIARIES				
Cognor S.A.	Poland (Poraj)	Production of cast iron, steel and cast iron alloys	94.38 %	*
Cognor Holding S.A. Sp.K.	Poland (Poraj)	Construction works associated with constructing residential and non-residential buildings	98.0 %	*
COGNOR Blachy Dachowe S.A.	Poland (Cracow)	Production and sale of roofing materials	100.0 %	*
Cognor International Finance PLC	Great Britain (London)	Financial services, issue of bonds	100.0 %	**

* held shares and voting rights belonging to Cognor Holding S.A.

** held shares and voting rights belonging to Cognor S.A.

2.2. CHAIN VALUES AND SUPPLIES

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Used raw material

The basic raw material used in the Group's production process is steel scrap. The dominant part of the volume of obtained raw materials comes from the domestic market. The Group has a diversified fragmented supplier base.

Acquisition of raw material

The acquisition of scrap metal takes place through its own scrap metal network consisting of 14 branches located throughout Poland, as well as a network of cooperating local scrap purchasing centers. The Group's scrap suppliers also include enterprises that are the original sources of this raw material, such as industrial plants and scrap collection points, which serve as collection points for scrap metal from where entities dealing in industrial scrap collection can deliver the recovered material. The Group's branches are equipped with specialized equipment necessary for purchasing, processing and dispatching scrap.



Transportation of raw material

The majority of harvested scrap is delivered directly by suppliers to the Group's smelters. The remaining scrap metal is transported to the branches by its (COGNOR'S) own transport fleet for processing and refining, and further for the purpose of dispatching to the smelters by its own or commissioned transport.

Raw material storage

Acquired scrap is stored in the Group's locations until it is sold to customers or used in steelworks for the production of semi-finished products and final products. The Group maintains a stock of scrap that is able to satisfy the production capacity for a period of approximately 2 to 3 weeks. This allows Cognor to maintain production continuity with efficient inventory management in production planning. The above solutions allow fulfilling the 12th Goal from UN Sustainable Development Goals - Sustainable Consumption and Production.

Acquisition of other production raw materials

Ferroalloys, electrodes, refractory materials and other raw materials for production are purchased from a number of suppliers, from Poland and abroad, on the basis of one-off contracts, agreed each time before the purchase transaction or long-term contract carrying with it stability of supply and the agreed terms and conditions.

Production process

In the production process, the Group uses EAF (Electric Arc Furnace) technology, which consists in fusing scrap using a high-power arc. According to World Steel Association data, in 2018, 28.8% of global crude steel production was made using the technology used by the Group. For the remaining steel in the production scope, producers use BOF (Basic Oxygen Furnace) technology (up from 25.7% in 2016 and 28.0% in 2017). This involves the production of steel using a converter furnace, where pig iron is produced using a blast furnace from iron ore and coking coal products. Pig iron is an iron alloy with a high proportion of coal, with a small (up to 30%) addition of steel scrap added.

EAF is a more modern and efficient technology (it has a favorable energy balance - i.e., energy costs are lower due to lower weight of the load) than BOF technology and at the same time much less burdensome for the natural environment, thus its significance on the global market in recent years dynamically growing.

Sale

The Group's sales are carried out on the domestic and foreign markets, primarily in Europe, where products are mainly delivered for entities operating in the construction and automotive industries. The leading products are a finned rod for concrete reinforcement and a quality steel bar (SQ rod).



3. STRATEGY AND PLANS OF THE ENTERPRISE



3.1. CHALLENGES AND OPPORTUNITIES

G4-9

The medium-term economic forecasts indicate that global steel production will rise to 1.87 billion Mg by 2020, generating an average annual increase of 1.92%. Based on Metals Consulting International Ltd.'s forecasts, we expect global apparent use of steel products to grow by 2020 at a rate of around 2% per year.

When analyzing the market for steel products, it should be emphasized that it is characterized by high fluctuation in the area of prices for steel products and raw materials as well as the demand for particular assortments. The Group's strategy assumes reducing the above risks through high flexibility in terms of the range offered, which allows the Group's offer to be adjusted to the current market expectations.

In the coming years, it is expected that EU's climate policy will be tightened up which will result in the introduction of CO₂ emission limits, leading to an increase in the cost of purchasing emission allowances, which will have a direct impact on the increase of steel production costs and the position of the Group's competitors using BOF technology. The Group takes into account the changes that may be introduced as a result of ongoing work on the Directive of the European Parliament and the Council concerning the greenhouse gas emission allowance in the European Union. The purpose of the changes is to define the shape of the allowance trading system in the years 2021-2030 (the so-called "fourth settlement period"), which will reduce greenhouse gas emissions in the European Union by at least 40% compared to 1999 levels by 2030. It is expected that the price of CO₂ emission allowances may increase from EUR 15 in 2020 to EUR 35 in 2030, with the current price of approx. EUR 5. *(source: Comment of the Polish Electricity Committee on the proposed reform of the EU ETS from February 21, 2017 - [http://www.pkee.pl/pl/publikacje,3,stanowiska,- str. 2](http://www.pkee.pl/pl/publikacje,3,stanowiska,-str.2)).*

3.2. GROUP POTENTIAL AND MAIN GOAL

The Cognor strategy is based on building shareholder value by maximizing profitability while striving to build the dividend capacity in line with the principles of sustainable development. The Group's mission is to meet the customers' requirements while maintaining the highest quality standards and professional service.

The Group's strategy elements include, among others:

- striving to increase flexibility in the range of offered products and the possibility of adapting it to the current market needs by improving technologies and increasing production capacity in the desired areas.
- cost optimization based on organizational and investment activities.
- active capital structure management to reduce debt servicing costs and improve the balance sheet structure.

Among the competitive advantages, one can distinguish many years of experience in the steel industry, vertical integration and strong presence in selected market segments, flexibility in the range of the offered assortment and the ability to adapt the offer to current customer needs the ability to offer short series and the use of environmentally friendly steel smelting technology.

The Group strives to achieve process and organizational innovations, thereby monitoring the levels of key performance indicators related to the generated costs and the achieved productivity in its plants. The implementation of these goals is favored by the undertaken investments, which mainly involved the modernization of fixed assets, thus allowing a permanent reduction of the process costs.

The implemented activities allow the Group to improve the technology and increase the scale effect, which contributes to the reduction of fixed costs. Innovations implemented in the period covered by the report resulted in the expansion of the range of manufactured products, reduction in production costs and improvement in the quality of steel products. For example, from 2017, the Cognor Branch in Gliwice began a project on the development of economically rational and innovative ecological technology for steel production in EAF electric arc furnace based on the recycling of iron-bearing waste, including scum, total value of PLN 17.4 million. This project will be implemented by March 2020. In addition, installations spraying water with roads at slag processing were made, which reduces secondary dustiness during transport works in periods when this emission is the highest (slag exports, scrap metal deliveries, technological work around slag pits). In 2019, among others sealing the KG system by purchasing 2 new KG covers. Accurate adhesion of the cover to the steel edge reduces heat loss. In 2020, further sealing of the KG system is planned by installing a dryer / heater which will reduce heat loss, reduce media consumption, shorten the soaking and drying time of ceramic materials to 16 hours. The estimated saving on gas consumption will be around 330,000.00 Nm³ / year. For the years 2020-2021, as part of the modernization of the EAF furnace node, an extension to the existing second flue gas dedusting line from the furnace is provided for. Thus, the gas reception from the current one



- 600,000 / NM³ will increase to 1,200,000 / NM³. The size of the exhaust gas filtration surface will also be doubled. The implementation of this investment should significantly improve the conditions prevailing inside the EAF Furnace Hall in various furnace operating cycles and ensure obtaining dust emissions below 4.99 mg / Nm³ on chimneys. Controlling the operation of the dust extraction plant will allow the full use of gas collection from current points - EAF furnace, hall roof space and LHF furnace.

In 2018/2019, several investments with a positive impact on the environment were carried out at the Cognor Branch in Stalowa Wola by reducing natural gas and electricity consumption, thereby reducing CO₂ emissions to the atmosphere. The construction of a new rotary furnace at the Rolling Mill (2018/2019) brought the greatest results, where a reduction of gas consumption per ton of heated charge by 9Nm³ was achieved. Another important investment for the environment was the replacement of the gas steam generator at the Steel Plant (steam boiler) for the needs of the vacuum generation process, whereby a 15% reduction in gas consumption per ton of steel produced was achieved. On the other hand, the modernization of the electric arc furnace at the Steel Plant reduced gas and electricity consumption per ton of steel produced by 3 and 3.5%, respectively.

The acquisition of the Odlewnia Metali Szopienice (currently Cognor OM Szopienice branch in Katowice) was also a step in the implementation of the Group's strategy, which enables further diversification expanding the offer with products such as rolled and cast zinc anodes, solid and hollow rods from bronze and brass.

The Cognor Group has many years of cooperation with numerous scientific institutions, including the AGH Akademia Górniczo-Hutnicza in Krakow, the Instytut Metalurgii Żelaza in Gliwice, the Politechnika Śląska in Katowice and the Instytut Materiałów Ogniotrwałych in Gliwice. The Group uses programs administered by the National Center for Research and Development, in particular, as part of the INNOSTAL sector program. By developing innovations within the Group, the company pursues objective no. 9 Innovation, Industry, Infrastructure.

The company cooperates, inter alia, with the automotive and defense industries, in which stricter quality standards apply.

The company in its activities contributes to the goals identified by the United Nations - Sustainable Development Goals in particular:



details in section 4.1. - Management of Employees' Potential
details in section 6.6. - Organization Affiliation



details in section 4.3. - Ethics and Equal Rights



details in section 3.2. - Group Potential and Main Goal



details in section 4.1. - Management of Employees' Potential



details in section 7. - Rational Use of the Environment

No.	Indicator Name	Indicator Description	2017 Indicator Value	2018 Indicator Value	2019 Indicator Value
1	EBITDA to a ton of sold semi-finished products and steel products	PLN/Mg	192.10	304.39	145.71
2	Number of semi-finished and steel products per employee employed in this business segment	Mg/person	420.52	407.94	423.24
3	The cost of employees wages of the semi-finished and steel products segment on the volume of sales	PLN/Mg	157.80	184.86	177.39
4	Depreciation / remuneration ratio	%	31.63	29.49	31.59
6	Percentage of complaints in the semi-finished and segment products	%	0.29	0.22	0.27
8	Electricity consumption up to one ton of production of semi-finished and steel products	kWh/Mg	571.58	576.91	558.37
9	Gas consumption up to one ton of production of semi-finished and steel products	m3/Mg	58.69	62.52	57.44
10	Oxygen consumption up to one ton of production of semi-finished and steel products	m3/Mg	50.70	51.01	51.23
11	The sum of R & D expenses related to sales revenues	%	0.19	0.59	0.36
12	Ratio of investment outlays and repairs to depreciation	%	103.81	152.72	309.36

G4-13

Presented in the report information such as the size, structure, property forms, the supply chain do not differ from the information presented in the last year's report, which was the first non-financial data report of the Cognor Group. The last year's report was published on February 28, 2019.

G4-29

3.3. RISK PROTECTION MECHANISMS

G4-2

The Cognor Capital Group strategy implies such risk management so that the group is able to fully identify, measure and consciously react to the changing business environment. With a view for maximizing the profitability of its business, the Group has taken steps and implemented procedures aimed at minimizing risks.

G4-14
G4-56

The organizational structure of the Group allows minimizing risks, including negative impact on society and the natural environment. Its flat nature promotes effective identification and prevention actions by unit managers who are required to monitor the risks in their area of responsibility. The identified risks are analyzed and presented to the Group's management with a proposal for the actions to be taken. The Code of Ethics elaborated and adopted includes, among other things, the principles of sustainable development which the Group follows. In addition, there are a number of other internal standards on the basis of which the Company operates and which are oriented on issues related to risk management, including Regulations for Personal Data Protection in the Cognor Group, Occupational Health and Safety Policy and Anti-mobbing Policy, Financial Risk Security Policy, Dividend Policy.

One of the elements of activities to minimize non-financial risk is the continuous improvement of business processes, which is confirmed by certificates obtained by individual Group entities:

1. Cognor HSJ Branch in Stalowa Wola

- RINA - IQ Net - Quality Management System ISO 9001:2008, Quality management system TS 16949:2009,
- Det Norske Veritas certificate (DNV-GL) - Production of steel and rolled products,
- TÜV Nord 97/23/WE certificate (Quality assurance system for the material manufacturer according to Directive 97/23 / WE on pressure equipment),
- TÜV Nord AD 2000 certificate (AD 2000-Merkblatt WO) - Recognition as a producer of materials according to AD 2000,
- TÜV NORD certificate - DIN EN 10025-1:2005 (Factory production control in accordance with DIN EN 10025-1: 2005 - hot rolled steel sheets and rods for construction in grade S235 to S 690 according to DIN EN 10025-1: 2005,
- Concession of the Ministry of Interior and Administration for conducting business activity in the field of manufacturing and trading in explosives, weapons, ammunition and products and technology for military or police purposes,
- Quality Management System Certificate,
- Trading Control Policy,
- AQAP certificate – Quality system for military suppliers,



2. Cognor Ferrostal Łabędy branch in Krakow,
 - TÜV Rheinland System Certificate - Quality Assurance of the Material Manufacturer,
 - ZETOM Certificate - Conformity of the factory production control,
 - Declaration of Commercial property,
 - ÜBEREINSTIMMUNGS Certificate,
 - TZÚS CZ, Certificate,
 - TZÚS SK. Certificate.
3. Cognor Ferrostal Łabędy branch in Zawiercie
 - Germanischer Lloyd (DNV-GL) Certificate - Recognition of the production of steel and semi-finished products,
 - ZETOM Certificate - Conformity of the factory production control.
4. Cognor Ferrostal Łabędy branch in Gliwice
 - TÜV NORD CERT GmbH Certificate - Management System EN ISO 9001 : 2015,
 - Germanischer Lloyd (DNV-GL) Certificate - Recognition of the production of steel and semi-finished products,
 - Lloyd's Register (LRS) Certificate - Recognition of the production of steel and semi-finished products,
 - TÜV Rheinland System Certificate - Quality Assurance of the Material Manufacturer.
5. Cognor OM Szopienice branch in Katowice
 - Certificate of the PRS Certification ISO 9001: 2015
6. Cognor Złomrex Branch in Wrocław
 - Certificate of the Council Chamber of Commerce and Industry of Scrap Economy.

No.	Identified non-financial risk	Ways of counteracting
1	Risk of concentration of suppliers and consumers	We strive to make the group as independent as possible from suppliers or customers. In terms of deliveries, we achieve this by expanding the knowledge of possible suppliers and we are currently carrying out purchases from several suppliers. With regard to recipients, we try to expand to as many as possible within a given sector as well as increase the number of industry segments that are the recipients of our products.
2	Risk of dependence on the subcontractor	Functioning in the current business model, which we treat as the target, has allowed us to reduce this risk to a minimum. We have now mastered the full production cycle within the Group, from obtaining the raw material to the final product. Subcontracting services may take place in emergency situations: failures, relocation, mismatch of production capacity of individual elements in the production chain.
3	Negative impact on the environment through the activity of steel works	The Group has full knowledge of the negative impact of its operations on the natural environment and therefore emphasizes great importance in the reduction of environmental nuisance by those organizational units that affect it adversely, inter alia, as part of the activities and behaviors defined by the implemented PN-N 18001 standard: 2004. In order to prevent incidents threatening the natural environment, cyclical measurements and assessments of organized emissions are carried out, the task of which is to identify possible exceedances of emission allowances set in the so-called integrated permit.
4	Reputation risk related to suspicion of corrupt activities	The Group is aware of the risks associated with operations in its industry. Appreciating the importance of the company's reputation and good name, anti-corruption policy has been implemented of the Code of Ethics, which among others regulates the rules of dealing with gifts, invitations and other material benefits. With regard to the problem of fraud, the Company uses procedures for the selection of suppliers and recipients.
5	Risk of failure to meet the quality of products and services.	The group emphasizes the improvement of processes in order to deliver the expected quality to its customers. An example of improving technological processes can be a development and modernization of the quality verification process.

6	The risk of disrupting the production process significantly	The group shall not exclude any random or other events which, for a long period, can disrupt production in the presumed dimension or in the extreme case of immobilization. The way to counteract this risk is to conduct proper policy in the area of maintenance, repairs and investment outlays. In the employee dimension, it is an appropriate policy of human resources management and dialogue, and in terms of financial flow, we use practices resulting from policies and procedures to prevent the occurrence of a shortage of funds.
7	Risk of accidents at work	The demanding nature of work and the specifics of the work environment within the Group's structures carry the risk of accidents at work. The Group, being aware of the risk in the area, constantly conducts activities aimed at improving the process of counteracting accidents. The company regularly organizes meetings of the Health and Safety Commission, social labor inspector, medical services and maintenance managers to identify potential hazards in the workplace and to identify preventive actions. The team's analyses are being developed to improve the safety of workers.
8	Loss of key employees of the group and lack of availability of resources on the market	The company's activities in steel industry require the hiring of employees with profiled competencies. Due to the drop in vocational education in this area, the expected competences are niche. Thus, the company recognizes the risks associated with the loss of key employees and their availability on the market. Due to this, the company counteracts the materialization of this risk by means of proprietary training programs for production workers.

4. HUMAN CAPITAL



4.1. MANAGEMENT OF EMPLOYEES' POTENTIAL

LA-DMA

A significant intangible asset at Group is the employees who create the organization. These employees provide an added value. Human Capital Management in the Group is implemented with attention to maintaining equal opportunities among current and potential employees. The personnel policy creates transparent terms of cooperation between interested parties. The recruitment process is conducted on the basis of identified competence gaps in given areas. In the process, due to the challenges of a demanding working environment, great attention is paid to select employees who will perform their duties in a responsible way. Conscious management of employees' potential allows them to level the problem of succession and to plan employment for an extended time horizon.

The Group hires employees based on employment contracts and civil law contracts. As of 31 December 2019, 2,007 employees were in the Capital Group based on employment contracts. Additionally, 95 people cooperated based on civil law contracts and mandatory contracts of commission and cooperation agreements with persons conducting business activity.

G4-10

No.	Employees by type of employment	Cognor - 2019	
		Women	Men
1	Employed for a definite period	43	306
2	Employed for an indefinite period	282	1 376
	Total	325	1 682

1	Employed on the basis of a contract of mandate	19	71
2	Employed on the basis of a contract for specific work	0	5
3	Employed on the basis of an internship agreement	0	0
4	Self-employed	0	0
	Total	19	76

No.	Employees by type of employment	Cognor - 2018	
		Women	Men
1	Employed for a definite period	49	378
2	Employed for an indefinite period	260	1 387
	Total	309	1 765

1	Employed on the basis of a contract of mandate	18	63
2	Employed on the basis of a contract for specific work	0	4
3	Employed on the basis of an internship agreement	0	0
4	Self-employed	0	15
	Total	18	82

No.	Employees by type of employment	Cognor - 2017	
		Women	Men
1	Employed for a definite period	79	642
2	Employed for an indefinite period	233	1 105
	Total	312	1 747

1	Employed on the basis of a contract of mandate	22	68
2	Employed on the basis of a contract for specific work	0	1
3	Employed on the basis of an internship agreement	1	1
4	Self-employed	0	15
	Total	23	85

No.	Employees by type of employment	Cognor - 2019	
		Women	Men
1	managers	32	87
2	production employees	101	1 362
3	nonproduction employees	192	233
	Total	325	1 682

No.	Employees by type of employment	Cognor - 2018	
		Women	Men
1	managers	29	90
2	production employees	96	1 460
3	nonproduction employees	182	228
	Total	307	1 778

No.	Employees by type of employment	Cognor - 2017	
		Women	Men
1	managers	32	98
2	production employees	94	1 416
3	nonproduction employees	186	233
	Total	312	1 747

No.	Employees by age category	Cognor - 2019	
		Women	Men
1	up to 30 years	37	255
2	from 31 to 50 years	171	794
3	over 51 years	117	633
	Total	325	1 682

No.	Employees by age category	Cognor - 2018	
		Women	Men
1	up to 30 years	39	274
2	from 31 to 50 years	157	879
3	over 51 years	113	612
	Total	309	1 765

No.	Employees by age category	Cognor - 2017	
		Women	Men
1	up to 30 years	44	266
2	from 31 to 50 years	146	850
3	over 51 years	122	631
	Total	312	1 747

G4-EC
COG 1

Lp.	Employees Salaries in relation to the average wages in the enterprise sector	Cognor - 2019	
		Average wages in Group in 2019	The ratio of the average wages in the Group to the average wages in the enterprise sector
1	PLN 5 152.78	PLN 6 018.40	116.8 %

Lp.	Employees Salaries in relation to the average wages in the enterprise sector	Cognor - 2018	
		Average wages in Group in 2018	The ratio of the average wages in the Group to the average wages in the enterprise sector
1	PLN 4 834.19	PLN 6 148.74	127.2 %

Lp.	Employees Salaries in relation to the average wages in the enterprise sector	Cognor - 2017	
		Average wages in Group in 2017	The ratio of the average wages in the Group to the average wages in the enterprise sector
1	PLN 4 513.26	PLN 5 048.76	119.8 %

G4-LA1

No.	Total number of employees by gender	Cognor - 2019		
		Total number of employees	Number of newly hired employees	Percentage of newly hired employees
1	Women	325	29	8.9 %
2	Men	1 682	155	9.2 %
	Total	2 007	184	9.2 %

No.	Total number of employees by gender	Cognor - 2018		
		Total number of employees	Number of newly hired employees	Percentage of newly hired employees
1	Women	309	37	12.0 %
2	Men	1 765	296	16.8 %
	Total	2 074	333	16.1 %

No.	Total number of employees by gender	Cognor - 2018		
		Total number of employees	Number of newly hired employees	Percentage of newly hired employees
1	Women	312	42	13.5 %
2	Men	1 747	322	18.4 %
	Total	2 059	364	17.7 %

No.	Total number of employees by age	Cognor - 2019		
		Total number of employees	Number of newly hired employees	Percentage of newly hired employees
1	up to 30 years	292	65	22.3 %
2	from 31 to 50 years	965	92	9.5 %
3	over 51 years	750	27	3.6 %
	Total	2 007	184	9.2 %

No.	Total number of employees by age	Cognor - 2018		
		Total number of employees	Number of newly hired employees	Percentage of newly hired employees
1	up to 30 years	313	122	39.0 %
2	from 31 to 50 years	1 036	154	14.9 %
3	over 51 years	725	59	8.1 %
	Total	2 074	333	16.1 %

No.	Total number of employees by age	Cognor - 2017		
		Total number of employees	Number of newly hired employees	Percentage of newly hired employees
1	up to 30 years	310	124	40.0 %
2	from 31 to 50 years	996	187	18.8 %
3	over 51 years	753	53	7.0 %
	Total	2 059	364	17.7 %

No.	Total number of employees by gender	Cognor - 2019		
		Total number of employees	Number of employees leaving	Percentage of employees leaving
1	Women	325	31	9.5 %
2	Men	1 682	254	15.1 %
	Total	2 007	285	14.2 %

No.	Total number of employees by gender	Cognor - 2018		
		Total number of employees	Number of employees leaving	Percentage of employees leaving
1	Women	309	40	12.9 %
2	Men	1 765	268	15.2 %
	Total	2 074	308	14.9 %

No.	Total number of employees by gender	Cognor - 2017		
		Total number of employees	Number of employees leaving	Percentage of employees leaving
1	Women	312	37	11.9 %
2	Men	1 747	280	16.0 %
	Total	2 059	317	15.4 %

No.	Total number of employees by age	Cognor - 2019		
		Total number of employees	Number of employees leaving	Percentage of employees leaving
1	up to 30 years	292	87	29.8 %
2	from 31 to 50 years	965	128	13.3 %
3	over 51 years	750	70	9.3 %
	Total	2 007	285	14.2 %

No.	Total number of employees by age	Cognor - 2018		
		Total number of employees	Number of employees leaving	Percentage of employees leaving
1	up to 30 years	313	88	28.1 %
2	from 31 to 50 years	1 036	128	12.4 %
3	over 51 years	725	92	12.7 %
	Total	2 074	308	14.9 %

No.	Total number of employees by age	Cognor - 2017		
		Total number of employees	Number of employees leaving	Percentage of employees leaving
1	up to 30 years	310	93	30.0 %
2	from 31 to 50 years	996	133	13.4 %
3	over 51 years	753	91	12.1 %
	Total	2 059	317	15.4 %

An important aspect of the organizational culture in the Group is the generational and family nature of work. Employees share their experience with their families and friends, thus influencing the decision to hire and cooperate within the Group. This type of behavior is associated primarily with the tradition and history of the

regions with which the Group units are associated. The Group makes every effort to maintain regional customs by regularly organizing events for employees for example the Steelworker's Day. The Steel Worker's Day is also an opportunity to summarize and exchange experiences between the factories and integrate employees. For most of them, it is a special event for the traditional awarding of distinctions and decorations for commitment and long-term work. Due to the dispersion of the Group's companies and regional conditions related to it, the Management Boards of individual entities are free to choose tools that allow more building of positive relationships with employees. In some Companies, programs offer additional employee benefits, including, among others, medical care for the families of employees. The programs developed together with the management, help increase the employees' involvement in the company's operations, and create an atmosphere of respect and mutual trust, as well as positively affect staff turnover. This initiative is part of the 3rd UN Sustainable Development Goal - Good Health and Well-Being.

The Group has a common insurance policy, based on ensuring a uniform scope of insurance coverage.

G4-LA3

No.	The percentage of returns to work and the retention rate after maternity / paternity leave, in relation to sex	Cognor - 2019	
		Women	Men
1	The number of employees who took advantage of maternity / paternity leave	21	11
2	Number of employees who returned to work after maternity / maternity leave	12	11
3	Number of employees who returned to work after maternity / maternity leave and worked in the organization for 12 consecutive months after returning	1	1
4	Return to work indicator	57.1 %	100 %

No.	The percentage of returns to work and the retention rate after maternity / paternity leave, in relation to sex	Cognor - 2018	
		Women	Men
1	The number of employees who took advantage of maternity / paternity leave	19	13
2	Number of employees who returned to work after maternity / maternity leave	8	12
3	Number of employees who returned to work after maternity / maternity leave and worked in the organization for 12 consecutive months after returning	4	7
4	Return to work indicator	42.1 %	92.3 %

No.	The percentage of returns to work and the retention rate after maternity / paternity leave, in relation to sex	Cognor - 2017	
		Women	Men
1	The number of employees who took advantage of maternity / paternity leave	13	5
2	Number of employees who returned to work after maternity / maternity leave	6	4
3	Number of employees who returned to work after maternity / maternity leave and worked in the organization for 12 consecutive months after returning	3	2
4	Return to work indicator	46.2 %	80.0 %

An important element of HR management of the Group is the employee appraisal system. At Group, an employees' assessment is carried out on a regular basis and periodically by the immediate supervisor.

During the assessment, both the employee and the supervisor have the opportunity to summarize the results and talk about expectations and challenges for the next year. The applied form of assessment improves communication and allows more effective management of employee development.

G4-LA11

No.	Percentage of employees receiving regular assessments of their results and professional development information	Cognor - 2019	
		Women	Men
1	Production employees	55.4 %	54.0 %
2	Nonproduction employees	37.0 %	35.2 %

No.	Percentage of employees receiving regular assessments of their results and professional development information	Cognor - 2018	
		Women	Men
1	Production employees	69.8 %	52.7 %
2	Nonproduction employees	27.5 %	19.3 %

No.	Percentage of employees receiving regular assessments of their results and professional development information	Cognor - 2017	
		Women	Men
1	Production employees	74.5 %	51.0 %
2	Nonproduction employees	20.2 %	23.9 %

LA-DMA

Due to the special work environment characterized by the metallurgical and steel industries, the Company has a formula of its own training program for production workers employed within its structures. Newly recruited employees are trained on the basis of identified requirements for a given position and individual predispositions. It is worth noting that the training program developed within the Group enables the preparation of employees who do not have experience in the metallurgical and steel industries. Employee training takes place under the supervision of experienced staff and is carried out within teams to which the employee is assigned, which helps employees to establish relationships and adaptations in the new environment.

The form of training carried out as part of teams focuses on the substitutability of employees in the event of unforeseen events. In this respect, the Group complements public functions and expresses its social commitment. These types of activities express the implementation of the Group's social mission.

Another dimension of social responsibility implementation is professional activation of people with disabilities. The key criterion for selecting a supplier providing services as part of supporting processes is the fact of employing disabled people. The company is ready to incur non-financial costs in this area due to the fact that it has the possibility to actively influence the prevention of social exclusion. The amount of PEFRON premiums expresses the Group's social involvement and is an indicator illustrating the size of the Group's influence and in this dimension, it pursues the goal no. 10th Sustainable Development Goal – Reduced Inequalities, which has been pointed out by the United Nations.

G4-LA9

No.	The average number of training hours per person	Cognor - 2019	
		Women	Men
1	The number of people participating in the training	174	1 252
2	Total number of training hours	4 031	33 463
3	Average number of training hours per employee	23	27

No.	The average number of training hours per person	Cognor - 2018	
		Women	Men
1	The number of people participating in the training	265	1 658
2	Total number of training hours	6 837	45 350
3	Average number of training hours per employee	26	27

No.	The average number of training hours per person	Cognor - 2017	
		Women	Men
1	The number of people participating in the training	250	1 582
2	Total number of training hours	5 225	34 133
3	Average number of training hours per employee	21	22

4.2. SAFETY AT WORK

LA-DMA

The Group attaches great importance to managing employee safety. Ensuring safe working conditions is the main priority of the organization's activities. In all units of the Group, through the Company Health and Safety Committees as well as representatives of the employer and cyclical employees, a review of working conditions is carried out to identify potential threats. The Group has common OHS and health and safety regulations. In addition, continuous monitoring of the security situation is carried out and the observance of rules by employees is controlled. Periodic meetings of the Health and Safety Commission, social labor inspector, medical services and maintenance managers are organized to identify potential hazards in the workplace and to establish preventive actions.

On this basis, actions are planned to improve the safety of employees. As part of the standards introduced in the Group, all new employees take part in the initial training.

Training in health and safety at work is also obligatory for all entities residing in the Group's units. Production workers are equipped with personal protective equipment. In addition, a Safety Management System was implemented in the Branch in Krakow according to standards PN-N 18001: 2004. As part of the implemented system, occupational risk assessment cards and procedures for maintaining safety at the workplace were prepared. In turn, the Branch in Stalowa Wola, due to the increased number of accidents at work and one fatal accident that took place in 2016, developed and implemented in 2017 a dedicated cycle of training in occupational safety and health under the slogan "zero tolerance for violations". The training campaign was aimed at making employees aware of potential threats resulting from non-compliance with safety rules. The meetings were meant to emphasize the importance and significance of cooperation between employees as well as mutual responsibility within the brigades. The cycle brought tangible results in the form of reducing the



number of accidents and lowering the accident frequency ratio of this branch, from 9.38 in 2016 to 6.62 in 2017, 4.38 in 2018 and 1.9 in 2019.

Occupational health and safety issues is the subject of formal agreements with trade unions operating in the Branches: Stalowa Wola, Gliwice, Kraków and OM Szopienice Branch in Katowice and PTS Branch in Kraków.

As of December 31, 2019, there are 12 trade unions in the Group associating 477 out of 2 007 employees of the Group.

G4-LA8

No.	Health and safety issues covered in formal agreements with trade unions
1	The rules of the Work Regulations in PTS Branch in the scope of: providing safe and hygienic working conditions, protection of women's work, occupational risk, personal protective equipment, protective and work clothing, medical examinations and health and safety training, procedures in the event of accidents.
2	Work Regulations of OM Szopienice Branch determined in consultation with trade union organizations in the field of, working conditions, medical examinations and OHS training.
3	Work Regulations of Cognor Branch in Gliwice – OHS - Employer's and employee's obligations
4	Occupational health and safety - Employer's and employee's obligations in the Cognor SA Employee Regulations. Chapter HSJ - Chapter XII "Occupational Health and Safety".

Due to the demanding working conditions related to the conducted activity, the employees of the Group are exposed to the risk of accidents and the impact of harmful factors. In 2019, there were a total of 40 accidents at work in the Group's units (37 of which were classified as light and 3 as hard). In the event of an accident at work, all causes of accidents are analyzed according to TOL method allowing determining whether the incident occurred for technical, organizational or human reasons. Based on the analysis carried out, within which direct and indirect causes are identified, actions to eliminate hazards are developed.

As at December 31, 2019, the Group employed 373 people in positions exposed to noxious and onerous factors, which accounted for 18.6% of all the employees of the Group.

In addition to training and continuous monitoring of the current state of safety, the Group also introduces technological solutions to eliminate hazards and improve occupational safety. An example of such an investment is the purchase of nearly 657 thousand PLN in 2015 dedicated robot Top Rotating Jointer for automatic connection and assembly of graphite electrodes.

G4-LA6

No.	Accidents at work by the severity of accidents	Cognor - 2019		
		Women	Men	Total
1	Total number of accidents at work	1	39	40
2	Number of fatal accidents	0	0	0
3	The number of heavy accidents	0	3	3
4	Number of light accidents	1	36	37
5	Total number of people injured in accidents	1	39	40

No.	Accidents at work by the severity of accidents	Cognor - 2018		
		Women	Men	Total
1	Total number of accidents at work	0	28	28
2	Number of fatal accidents	0	0	0
3	The number of heavy accidents	0	0	0
4	Number of light accidents	0	28	28
5	Total number of people injured in accidents	0	28	28

No.	Accidents at work by the severity of accidents	Cognor - 2017		
		Women	Men	Total
1	Total number of accidents at work	0	34	34
2	Number of fatal accidents	0	0	0
3	The number of heavy accidents	0	2	2
4	Number of light accidents	0	32	32
5	Total number of people injured in accidents	0	34	34

No.	Frequency of accidents and number of occupational diseases	Cognor - 2019		
		Women	Men	Total
1	Frequency rate of accidents	0.5	19.4	19.9
2	Number of days of work incapacity related to accidents at work	78	1 452	1 530
3	Indicator of diagnosed occupational diseases	0	0	0

No.	Frequency of accidents and number of occupational diseases	Cognor - 2018		
		Women	Men	Total
1	Frequency rate of accidents	0.0	13.5	13.5
2	Number of days of work incapacity related to accidents at work	0	925	925
3	Indicator of diagnosed occupational diseases	0	0	0

No.	Frequency of accidents and number of occupational diseases	Cognor - 2017		
		Women	Men	Total
1	Frequency rate of accidents	0.0	16.5	16.5
2	Number of days of work incapacity related to accidents at work	0	1 615	1 615
3	Indicator of diagnosed occupational diseases	0	0	0

4.3. ETHICS AND EQUAL RIGHTS

The Group attaches great importance to building good relations with employees based on respect, openness and mutual trust. The Group conducts an open dialogue with employees whose position is often represented by trade unions. The Group has various forms of information and communication. Employees may submit motions or complaints in writing, by telephone, electronically or at face-to-face meetings and conferences. In addition, meetings are held where employee issues are discussed. There is also a box for employee comments that allows an anonymous way to inform superiors about identified violations.

The Group cooperates with employees with full respect for their rights, applying principles of non-discrimination and equal opportunities in employment as part of cooperation, detailed in the Labor Regulations binding in the Group. Before starting employment, employees are informed about the right to equal treatment in employment based on the provisions of the Labor Code. The Code of Ethics operating in the Group is a "constitution" of the Company and also concerns the issues discussed. It prohibits ethnic, racial and religious discrimination, stigmatizes the violation of employee dignity, including any form of mobbing, sexual harassment, humiliation, intimidation, use of positions to achieve personal gain, and the dissemination of rumors, conflict initiation and denigration. The Code obliges management to shape a proper work culture and desired relations between colleagues. At the same time, on its basis, employees can count on support in difficult random situations and strive to resolve conflicts and disputes. The Code also gives employees the opportunity to anonymously report violations of the rules written in the code by contacting an ethics spokesperson. Ethical activities of the Group are reflected in the implementation of the 5th Objective of the UN Sustainable Development - Gender Equality.

G4-LA12

No.	Employees by age category and diversity	Cognor - 2019	
		Women	Men
1	up to 30 years	11.4	15.2
2	from 31 to 50 years	52.6	47.2
3	over 51 years	36.0	37.6
	Total Percentage Breakdown	100.0	100.0

No.	Employees by age category and diversity	Cognor - 2018	
		Women	Men
1	up to 30 years	12.6	15.5
2	from 31 to 50 years	50.8	49.8
3	over 51 years	36.6	34.7
	Total Percentage Breakdown	100.0	100.0

No.	Employees by age category and diversity	Cognor - 2017	
		Women	Men
1	up to 30 years	14.1	15.2
2	from 31 to 50 years	46.8	48.7
3	over 51 years	39.1	36.1
	Total Percentage Breakdown	100.0	100.0

No.	Employees by employment category	Cognor - 2019	
		Women	Men
1	managers	9.8	5.2
2	blue collar workers	31.1	81.0
3	white collar workers	59.1	13.8
	Total Percentage Breakdown	100.0	100.0

No.	Employees by employment category	Cognor - 2018	
		Women	Men
1	managers	9.5	5.1
2	blue collar workers	31.2	82.1
3	white collar workers	59.3	12.8
	Total Percentage Breakdown	100.0	100.0

No.	Employees by employment category	Cognor - 2017	
		Women	Men
1	managers	10.2	5.6
2	blue collar workers	30.1	81.1
3	white collar workers	59.7	13.3
	Total Percentage Breakdown	100.0	100.0

No.	Composition of the supervisory board by age and diversity category	Cognor - 2019	
		Women	Men
1	up to 30 years	0.0	0.0
2	from 31 to 50 years	0.0	0.0
3	over 51 years	0.0	100.0
	Total Percentage Breakdown	0.0	100.0

No.	Composition of the supervisory board by age and diversity category	Cognor - 2018	
		Women	Men
1	up to 30 years	0.0	0.0
2	from 31 to 50 years	0.0	0.0
3	over 51 years	0.0	100.0
	Total Percentage Breakdown	0.0	100.0

No.	Composition of the supervisory board by age and diversity category	Cognor - 2017	
		Women	Men
1	up to 30 years	0.0	0.0
2	from 31 to 50 years	0.0	20.0
3	over 51 years	0.0	80.0
	Total Percentage Breakdown	0.0	100.0

No.	Composition of the management board by age and diversity	Cognor - 2019	
		Women	Men
1	up to 30 years	0.0	0.0
2	from 31 to 50 years	0.0	50.0
3	over 51 years	0.0	50.0
	Total Percentage Breakdown	0.0	100.0

No.	Composition of the management board by age and diversity	Cognor - 2018	
		Women	Men
1	up to 30 years	0.0	0.0
2	from 31 to 50 years	0.0	50.0
3	over 51 years	0.0	50.0
	Total Percentage Breakdown	0.0	100.0

No.	Composition of the management board by age and diversity	Cognor - 2017	
		Women	Men
1	up to 30 years	0.0	0.0
2	from 31 to 50 years	0.0	50.0
3	over 51 years	0.0	50.0
	Total Percentage Breakdown	0.0	100.0



5. RELATIONS WITH THE ENVIRONMENT OF THE COMPANY



5.1. RESPONSIBILITY FOR THE PRODUCT AND CUSTOMER 's GOOD

PR-DMA

The Group conducts continuous improvement practices in the area of its key business processes. In order to ensure good and long-term relationships with their external environment, including contractors, the Group attaches great importance to ensuring the quality of products and services and makes every effort to meet customer expectations by providing a product with the required parameters. The quality of the Group's products is not only confirmed by numerous certifications and recognition of leading Classification Societies in the scope of applied procedures, but also by growing sales.

The Group has its own laboratories and instrumentation to test quality at every stage of production. The Stalowa Wola branch is equipped with a modern line for metallographic examination of products. Product inspection is carried out during production line processes. These inspections include grain size determination, depth of decarburization, and degree of steel contamination with non-metallic inclusions, structure banding and Widmannstätten structure intensification. In addition, the Group has licenses issued by the Ministry of the Interior and Administration (pol. MSWiA) for conducting business activity in the field of manufacturing and trading in explosives, weapons, ammunition as well as products and technology for military or police purposes. In 2011, the company obtained the patent No. 208955 titled "Micro-armored steel" and filed applications for inventions from 07.12.2009 no. 390260 titled "Stainless steel for armor plates and method of armor plates hardening". From 19.04.2010 the company obtained the patent No. 391366 titled "Armored steel for sheets with high toughness and method of plates hardening." In 2016 at the XX International Defense Industry Exhibition MSPO in Kielce, the company received a prestigious distinction - the DEFENDER award for the presented product solution - the ARMSTAL armored steel family.

The Group is committed to protecting customer data in its database. As part of its implemented Code of Ethics, the rules for dealing with sensitive data were defined. Employees are also familiar with the rules described in the Cognor Group Security Policy and the IT System Management Manual. They are encouraged to apply the Group's good practices in these areas. On this basis, employees are obliged to protect classified information and business secrets.



5.2. COMPLIANCE WITH THE RULES AND REGULATIONS

SO-DMA

Due to its large scale of operations, the company is subject to various legal regulations, including environmental protection, fire protection and safety, or labor laws. These regulations have a significant impact on the activity, which is why very much care is taken to respect them and monitor their changes. In some cases, Cognor's role is seen more broadly as the initiator of direct and indirect legislative changes. In this regard the Company had a contribution in sealing the tax law, thanks to which the depletion of the State budget was limited as the results of the fraud in the turnover of scrap and steel and metallurgical products. In the context of the European market, our efforts have contributed to more effective protection against the use of unfair commercial practices (dumping).

Particular attention is paid to cooperation with suppliers providing services within the Group's units. The Group makes every effort to ensure that suppliers and cooperating companies meet the requirements in terms of safety standards. An integral part of the order is the signing by suppliers of the declarations regarding the applicable health and safety conditions and environmental protection within units. In the case of work performed under the contract for specific work, information on compliance with health and safety conditions and environmental protection are included in the content of the contract. In addition, companies that carry out work on the premises of the units undergo OHS training confirmed by a written document. There are also information boards that constantly remind the companies of applicable health and safety regulations. In addition, in the Group, each contractor and supplier that cooperates with the Company's units is checked for current environmental protection permits. For example, the recipients of waste transport are checked for having a license in the field of waste transport, while the recipients of post-production waste are verified for the permission to collect or process a specific waste code before placing the order. Suppliers of raw materials, machines and devices before the service must submit declarations of conformity or safety data sheets and current registration documents. Employees of subcontractors, before the commencement of outsourced work, are subjected to detailed training in the range of hazards occurring in the units and the applicable procedures and standards. There is a designated person from technical supervision to oversee and cooperate with an external company.

In addition, some of the Group's plants have implemented Codes or Instructions regarding health and safety rules. For example, the Department in Krakow has a code called "Basic principles of safety and health at work for contractors", obliging contractors to inform employees about the rules prevailing at the plant. The Stalowa Wola branch adheres to the same standards in the field of employees providing services to the Group through the implementation of Instruction No. /01/HSJ/2016 Manual of Conditions and Safety of Passenger Traffic and Regulation No. 7/2012 on the organization and rules of health and safety training.

6. CULTURE MANAGEMENT AND CAPITAL MARKET



6.1. MANAGEMENT

G4-34

The General Meeting, the Supervisory Board and the Management Board are the main bodies of Cognor Holding S.A. In addition, the company operates an Audit Committee. The functioning of the above bodies is regulated by the Code of Commercial Companies, the Company's Articles of Association, the Regulations of the Supervisory Board and the Management Board as well as the corporate governance rules introduced by the Warsaw Stock Exchange S.A. in the form of "Best Practices of WSE Listed Companies".

The Management Board of COGNOR Holding S.A. directs the company's operations, manages its assets, represents the company outside in front of courts, authorities and third parties, and carries out all corporate affairs of the company except those reserved by law or the Company's Articles of Association to the exclusive competence of the Supervisory Board or the General Meeting of Shareholders. The mode of operation of the Management Board, as well as matters that may be entrusted to its individual members, are defined in detail in the Regulations of the Management Board. As at December 31, 2019, the Management Board of the Company is represented by four people. All Board Members are obliged and authorized to jointly manage the affairs of the Company.

THE MEMBERS OF THE MANAGEMENT BOARD			
FIRST NAME AND LAST NAME	JOB TITLE	DATE OF TAKING UP POSITION IN CURRENT TERM OF OFFICE	DATE OF EXPIRY OF THE CURRENT TERM OF OFFICE
Przemysław Sztuczkowski	President of the Management Board	19 May 2016	19 May 2021
Przemysław Grzesiak	Vice-President of the Management Board	19 May 2016	19 May 2021
Krzysztof Zoła	Member of the Management Board	19 May 2016	19 May 2021
Dominik Barszcz	Member of the Board	19 May 2016	19 May 2021

Current information on the Members of the Management Board of the Company can be found at: <http://Cognor.eu/o-nas/grupa-Cognor/Cognor-holding/zarzad/>.

6.2. SUPERVISORY BOARD

G4-34

The supervisory board shall have a continuous supervision over the activities of COGNOR Holding S.A. in all areas of the Company's operations. The Supervisory Board adopts resolutions on matters provided by the Code of Commercial Companies and the Company's Articles of Association. The detailed course of action of the Supervisory Board is defined in the Regulations of the Supervisory Board.

As at December 31, 2019, the Supervisory Board of the Company consists of five members. All members of the Supervisory Board meet the independent criteria set out in the Code of Best Practice for WSE Listed Companies and the Act on Certified Auditors.

MEMBERS OF THE SUPERVISORY BOARD			
FIRST NAME AND LAST NAME	JOB TITLE	DATE OF TAKING UP POSITION IN CURRENT TERM OF OFFICE	DATE OF EXPIRY OF THE CURRENT TERM OF OFFICE
Hubert Janiszewski	Chairman of the Supervisory Board	29 June 2016	29 June 2021
Piotr Freyberg	Deputy Chairman of the Supervisory Board	29 June 2016	29 June 2021
Marek Rocki	Member of the Supervisory Board	29 June 2016	29 June 2021
Jerzy Kak	Member of the Supervisory Board	29 June 2016	29 June 2021
Zbigniew Łapiński	Secretary of the Supervisory Board	29 June 2016	29 June 2021

Current information on the Members of the Supervisory Board of the Company can be found at: <http://Cognor.eu/o-nas/grupa-Cognor/Cognor-holding/rada-nadzorcza/>.

6.3. CORPORATE GOVERNANCE AND GOOD PRACTICE

G4-34

COGNOR Holding S.A. strives to apply the highest management standards in all of its activities. The decision-making processes within the company are transparent. The Management Board and its organizational units maintain the utmost diligence in transmitting key information to the market, doing it reliably and in a timely manner.

Corporate governance is an instrument that increases the Company's credibility, indicates the transparency of the Group's operations, and maintains trust in relations with its stakeholders and building shareholder value.

Cognor Holding S.A. followed the set of rules "Best Practices of Companies Listed on the Stock Exchange" (DPSN by its Polish acronym). The intention of the Management Board is to apply all the corporate governance rules. According to the current state of application of Good Practices, the Company does not apply 3 recommendations: III.R.1., VI.R.1., VI.R.2. and 12 specific rules: I.Z.1.8, I.Z.1.16., I.Z.1.20., II.Z.1., II.Z.6., IV.Z.3., IV.Z.5., IV.Z.7.

6.4. CAPITAL MARKET

Cognor Holding S.A. is the parent company in the Cognor Capital Group. The Company's shares are listed on the main market of the Warsaw Stock Exchange in the continuous trading system. The total number of all issued shares of the Company is 123 940 417 shares / nominal value of shares 1.50 PLN, share capital PLN 185 910 625.50

The shareholding structure as at December 31, 2019 was as follows:

G4-7

SHAREHOLDER	THE NUMBER OF SHARES	PARTICIPATION IN SHARE CAPITAL	THE NUMBER OF VOTES	THE NUMBER OF VOTES ON AGM
PS HoldCo Sp. z o. o.	92 430 239	74.58 %	92 430 239	74.58 %
Fragmented shareholding structure	31 510 178	25.42 %	31 510 178	25.42 %
TOTAL	123 940 417	100.00 %	123 940 417	100.00 %

KEY DATA	UNIT	2019
The highest share price /25.02.2019/	PLN	2.0600
The lowest share price/11.12.2019/	PLN	1.1100
The share price at the end of the year	PLN	1.2400
The average share price in the year	PLN	1.6652
The number of shares issued	NO.	123 940 417
Market capitalization at the end of the year	PLN	153 686 117.08
The average value of turnover	PLN	140 000
The Average trading volume	NO.	82 551

The Company's information policy, with current and potential investors and analysts, is based on the transparency of the information provided and the availability of data for all groups of stakeholders equally. The company uses modern tools to enable communication with investors. Messages and current information for making investment decisions are posted on the Group's website in the Investor Relations tab.

6.5. STAKEHOLDERS GROUP

G4-24

G4-25

G4-26

G4-27

The Group's approach to corporate social responsibility is expressed in the building of positive relationships with all stakeholders. We strive to ensure that the decision-making process for economic, social and environmental conditions take into account the interests of the individual-relevant from the point of view of our business groups. We are aware that dialogue and cooperation with stakeholders of the Group is a fundamental practice of responsible business and plays a very important role in building our value. We consider it is also one of the overarching goals and conditions for the success of the implementation of our strategy. Thanks to cooperation and communication with stakeholders that we gain valuable knowledge on how to develop and improve our organization and build its positive image.

The main sources of communication with the Group's stakeholders include: direct communication, website: www.cognor.eu. Investor relations stand, published current and periodic reports, investor presentations, teleconferences, lectures, market share and industry events.



COGNOR'S STAKEHOLDERS	
EMPLOYEES	/potential employees, full-time employees, former employees, employees of subcontractors and suppliers, trade unions, the National Labor Inspectorate, the Regional Labor Inspectorate and other supervisory institutions/.
INVESTORS	/shareholders, strategic, institutional and individual investors, the Warsaw Stock Exchange, brokerage houses, banks/.
CLIENTS	/institutional and individual clients, business partners, key suppliers, subcontractors/.
SOCIETY AND LOCAL COMMUNITY	/local communities, inhabitants and social leaders, media, universities and academics, technical and industry organizations, local self-government administration, government administration, local non-governmental organizations/.
NATURAL ENVIRONMENT	/ecological organizations, environmental protection institutions, Ministry of Environmental Protection, Agenda of the Ministry of Environmental Protection, Provincial Inspectorate for Environmental Protection/.

6.6. ORGANIZATION AFFILIATION

The Cognor Group cares for the development and expansion of the competences of individual units through participation in field organizations that allow for the exchange of experience and mutual knowledge in the field of solutions used in the industry.

Below is a list of organizations to which individual Group entities belong:

Chamber of Commerce and Industry of Scrap Economy

The Chamber of Commerce and Industry of Scrap Economy brings together scrap companies from all over Poland, including leaders in the industry, caring for their interests and good image on the economic market. In addition, the Chamber undertakes actions to support dynamically developing recycling and becomes an active partner in the field of environmental protection. The Chamber's aims are to represent the interests of the scrap industry in the face of legislative, executive and other organizations. At the same time, the Chamber provides information in the field of applicable regulations in the area of economy, environmental protection, work safety, standards and norms. The organization promotes ethics, good merchant customs and counteracting unfair competition, and conducts seminars, training and conferences in the above-mentioned areas

**Club of Polish Research Laboratories
POLLAB**

Club of Polish Research Laboratories is the largest voluntary and independent organization in Europe that integrates the environment of research laboratories, modeling, certification and companies interested in quality management. In addition, through its activities, it supports the conformity assessment system and offers substantive cooperation. The aim of the Club is mutual cooperation and exchange of experience in the field of practical implementation and improvement of management systems, provisions of standards and legal regulations as well as the requirements of an accreditation unit. The adopted goals are implemented by the organization of symposia, conferences, seminars and specialist trainings. At the same time, the Club, by publishing information and training materials and issuing bulletins, reaches all members interested in current information.

Metallurgical Chamber of Commerce and Industry

The Metallurgical Chamber of Commerce and Industry associates steel producers and processors, industries related to metallurgy as well as service institutions, design offices, research institutes and commercial companies. The Chamber is the only organized organization representing the steel industry in Poland, acting as a bridge between the member entities and the government and regional authorities. At the same time, the Chamber carries out publishing and training activities. The Chamber includes expert teams, directors' forums and problem committees. The Chamber's goal is, among others organizing and assessing - for achieving common economic benefits - the course of cooperation between members in the scope of their business activity. In addition, the Chamber deals with the examination and analysis of supply and disposal markets and the organization of assistance to Chamber members in solving economic, organizational and legal problems related to taking up and running their business.

As part of its activities, the Cognor Group conducts philanthropic activities and supports initiatives that protect human life. In this respect, since 2011, they have been regularly financially supporting the Zbigniew Religa's Foundation for Cardiac Surgery Development. Consequently, the Group's operations are in line with the 3rd UN Sustainable Development Goal - Good health and well-being.

7. RATIONAL USE OF THE ENVIRONMENT



EN-DMA

The Group is fully aware of the impact of its operations on the natural environment and makes every effort to minimize the negative effects in this respect.

The activities of the Group are subject to the regulations of environmental protection and the use of natural resources applicable in Poland / Environmental Protection Law, Waste Management Act, Water Law and other implementing provisions, as well as the relevant regulations of the European Union. The Group's companies are obliged to act on the basis of integrated permits obtained for installations whose operation, due to the type and scale of their activities, may cause pollution of individual natural elements or the environment as a whole, as well as environmental sector permits especially regulating the management of hazardous waste and other than hazardous waste. These regulations also impose on the Group the obligation to carry out pollution tests and pollution cleaning tests.

The activities carried out by the Group affect the natural environment, in particular through the emission of substances into the air, the production of waste, the use of water and the introduction of waste water into the environment. The existing legal acts impose on the Group appropriate obligations in the scope of conducted production and investment activities and ensuring appropriate conditions for the production, disposal, transport and distribution of substances in order to preserve the requirements of environmental protection. From the point of view of environmental protection conditions, the Group's units:

- are entities using the natural environment.
- implement projects that can significantly affect the natural environment.
- in their operations, use installations for which an integrated permit is required, and also operates on the basis of sector permits (eg. water permits).
- are subject to obligations regarding the required level of waste recovery and recycling.
- emit greenhouse gases based on greenhouse gas emissions permits.
- produce and transport waste

The Group's plants are CO₂ emitters and, as issuers, they are covered by the emission allowance trading scheme. In the period covering the years 2013-2020 (the so-called "third billing period"), the principles of operation of the emissions trading system stipulate that the allocation of CO₂ emission allowances takes place through a system under which rights are acquired by auction. Installation operators are entitled to receive a certain amount of free CO₂ allowances, but only in certain circumstances and within a certain time interval. For 2019, the Group's



companies had 93 121 free allowances for CO2 emissions (so-called European Union Allowances), which satisfies about 74% of the Group's needs. In the remaining scope, the Group uses reserves from previous years or acquires emission rights.

In order to minimize interference in the natural environment, the Group uses EAF technology in a more environmentally friendly manner and generates lower - in comparison to BOF technology furnaces - pollution in the form of greenhouse gas emissions to the environment. In addition, the Branch in Gliwice has a furnace, which through the use of the solution called "elephant house" is isolated from the environment, thereby reducing the noise emissions that would occur using traditional solutions. Closing the furnace in this housing, additionally reduces dust and thermal radiation. The zinc recovery from dust generated during the production process positively affects the environment as well. The dust is drawn off and discharged through the hood located next to the furnace and then sent to granulation. The Group carries out production in a sustainable manner, thus contributing to the 12th UN Sustainable Development Goal - Responsible Consumption and Production.

G4-EN29

No.	Subject of sanctions	The amount of penalties imposed for non-compliance with laws and regulations regarding environmental protection	Cognor - 2019
			Sanctioned unit
1.	none	none	none

No.	Subject of sanctions	The amount of penalties imposed for non-compliance with laws and regulations regarding environmental protection	Cognor - 2018
			Sanctioned unit
1.	Submission of a report containing data to the Voivodship Inspector of Environmental Protection on exceeding the applicable threshold values for releases and transfers of pollutants and waste transfer (PRTR) for 2017 in violation of the statutory deadline, March 31, 2018	PLN 10 000	Branch in Kraków

No.	Subject of sanctions	The amount of penalties imposed for non-compliance with laws and regulations regarding environmental protection	Cognor - 2017
			Sanctioned unit
G r o u p , s u n	1. violation of the terms of the integrated permit regarding: <ul style="list-style-type: none"> • exceeding the annual quantities of waste allowed to be generated in the steelworks installation specified in point II.3.1. permit - for waste with codes: 13 01 10 *, 16 01 13 * and 15 01 03, • exceeding the annual amounts of waste allowed to be generated in the rolling mill installation specified in point II.3.2. permit - for waste with code 15 01 03, • improper technical condition of the equipment and lack of regular inspections of the installation covered by the integrated permit, concerning the deficiencies in glazing of the façade windows of the western steelworks hall 	no penalties imposed	Branch in Stalowa Wola

its, with activities carried out in production plants, steel plants and rolling mills, use devices that adversely affect the environment. The companies operate on the basis of legal permissions specifying the scope and manner of environment usage, where the requirement to obtain the permission is associated with the specifics of the activities related to their business, as well as on a regular basis to obtain the new required authorization or change existing. In addition to the operation of installations for which a permit is required, the Group's plants also operate different type of installations, the emission of which does not require obtaining permits, but which are subject of notification to environmental authorities.

The emission of pollutants into the air takes place in an organized and unorganized way. Organized emissions are carried out by emitters, each of which have a permissible emission value specified in the decision and comes mainly from rolling installations and steelworks, and unorganized emission - from auxiliary processes (eg welding) and devices such as oxy-gas burners, dryers.

The table below presents the most important permits and decisions determining the scope and manner of using the environment held by the Group Companies.

No.	Type of decision	Date of application
1	The decision of the Governor Podkarpackie of 30 April 2007, - integrated permit to operate a steel plant, rolling sheet metal mill and caliber rolling mill in Stalowa Wola (with changes)	indefinite time
2	Decision of the Małopolska Province Governor dated 12 September 2007 - integrated permit for an installation for the processing of ferrous metals by hot rolling located in Kraków (with changes)	indefinite time
3	Decision of the Marshal of the Podkarpackie Voivodeship of November 10, 2016 - permission for the emission of greenhouse gases introduced into the air from the steel plant in Stalowa Wola (with changes)	indefinite time
4	Decision of the Marshal of the Lesser Poland Voivodeship of February 21, 2017 - permission to emit greenhouse gases from the installation for the processing of ferrous metals by hot rolling located in Kraków	indefinite time
5	Decision of the Silesian Voivode of June, 18 2007 - integrated permit to operate a IPPC installation (OM Szopienice Branch in Katowice) (with changes)	indefinite time

7.1. EMISSIONS

In the process of controlling the impact of the Group's activities on particular elements of the environment, we place special emphasis on the issue of emissions of gases and dust to the air. This applies in particular to installations subject to integrated permits and participating in the greenhouse gas trade system. With regard to these installations, the law requires compliance with strict emission standards and the application of in-depth monitoring of all environmental elements.

In the Company's plants, the main source of gas emissions and dust to the air are the technological processes and operation of devices included in individual installations. And so, the Gliwice branch emissions occur from a chimney emitter connected to EAF and LHF furnaces and from natural gas combustion in devices. The Stalowa Wola branch emissions result from the operation of devices included in the installation - D5 arc furnace, ladle furnace, VOD/VD devices, continuous casting line for COS steel, homogenization furnace, cast iron and ladle dryers, fire treatment of ingots, scrap burning and welding



processes. In the rolling mill area, the main source of emissions are gas furnaces for heating the furnace, furnaces for heat treatment, test furnace, burner, GOW cutter and welding processes. In the Branch in Krakow, there is channelled dust emission through the pusher-ejection furnaces and straighteners in the form of emissions of dust and gas pollution. The site also produces diffuse dust emissions in the form of dust generated on the production line during the hot rolling process. The Zawiercie branch has E-1 and E-2 emitters as well as billet cutting torches at the charge preparation department which are the main sources of emission. In Odlewnia Metali Szopienice Sp. z o.o. the source of pollution emitted into the air is a non-ferrous metal casting plant / melting and casting furnaces / and graphite lathes. It is also necessary to distinguish channelled dust emissions from boiler houses that heat the Group's buildings and emissions from fuel combustion in internal-combustion engines of company cars and work machines

Considering the scale of the Group's emissions, conscious management and the use of appropriate safeguards helps to reduce the negative impact of operations on the environment. For this purpose, in units of the Group, in accordance with the requirements used in the BAT conclusions for the non-ferrous metals industry - emission reduction devices are installed, i.e. dust collectors, pulsed fabric filters, cyclones or mobile filtering devices. There is also a limitation of the operation of furnaces during production breaks.

G4-EN15

G4-EN21

No.	Direct emissions of greenhouse gases, nitrogen oxides, sulfur oxides and other significant emissions into the air	Cognor - 2019	Permissible annual emissions in accordance with the integrated permit (Mg/year)
		Average annual emission (Mg/year)	
Branch in Gliwice			
1	Channelled dust emissions	11,56741	26,390
2	Iron a.n. dust	1,36091	8,620
3	Titanium a.n. dust	0,00194	0,048
4	Manganese a.n. dust	0,12941	0,822
5	Cadmium a.n. dust	0,00014	0,005
6	Chrome a.n. dust	0,00060	0,027
7	Copper a.n. dust	0,00024	0,012

8	Nickel a.n. dust	0,00010	0,011
9	Lead a.n. dust	0,16485	1,065
10	Zinc a.n. dust	1,44700	6,667
11	Sulfur dioxide channelled	30,47506	96,800
12	Nitrogen dioxide channelled	29,72436	43,600
13	Carbon monoxide channelled	441,80759	2 320,000
14	Carbon dioxide channelled	31 288,00000	-
15	Mercury channelled	0,00791	0,259
16	Dioxins and furans channelled	0,000000021	0,0000048
17	Hydrogen fluoride channelled	0,32625	3,920
18	Hydrogen chloride channelled	0,89838	26,700 Mg/rok
19	Sulfur dioxide diffuse	0,00341	-
20	Nitrogen dioxide diffuses	7,75598	-
21	Carbon monoxide diffuse	0,56598	-
22	Carbon dioxide Diffuse	4 117,0000	-
23	Diffuse Dust	0,30400	-
24	Dust from the processing of slag Diffuse	2,19393	-
25	Hydrofluorocarbons Diffuse	0,01975	-
Branch in Stalowa Wola			
1	Chrome in the dust channelled	0,1048792	0,484
2	Zinc in the dust channelled	0,3384678	1 560
3	Manganese in the dust channelled	0,4588367	2,116
4	Copper in the dust channelled	0,0137057	0,062
5	Nickel in the dust channelled	0,0113226	0,052
6	Lead in the dust channelled	0,0744858	0,342

7	Vanadium in the dust channelled	0,0047660	0,024
8	Iron in the dust channelled	3,148661	14,520
9	Total dust channelled	7,0850474	48,260
10	Mercury channelled	0,0116533	0,366
11	Dioxins and furans channelled	0,0000000347	0,00055
12	Carbon monoxide channelled	784,3987482	8806,010
13	Nitrogen dioxide channelled	59,1193203	204,460
14	Sulfur dioxide channelled	22,9904221	372,350
15	Carbon dioxide channelled	62138,427504	-
16	Hydrogen chloride channelled	0,0007915	0,00420
17	Sulfuric acid channelled	0,0006341	0,00140
18	Carolina channelled	0,0011196	0,00320
19	Total Diffuse Dust Emission	171,6516283	-
20	Manganese in the dust Diffuse	0,0042899	-
21	Chrome in the dust Diffuse	0,0002152	-
22	Nickel in the dust Diffuse	0,0001987	-
23	Copper in the dust Diffuse	0,0005841	-
24	Iron in the dust Diffuse	0,0228488	-
25	Titanium in the dust Diffuse	0,0003146	-
26	Silicon in the dust Diffuse	0,0028026	-
27	Carbon monoxide Diffuse	36,2622958	-
28	Nitrogen dioxide Diffuse	62,4981668	-
29	Nitrogen dioxide from slag storage Diffuse	10,0616773	-
30	Hydrofluorocarbons Diffuse	0,002	-

Ferrostal branch in Kraków			
1	Total dust	2,037259	34,3535
2	Chrome +6	0,0003614	0,0059
3	Cadmium	0,0003614	0,0023
4	Lead	0,0010897	0,0104
5	Nickel	0,0008301	0,0052
6	Copper	0,0008187	0,0195
7	Manganese	0,0004956	0,0171
8	Sulphur dioxide	2,0136544	2,9083
9	Nitrogen dioxide	14,3387847	102,6131
10	Carbon dioxide	19 522,0000000	-
11	Carbon monoxide	1,9518127	13,6131
12	Aliphatic hydrocarbons	0,1047312	3,4987
Ferrostal branch in Zawiercie			
1	Carbon monoxide	2,14416512	7,8
2	Carbon dioxide	2,9152814485	66
OM Szopienice branch in Katowice			
1	Total dust	0,357758	1, 9272
2	Dust hanging PM 10	0,3164876	1, 8497
3	Dust hanging PM 2,5	0,1838606	1, 6573
4	Carbon monoxide	0,2987769	43, 9752
5	Nitrogen dioxide	0,00757539	11, 5632
6	Sulfur dioxide	0,00159937	9,2856
7	Copper	0,0181815	0,2821
8	Lead	0,0035491	0,0289

9	Cadmium	0,357758	1, 9272
10	Zinc	0,3164876	1, 8497
11	Tin	0,1838606	1, 6573
12	Fluorine	0,2987769	43, 9752

No.	Direct emissions of greenhouse gases, nitrogen oxides, sulfur oxides and other significant emissions into the air	Cognor - 2018	Permissible annual emissions in accordance with the integrated permit (Mg/year)
		Average annual emission (Mg/year)	
Branch in Gliwice			
1	Channelled dust emissions	15,18720	26,39000
2	Iron a.n. dust	2,56713	8,62000
3	Titanium a.n. dust	0,00641	0,04800
4	Manganese a.n. dust	0,15197	0,82200
5	Cadmium a.n. dust	0,00068	0,00500
6	Chrome a.n. dust	0,00324	0,02700
7	Copper a.n. dust	0,00243	0,01200
8	Nickel a.n. dust	0,00005	0,01100
9	Lead a.n. dust	0,21703	1,06500
10	Zinc a.n. dust	1,87901	6,66700
11	Sulfur dioxide channelled	39,22633	96,80000
12	Nitrogen dioxide channelled	30,53665	43,60000
13	Carbon monoxide channelled	448,38405	2 320,00000
14	Carbon dioxide channelled	34 717	-
15	Mercury channelled	0,00124	0,25900
16	Dioxins and furans channelled	0,00000002	0,000048

17	Hydrogen fluoride channelled	0,45198	3,92000
18	Hydrogen chloride channelled	0,62155	26,70000
19	Sulfur dioxide diffuse	0,035	-
20	Nitrogen dioxide diffuses	7,96270	-
21	Carbon monoxide diffuse	0,58106	-
22	Carbon dioxide Diffuse	4 226,688	-
23	Diffuse Dust	0,03121	-
24	Dust from the processing of slag Diffuse	0,02157	-
25	Hydrofluorocarbons Diffuse	0,0172	-
Branch in Stalowa Wola			
1	Chrome in the dust channelled	0,1467287	0,484
2	Zinc in the dust channelled	0,4735176	1,560
3	Manganese in the dust channelled	0,6419196	2,116
4	Copper in the dust channelled	0,0191746	0,062
5	Nickel in the dust channelled	0,0158408	0,052
6	Lead in the dust channelled	0,1042106	0,342
7	Vanadium in the dust channelled	0,0066677	0,024
8	Iron in the dust channelled	4,4050470	14,520
9	Total dust channelled	9,5208352	48,260
10	Mercury channelled	0,0112178	0,336
11	Dioxins and furans channelled	0,00000001447	0,00055
12	Carbon monoxide channelled	809,5682564	8806,010
13	Nitrogen dioxide channelled	65,3691442	204,460
14	Sulfur dioxide channelled	25,0462314	372,350
15	Carbon dioxide channelled	65 799,144688	-

16	Hydrogen chloride channelled	0,0007159	0,00420
17	Sulfuric acid channelled	0,0005722	0,00140
18	Carolina channelled	0,0012816	0,00320
19	Total Diffuse Dust Emission	212,7856222	-
20	Dust from slag storage Diffuse	1,0944375	-
21	Dust – floats from factory roads	33,1477905	-
22	Manganese in the dust Diffuse	0,0042379	-
23	Chrome in the dust Diffuse	0,0001797	-
24	Nickel in the dust Diffuse	0,000166	-
25	Copper in the dust Diffuse	0,0004832	-
26	Iron in the dust Diffuse	0,0221315	-
27	Titanium in the dust Diffuse	0,0002603	-
28	Silicon in the dust Diffuse	0,0025202	-
29	Carbon monoxide Diffuse	75,7824774	-
30	Nitrogen dioxide Diffuse	66,1612419	-
31	Nitrogen dioxide from slag storage Diffuse	0,24246	-
32	Sulphur dioxide Diffuse	28,2930269	-
33	Hydrofluorocarbons Diffuse	0,002	-
Ferrostal branch in Kraków			
1	Total dust	2,2842181	34,35350
2	Chrome +6	0,0006561	0,00590
3	Cadmium	0,0005675	0,00230
4	Lead	0,0014157	0,01040
5	Nickel	0,0009238	0,00520
6	Copper	0,0010360	0,01950

7	Manganese	0,0006272	0,01710
8	Sulphur dioxide	1,9757842	2,90830
9	Nitrogen dioxide	15,1646607	102,61310
10	Carbon dioxide	20 255,0000	-
11	Carbon monoxide	2,1174334	13,61310
12	Aliphatic hydrocarbons	0,0737141	3,49870
Ferrostal branch in Zawiercie			
1	Carbon monoxide	0,660171	10,95
2	Nitrogen dioxide	2,249227	91,98
3	Carbon dioxide	8 124,02908	-
OM Szopienice branch in Katowice			
1	Total dust	0,286275	3,4456
2	Carbon monoxide	0,314816	44,0482
3	Nitrogen dioxide	0,007391	11,5778
4	Sulfur dioxide	0,001733	9,2856
5	Copper	0,000434	0,2821
6	Lead	0,000558	0,0289
7	Cadmium	0,000059	0,0023
8	Zinc	0,007202	1,6206
9	Tin	0,001396	0,1428
10	Fluorine	0,001374	0,0035
11	Iron	0,035815	0,4088
12	Manganese	0,008008	0,0876

Cognor - 2017		Permissible annual emissions in accordance with the integrated permit (Mg/year)
No.	Direct emissions of greenhouse gases, nitrogen oxides, sulfur oxides and other significant emissions into the air	
Average annual emission (Mg/year)		
Branch in Gliwice		
1	Channelled dust emissions	9,89200
2	Iron a.n. dust	1,41400
3	Titanium a.n. dust	0,00090
4	Manganese a.n. dust	0,34000
5	Cadmium a.n. dust	0,00010
6	Chrome a.n. dust	0,01000
7	Copper a.n. dust	0,00300
8	Nickel a.n. dust	0,00001
9	Lead a.n. dust	0,01400
10	Zinc a.n. dust	1,17500
11	Sulfur dioxide channelled	22,08800
12	Nitrogen dioxide channelled	16,74000
13	Carbon monoxide channelled	212,73500
14	Carbon dioxide channelled	32 153,00000
15	Mercury channelled	0,00016
16	Dioxins and furans channelled	0,00000002
17	Hydrogen fluoride channelled	0,56100
18	Hydrogen chloride channelled	0,77100
19	Sulfur dioxide diffuse	0,00400
20	Nitrogen dioxide diffuses	8,69400
21	Carbon monoxide diffuse	0,63400

22	Carbon dioxide Diffuse	4 785,00000	-
23	Diffuse Dust	0,03400	-
24	Dust from the processing of slag Diffuse	2,19400	-
25	Hydrofluorocarbons Diffuse	0,03600	-
Branch in Stalowa Wola			
1	Chrome in the dust channelled	0,12950	0,48400
2	Zinc in the dust channelled	0,41800	1,56000
3	Manganese in the dust channelled	0,56670	2,11600
4	Copper in the dust channelled	0,01690	0,06200
5	Nickel in the dust channelled	0,01400	0,05200
6	Lead in the dust channelled	0,09200	0,34200
7	Vanadium in the dust channelled	0,00590	0,02400
8	Iron in the dust channelled	3,88890	14,52000
9	Total dust channelled	8,85490	48,26000
10	Mercury channelled	0,00248	0,33600
11	Dioxins and furans channelled	0,00000002211	0,00055
12	Carbon monoxide channelled	926,51580	8806,01000
13	Nitrogen dioxide channelled	62,48020	204,46000
14	Sulfur dioxide channelled	11,93000	372,35000
15	Carbon dioxide channelled	60 506,27040	-
16	Hydrogen chloride channelled	0,00080	0,00420
17	Sulfuric acid channelled	0,00058	0,00140
18	Carolina channelled	0,00146	0,00320
19	Total Diffuse Dust Emission	0,14780	-
20	Manganese in the dust Diffuse	0,00400	-

21	Chrome in the dust Diffuse	0,00019	-
22	Nickel in the dust Diffuse	0,00017	-
23	Copper in the dust Diffuse	0,00051	-
24	Iron in the dust Diffuse	0,02081	-
25	Titanium in the dust Diffuse	0,00027	-
26	Silicon in the dust Diffuse	0,00250	-
27	Carbon monoxide Diffuse	1,10590	-
28	Carbon dioxide Diffuse	6,38080	-
29	Sulphur dioxide Diffuse	0,02700	-
Ferrostal branch in Kraków			
1	Total dust	6,86600	34,35350
2	Chrome +6	0,00076	0,00590
3	Cadmium	0,000002	0,00230
4	Lead	0,00144	0,01040
5	Nickel	0,00087	0,00520
6	Copper	0,00107	0,01950
7	Manganese	0,00066	0,01710
8	Sulphur dioxide	1,71600	2,90830
9	Nitrogen dioxide	14,88800	102,61310
10	Carbon dioxide	18 500,00000	-
11	Carbon monoxide	2,05000	13,61310
12	Aliphatic hydrocarbons	0,04490	3,49870
Ferrostal branch in Zawiercie			
1	Carbon monoxide	1,82208	10,95
2	Nitrogen dioxide	6,34224	91,98

Odlewnia Metali Szopienice			
1	Total dust	0,24310	3,06600
2	Particulate matter PM10	0,20314	2,94300
3	Particulate matter PM2,5	0,44624	2,24000
4	Carbon monoxide	0,26954	43,97500
5	Nitrogen dioxide	0,01812	11,56300
6	Sulfur dioxide	below determination	9,25000
7	Copper	0,00063	0,28200
8	Lead	0,00194	0,10000
9	Cadmium	below determination	0,00700
10	Zinc	0,00110	1,62000
11	Tin	below determination	0,14200
12	Fluorine	below determination	0,00300

The Group's activities are subject to limitations resulting from the provisions governing the conduct of regulated activities, including the licensed one. This activity is not conducted in connection with the Group's main operations and performs auxiliary functions.

The table below presents the most important concession held by the Group's units.

No.	The Company / Branch of the Group	Subject of the concession	The date of the decision	Effective date of the concession
1	Cognor S.A.	trading in electricity	September 2, 2014	October 1, 2024
2	Cognor branch in Kraków	trading in electricity	December 22, 2015	January 1, 2026
3	Cognor branch in Zawiercie	trading in electricity	January 29, 2016	February 10, 2026
4	PTS branch in Kraków	trading in liquid fuels	November 21, 2011	November 1, 2022

7.2. MATERIALS, RAW MATERIALS AND ENERGY

EN-DMA

The Group conducts a responsible policy in the field of materials and raw materials management as well as energy management. In part of the Group's Branches (Stalowa Wola, Gliwice, Kraków) heat recovery from our furnaces is carried out, this operation reduces the amount of energy consumed, thus allowing heating of office and social rooms.

In 2018/2019, several investments with a positive impact on the environment were carried out at the Cognor Branch in Stalowa Wola by reducing natural gas and electricity consumption, thereby reducing CO2 emissions to the atmosphere. The construction of a new rotary furnace at the Rolling Mill (2018/2019) brought the greatest results, where a reduction of gas consumption per ton of heated charge by 9Nm3 was achieved. Another important investment for the environment was the replacement of the gas steam generator at the Steel Plant (steam boiler) for the needs of the vacuum generation process, whereby a 15% reduction in gas consumption per ton of steel produced was achieved. On the other hand, the modernization of the electric arc furnace at the Steel Plant reduced gas and electricity consumption per ton of steel produced by 3 and 3.5%, respectively. At the Cognor Branch in Gliwice for the years 2020-2021, as part of the modernization of the EAF furnace node, is planned an extension to the existing second flue gas dedusting line from the furnace is provided for. Thus, the gas reception from the current one - 600,000 / NM3 will increase to 1,200,000 / NM3. The size of the exhaust gas filtration surface will also be doubled. The implementation of this investment should significantly improve the conditions prevailing inside the EAF Furnace Hall in various furnace operating cycles and ensure obtaining dust emissions below 4.99 mg / Nm3 on chimneys. Controlling the operation of the dust extraction plant will allow the full use of gas collection from current points - EAF furnace, hall roof space and LHF furnace.

G4-EN1

No.	Consumption of selected, key materials due to the type of business activity	Cognor - 2019	
		IU	Quantity
Branch in Gliwice			
1	Steel scrap	kg/Mg Production	1 113,734
2	Carbon	kg/Mg Production	not applicated
3	Iron molybdenum	kg/Mg Production	0,01

4	Iron manganese	kg/Mg Production	5,293
5	Silicon iron	kg/Mg Production	3,347
6	Iron chrome	kg/Mg Production	0,296
7	Copper	kg/Mg Production	0,006
8	Iron titanium	kg/Mg Production	0,000
9	Aluminum	kg/Mg Production	0,448
10	Iron silicon manganese	kg/Mg Production	6,461
11	Iron vanadium	kg/Mg Production	0,092
12	Core wires	kg/Mg Production	0,324
13	Calcium	kg/Mg Production	57,780
14	Fluorite	kg/Mg Production	1,720
15	Dolomite	kg/Mg Production	0,720
16	Bauxite	kg/Mg Production	0,450
17	Silicon carbide	kg/Mg Production	0,860
18	Slag refining	kg/Mg Production	0,890
Branch in Stalowa Wola			
1	Steel scrap	kg/Mg Production	1 139,050
2	Carbon	kg/Mg Production	23,181
3	Iron molybdenum	kg/Mg Production	0,445
4	Iron manganese	kg/Mg Production	10,676
5	Silicon iron	kg/Mg Production	3,748
6	Iron chrome	kg/Mg Production	8,043
7	Iron titanium	kg/Mg Production	0,000

8	Aluminum	kg/Mg Production	0,098
9	Iron niobium	kg/Mg Production	3,171
10	Nickel	kg/Mg Production	0,004
11	Iron manganese silicon	kg/Mg Production	6,676
12	Iron vanadium	kg/Mg Production	0,077
13	Core wires	kg/Mg Production	0,419
14	Lime	kg/Mg Production	47,506
15	Fluoryt	kg/Mg Production	0,039
16	Slag refining	kg/Mg Production	4,711

OM Szopienice branch in Katowice

1	Zinc	kg/Mg Production	1079,377
2	Copper phosphorus	kg/Mg Production	4,699
3	Tin	kg/Mg Production	0,334
4	Bismuth	kg/Mg Production	3,456
5	Nickel	kg/Mg Production	5,47

No.	Consumption of selected, key materials due to the type of business activity	Cognor - 2018	
		IU	Quantity
Branch in Gliwice			
1	Steel scrap	kg/Mg Production	1 073,661
2	Carbon	kg/Mg Production	7,520
3	Iron molybdenum	kg/Mg Production	0,027

4	Iron manganese	kg/Mg Production	4,665
5	Silicon iron	kg/Mg Production	3,297
6	Iron chrome	kg/Mg Production	0,088
7	Copper	kg/Mg Production	0,001
8	Iron titanium	kg/Mg Production	0,012
9	Aluminum	kg/Mg Production	0,455
10	Iron silicon manganese	kg/Mg Production	6,827
11	Iron vanadium	kg/Mg Production	0,030
12	Core wires	kg/Mg Production	0,326
13	Calcium	kg/Mg Production	61,290
14	Fluorite	kg/Mg Production	1,700
15	Dolomite	kg/Mg Production	0,920
16	Bauxite	kg/Mg Production	0,420
17	Silicon carbide	kg/Mg Production	0,950
18	Slag refining	kg/Mg Production	0,900
Branch in Stalowa Wola			
1	Steel scrap	kg/Mg Production	1 140,316
2	Carbon	kg/Mg Production	18,613
3	Iron molybdenum	kg/Mg Production	0,530
4	Iron manganese	kg/Mg Production	10,998
5	Silicon iron	kg/Mg Production	3,957
6	Iron chrome	kg/Mg Production	9,606
7	Iron titanium	kg/Mg Production	0,044

NON-FINANCIAL DATA REPORT COGNOR GROUP FOR 2019

8	Aluminum	kg/Mg Production	3,290
9	Iron niobium	kg/Mg Production	0,002
10	Nickel	kg/Mg Production	0,642
11	Iron manganese silicon	kg/Mg Production	6,377
12	Iron vanadium	kg/Mg Production	0,099
13	Core wires	kg/Mg Production	0,410
14	Lime	kg/Mg Production	52,457
15	Fluoryt	kg/Mg Production	0,019
16	Slag refining	kg/Mg Production	4,224

OM Szopienice branch in Katowice

1	Zinc	kg/Mg Production	185,861
2	Copper phosphorus	kg/Mg Production	4,120
3	Tin	kg/Mg Production	0,135
4	Bismuth	kg/Mg Production	1,161
5	Nickel	kg/Mg Production	1,033

No.	Consumption of selected, key materials due to the type of business activity	Cognor - 2017	
		IU	Quantity
Branch in Gliwice			
1	Steel scrap	kg/Mg Production	1 065,540
2	Carbon	kg/Mg Production	13,320
3	Iron molybdenum	kg/Mg Production	0,010
4	Iron manganese	kg/Mg Production	5,240

NON-FINANCIAL DATA REPORT COGNOR GROUP FOR 2019

5	Silicon iron	kg/Mg Production	3,750
6	Iron chrome	kg/Mg Production	0,360
7	Copper	kg/Mg Production	0,020
8	Iron titanium	kg/Mg Production	0,010
9	Aluminum	kg/Mg Production	0,400
10	Iron niobium	kg/Mg Production	0,0001
11	Nickel	kg/Mg Production	0,0004
12	Iron silicon nickel	kg/Mg Production	7,240
13	Calcium	kg/Mg Production	58,460
14	Fluorite	kg/Mg Production	1,770
15	Dolomite	kg/Mg Production	0,920
16	Bauxite	kg/Mg Production	0,280
17	Silicon carbide	kg/Mg Production	1,200
18	Slag refining	kg/Mg Production	1,010
Branch in Stalowa Wola			
1	Steel scrap	kg/Mg Production	1 143,930
2	Carbon	kg/Mg Production	18,620
3	Iron molybdenum	kg/Mg Production	0,242
4	Iron manganese	kg/Mg Production	10,598
5	Silicon iron	kg/Mg Production	3,602
6	Iron chrome	kg/Mg Production	5,360
7	Iron titanium	kg/Mg Production	0,026
8	Aluminum	kg/Mg Production	3,518

9	Iron niobium	kg/Mg Production	0,001
10	Nickel	kg/Mg Production	0,521
Odlewnia Metali Szopienice			
1	Zinc	kg/Mg Production	339,9600
2	Copper phosphorus	kg/Mg Production	3,1700
3	Tin	kg/Mg Production	0,6100
4	Bismuth	kg/Mg Production	1,1400

G4-EN3

No.	Energy consumption	Cognor - 2019	
		IU	Quantity
1	Electricity	MWh	380 205,18
2	Thermal energy	GJ	16 306,96
3	Coking coal	kg	0,00
4	Coal	kg	9,03
5	Natural gas	m3	37 202 341,17
7	Petrol	l	150 259,58
8	Diesel	l	3 022 915,82

No.	Energy consumption	Cognor - 2018	
		IU	Quantity
1	Electricity	MWh	407 923,46
2	Thermal energy	GJ	15 110,60
3	Coking coal	kg	0,00

4	Coal	kg	9,14
5	Natural gas	m3	40 556 561,93
7	Petrol	l	126 233,68
8	Diesel	l	2 111 054,65

No.	Energy consumption	Cognor - 2017	
		IU	Quantity
1	Electricity	MWh	378 280,49
2	Thermal energy	GJ	17 244,58
3	Coking coal	kg	4 900,00
4	Coal	kg	1 055,00
5	Natural gas	m3	37 242 136,00
7	Petrol	l	93 751,89
8	Diesel	l	2 206 251,13

No.	Energy consumption generated for the needs of the organization	Cognor - 2019	
		IU	Quantity
1	Heat energy recovered	GJ	105 097,37

No.	Energy consumption generated for the needs of the organization	Cognor - 2018	
		IU	Quantity
1	Heat energy recovered	GJ	103 789,39

No.	Energy consumption generated for the needs of the organization	Cognor - 2017	
		IU	Quantity
1	Heat energy recovered	GJ	129 920,00

7.3. WATER

EN-DMA

The Group manages its water usage consciously and responsibly. The amount of water consumed depends mainly on the volume of water intake for technological needs. Our plants supply water from their own surface water intakes or buy water from the water supply network. Water intake satisfies our social and living needs, the needs of technological processes, fire and other. Together with expenditure on the construction of closed water cycle in production plants, the volume of reused water increases and hence the consumption of water from the municipal network is decreasing.

G4-EN8

No.	Total water withdrawal by source	Cognor - 2019
1	Water intake from the municipal network (m ³)	7 403 234,89
2	Water intake from underground water (m ³)	295 146,00
3	Water intake from own source (m ³)	0,00
	Total	7 698 380,89

No.	Total water withdrawal by source	Cognor - 2018
1	Water intake from the municipal network (m ³)	10 989 156,19
2	Water intake from underground water (m ³)	0,00
3	Water intake from own source (m ³)	133 879,00
	Total	11 120 035,19

No.	Total water withdrawal by source	Cognor - 2017
1	Water intake from the municipal network (m ³)	9 838 325,27
2	Water intake from underground water (m ³)	0,00
3	Water intake from own source (m ³)	113 735,00
	Total	9 952 060,27

G4-EN10

No.	Percentage and total volume of processed and reused water	Cognor - 2019
1	Total water intake by the Group (m ³)	7 698 380,89
2	volume of reused water (m ³)	11 194 168,88
3	percentage of reused water (%)	145,41%

No.	Percentage and total volume of processed and reused water	Cognor - 2018
1	Total water intake by the Group (m ³)	11 120 035,19
2	volume of reused water (m ³)	12 300 458,22
3	percentage of reused water (%)	110,62%

No.	Percentage and total volume of processed and reused water	Cognor - 2017
1	Total water intake by the Group (m ³)	9 952 060,27
2	volume of reused water (m ³)	1 255 348,00
3	percentage of reused water (%)	12,6 %

7.4. WASTEWATER

EN-DMA

The Group meets the legal requirements on the amount of wastewater that can be introduced into water and soil as well as sewage systems.

Technological processes of individual units of the Group result in the creation of industrial wastewater due to rinsing of filters, cooling processes of rolling mills, hardening rods in the quenching pit, etc. In addition, the Group's units produce social wastewater and rainwater and snow melt sewage.

Wastewater generated by Group units is discharged to the sewage network, based on contracts signed with water supply and sewage plants or other entities. Rainwater from the plant areas and access roads is introduced into the municipal sewage system or surface waters and ground.

No.	Place of wastewater disposal	Cognor - 2019
1	groundwater (m ³)	0,00
2	surface waters (m ³)	0,00
3	municipal enterprises (m ³)	1 362 997,69
4	own water treatment plants (m ³)	0,00
5	sewerage systems of other entities (m ³)	123 469,48
6	other (m ³)	240,00
	Total amount of wastewater (m³)	1 486 707,17



G4-EN22

No.	Place of wastewater disposal	Cognor - 2018
1	groundwater (m ³)	0,00
2	surface waters (m ³)	0,00
3	municipal enterprises (m ³)	2 197 009,97
4	own water treatment plants (m ³)	0,00
5	sewerage systems of other entities (m ³)	186 178,30
6	other (m ³)	871,00
	Total amount of wastewater (m³)	2 384 059,27

No.	Place of wastewater disposal	Cognor - 2017
1	groundwater (m ³)	0,00
2	surface waters (m ³)	0,00
3	municipal enterprises (m ³)	1 953 159,27
4	own water treatment plants (m ³)	0,00
5	sewerage systems of other entities (m ³)	114 737,00
6	other (m ³)	385,00
	Total amount of wastewater (m³)	2 068 281,27

No.	Method of wastewater treatment	Cognor - 2019
1	on its own(m ³)	0,00
2	sewage treatment plant (m ³)	120 352,48
3	municipal enterprises (m ³)	1 362 997,69
4	sewerage systems of other entities (m ³)	3 117,00
5	other (m ³)	240,00
	Total treated wastewater (m³)	1 486 707,17

No.	Method of wastewater treatment	Cognor - 2018
1	on its own(m ³)	0,00
2	sewage treatment plant (m ³)	181 518,30
3	municipal enterprises (m ³)	2 193 622,97
4	sewerage systems of other entities (m ³)	0,00
5	other (m ³)	0,00
	Total treated wastewater (m³)	2 375 141,27

No.	Method of wastewater treatment	Cognor - 2017
1	on its own(m ³)	0,00
2	sewage treatment plant (m ³)	112 173,00
3	municipal enterprises (m ³)	1 953 159,27
4	sewerage systems of other entities (m ³)	2 564,00
5	other (m ³)	385,00
	Total treated wastewater (m³)	2 068 281,27

7.5. WASTE

The Group conducts a rational management of its waste and, in part, it's recycling. In order to prevent waste generation and reduce its quantity, the Group runs a waste management program and, in accordance with legal and reporting requirements, provides information on waste management to relevant offices and institutions.

Throughout the Group, metal and iron-bearing wastes are processed and recycled in the production process, other types of waste are transferred on the basis of agreements to external cooperation for companies dealing in waste that can be re-used (by their recovery or management), and in the case of other wastes by their disposal.

In 2019, the Group recycled 779 639 Mg of scrap metal. In 2018 784 711 Mg of scrap metal was used for further processing in the production process, in 2017 764 849 Mg and in 2016 712 291 Mg.

Year	Recycling of scrap metal
2019	779 639 Mg
2018	784 711 Mg
2017	764 849 Mg
2016	712 291 Mg

G4-EN23

Lp.	Total weight of waste by type of waste and methods of waste treatment	Cognor - 2019
Branch in Gliwice		
1	recovery, including energy recovery (kg / Mg of production)	920.603
2	storage on the plant site (kg / Mg of production)	0.023
3	transfer for use by other entities (kg / Mg of production)	0.000
Branch in Stalowej Woli		
1	recovery, including energy recovery (kg / Mg of production)	0.000
2	processing (kg / Mg of production)	1 139.050
3	waste transfer to external companies (kg / Mg of production)	251.902
Ferrostal branch in Kraków		
1	recovery, including energy recovery (kg / Mg of production)	32.000
Odlewnia Metali Szopienice		
1	processing (kg / Mg of production)	2 961.308
2	waste transfer to external companies (kg / Mg of production)	193.217

Lp.	Total weight of waste by type of waste and methods of waste treatment	Cognor - 2018
Branch in Gliwice		
1	recovery, including energy recovery (kg / Mg of production)	1 073.661
2	storage on the plant site (kg / Mg of production)	0.006
3	transfer for use by other entities (kg / Mg of production)	217.410
Branch in Stalowej Woli		
1	recovery, including energy recovery (kg / Mg of production)	102.328
2	processing (kg / Mg of production)	1 140.316
3	waste transfer to external companies (kg / Mg of production)	286.402
Ferrostal branch in Kraków		
1	recovery, including energy recovery (kg / Mg of production)	31.000
Odlewnia Metali Szopienice		
1	processing (kg / Mg of production)	3 230.340
2	waste transfer to external companies (kg / Mg of production)	257.594

Lp.	Total weight of waste by type of waste and methods of waste treatment	Cognor - 2017
Branch in Gliwice		
1	recovery, including energy recovery (kg / Mg of production)	1 065,5400
2	storage on the plant site (kg / Mg of production)	0,0060
3	transfer for use by other entities (kg / Mg of production)	215,6500
Branch in Stalowej Woli		
1	recovery, including energy recovery (kg / Mg of production)	1 143,9300

2	transfer for use by other entities (kg / Mg of production)	158,0000
3	waste transfer to external companies (kg / Mg of production)	0,0042
Ferrostal branch in Kraków		
1	recovery, including energy recovery (kg / Mg of production)	32,0000
Odlewnia Metali Szopienice		
1	processing (kg / Mg of production)	581,7000
2	waste transfer to external companies (kg / Mg of production)	0,0714

8. INFORMATION ABOUT THE REPORT



G4-28

G4-33

G4-18

The COGNOR Group non-financial data report has been prepared based on the Global Reporting Initiative G4 / core level guidelines. This is the third report of the Group and represents data for the period from January 1, 2019 to December 31, 2019. The document has been internally verified by a project team consisting of the employees of the Group. The report has not been verified externally, its application will be considered in subsequent years.

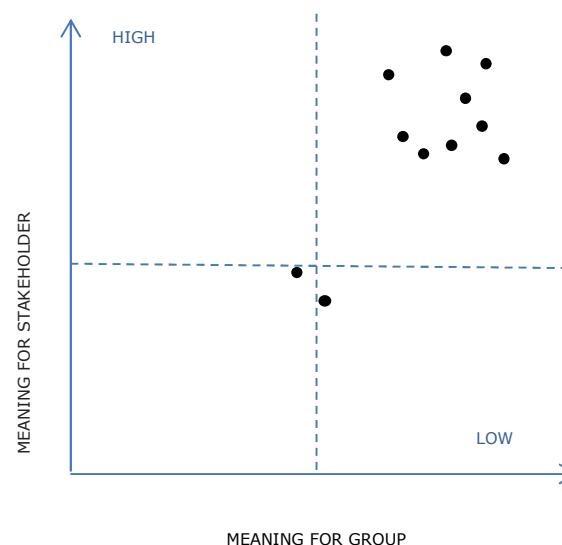
The process of defining the content of the Report has been prepared using the GRI Standard Guidelines covering: identification, prioritization and activities validation.

No.	Stage	Taken Actions
1	IDENTIFICATION	<p>Indication of significant business issues and areas of sustainable development of the Group defined during workshops conducted with the participation of the Management Board and management staff as well as consultations with employees.</p> <p>During the work, documents, procedures, regulations, internal materials of the Companies included in the Group and external publications on the subject were analyzed.</p> <p>The identification process considered the trends and guidelines of international standards in the field of corporate social responsibility and non-financial reporting.</p>
2	PRIORITIZATION	<p>Cascading of identified key areas and giving importance to aspects emerged through dialogue with stakeholders and the project team.</p>
3	VALIDATION	<p>Conducting a validation workshop with the participation of the Management Board, the management staff and key employees allowing defining the final list of issues to be reported.</p>

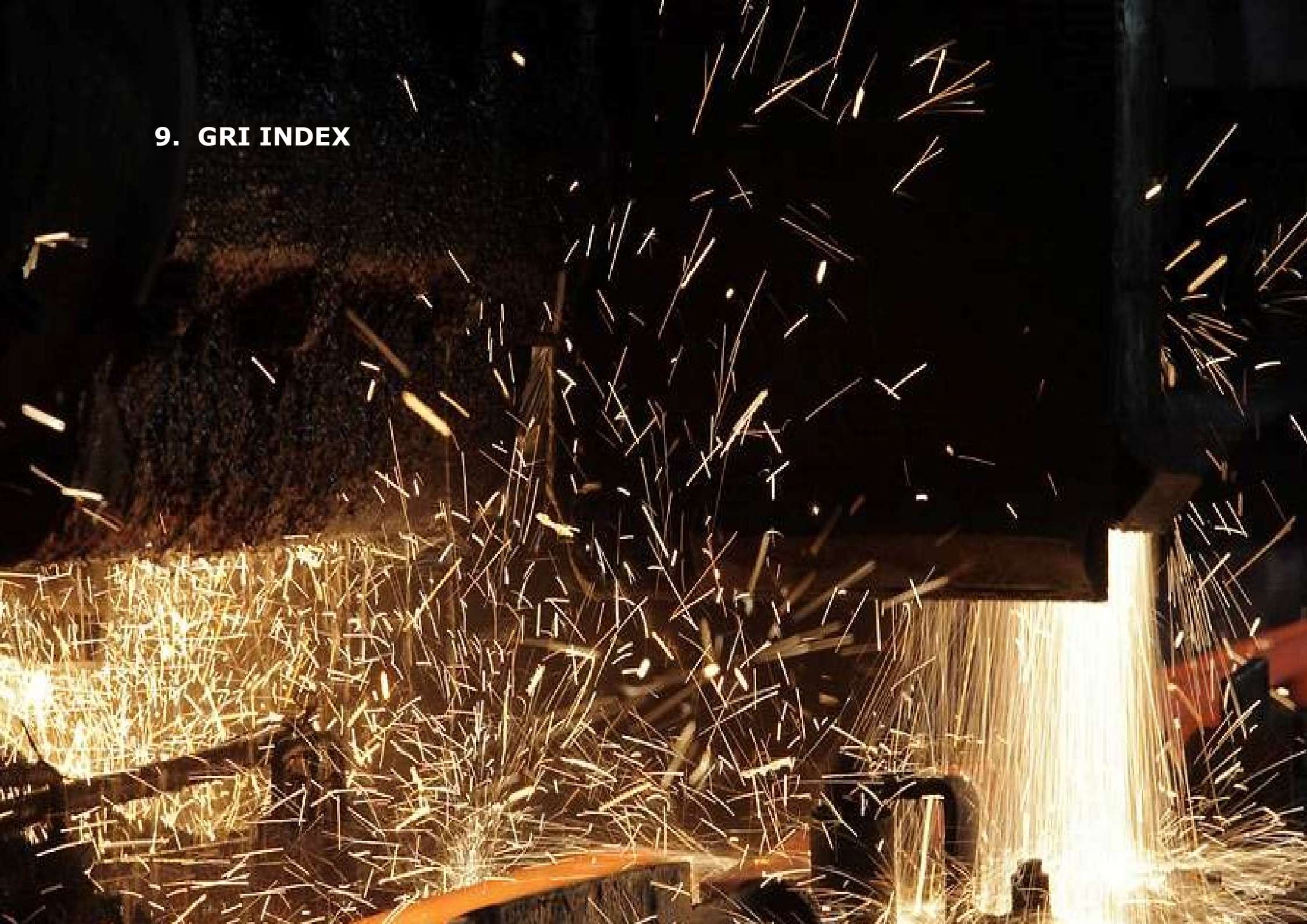
Selected stakeholders of the Group were included in the selection process, through consultations, meetings and individual expert interviews. Thus, the key areas represented in the report were identified in the process. The matrix of significance of issues and their content are presented below.

G4-19

IMPORTANT ASPECTS OF THE REPORTING	IMPORTANCE OF ASPECT			IMPACT OF ASPECT	
	LOW	MEDIUM	HIGH	WITHIN THE GROUP	OUTSIDE THE GROUP
ECONOMIC ASPECTS					
The financial situation of the Group and results on the WSE			•	•	•
Business strategy and development perspectives			•	•	•
Supply chain			•	•	•
THE SOCIAL ASPECTS					
Employee safety			•	•	•
Training and development of employees			•	•	•
Relationships with the local community		•		•	•
Relationships with employees			•	•	•
ENVIRONMENTAL ASPECTS					
CO ₂ emission management			•	•	•
Limiting the impact on the environment			•	•	•
Rational resource management			•	•	•
Penalties and sanctions for non-compliance with environmental regulations		•		•	•



9. GRI INDEX



G4-32

STANDARD DISCLOSURE	DISCLOSURE REQUIREMENTS	PAGE IN THE RAPORT	COMMENT / DESCRIPTION
GENERAL STANDARD DISCLOSURES			
Strategy and analysis			
G4-1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy	pg. 4	Letter from the President of the Board
G4-2	Description of key risks	pg. 20-24	A detailed analysis of risks can be found in the annual report of the Company
Organizational profile			
G4-3	Name of the organization.		Cognor Holding S.A
G4-4	Primary brands, products and/or services.	pg. 6-10	
G4-5	Location of organization's headquarters		ul. Zielona 26, 42-360 Poraj
G4-6	Countries where the organization operates	pg. 6-10	
G4-7	Ownership Form and legal structure of the organization	pg. 54-55	Joint-stock company, listed on the Warsaw Stock Exchange
G4-8	Nature of ownership and legal form	pg. 6-10	
G4-9	Scale of the reporting organization	pg. 6-10, 16-19	
G4-10	Number of employees; according to the type of employment, type of employment contract, region, gender	pg. 26-29	
G4-11	Percentage of total employees covered by collective bargaining agreements.		no data
G4-12	The organization's supply chain/value.	pg. 12-14	
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	pg. 20	

G4-14	Explanation whether and how the precautionary approach or principle is addressed by the organization	pg. 20-24	
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes		
G4-16	Memberships of associations and national or international advocacy organizations	pg. 56-57	
Identified material aspects and boundaries			
G4-17	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures	pg. 10-12	
G4-18	Process for defining report content	pg. 92	
G4-19	Aspects identified in the process for defining report content.	pg. 93	
G4-20	Aspect Boundary within the organization		all aspects have been identified as significant to the operations of Cognor Holding SA companies. Adequacy for selected companies is indicated in the report.
G4-21	Aspect Boundary outside the organization		there were no limitations of the report in relation to significant aspects of social and environmental impact, including entities outside the organization
G4-22	Restatements of information provided in previous reports, and the reasons for such restatements.		no changes
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.		no changes
Stakeholder engagement			
G4-24	List of stakeholder groups engaged by the organization	pg. 55-56	
G4-25	Basis for identification and selection of stakeholders	pg. 55-56	
G4-26	The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	pg. 55-56	
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that	pg. 55-56	

	raised each of the key topics and concerns.		
Report profile			
G4-28	Reporting period	pg. 92	01.01.2019 - 31.12.2019
G4-29	Date of most recent previous report	pg. 20	
G4-30	Reporting cycle		annual
G4-31	Provide the contact point for questions regarding the report or its contents		Przemysław Małoszyc, pmałoszyc@cognor.eu
G4-32	GRI Content Index	pg. 95-100	Index GRI
G4-33	Organization's policy and current practice with regard to seeking external assurance for the report	pg. 92	
Ethics and integrity			
G4-34	The governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	pg. 52-54	
Ethics and integrity			
G4-56	The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	pg. 20-21	
SPECIFIC INDICATORS			
RESULTS IN ECONOMIC ASPECTS			
Market presence			
EC DMA	Management approach	pg. 6-10	
G4-EC COG 1	The ratio of the average wages of the Group's employees to the average wages in the enterprise sector	pg. 30	
Indirect Economic Impacts			
EC DMA	Management approach	pg. 6-10	
G4-EC7	Development and impact of infrastructure investments and services supported	pg. 7-10	

RESULTS IN ENVIRONMENTAL ASPECTS			
Materials			
EN DMA	Management approach	pg. 75	
G4-EN1	Materials used by weight or volume	pg. 75-81	
Energy			
EN DMA	Management approach	pg. 75	
G4-EN3	Energy consumption within the organization	pg. 81-83	
Water			
EN DMA	Management approach	pg. 83	
G4-EN8	Total water withdrawal by source	pg. 83-84	
G4-EN10	Percentage and total volume of water recycled and reused	pg. 84-85	
Emissions			
EN DMA	Management approach	pg. 62-63	
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	pg. 63-74	
G4-EN21	NOx, SOx, and other significant air emissions	pg. 63-74	
Effluents and Waste			
EN DMA	Management approach	pg. 85, 87	
G4-EN22	Total water discharge by quality and destination	pg. 85-87	
G4-EN23	Total weight of waste by type and disposal method	pg. 88-90	
Compliance			
EN DMA	Management approach	pg. 59-60	

G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	pg. 60-61	
RESULTS IN SOCIAL ASPECTS			
Place of work: Employment			
LA- DMA	Management approach	pg. 26	
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	pg. 31-34	
G4-LA3	Return to work and retention rates after parental leave, by gender	pg. 35-36	
Occupational Health and Safety			
LA-DMA	Management approach	pg. 39-40	
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	pg. 41-43	
G4-LA8	Health and safety topics covered in formal agreements with trade unions	pg. 40	
Training and Education			
LA DMA	Management approach	pg. 37-40	
G4-LA9	Average hours of training per year per employee by gender and by employee category	pg. 38-39	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	pg. 37	
Diversity and Equal Opportunity			
G4-DMA	Management approach	pg. 43	
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	pg. 44-47	
Responsibility for the product			

PR DMA	Management approach	pg. 49	
Society			
SO DMA	Management approach	pg. 50	