

Bytów, 01.01.2021

POLMOR Sp. z o.o. POLICY ON THE RESPONSIBLE GLOBAL MINERALS SUPPLY CHAIN FROM CONFLICT-AFFECTED AND HIGH-RISK AREAS (the so-called CONFLICT MINERALS POLICY under Regulation (EU) No. 2017/821 of the European Parliament and of the Council of May 17, 2017).

POLMOR Sp. z o.o., an EU manufacturer of structures and components for the railroad industry and carbon steel, stainless steel and aluminum machinery for the processing industry:

aware that due diligence in the supply chain is a continuous process of monitoring and administering purchases and sales with a view to not contributing to the financing of conflicts and human rights violations, taking into account the risk of significant negative impacts that may be associated with the extraction of minerals, their trade, processing and export from conflict-affected and high-risk areas, undertakes to adopt, widely disseminate and include in its contracts with suppliers the following policy on responsible sourcing of minerals from conflict-affected and high-risk areas as a common reference for business practices, in particular:

1. With regard to serious abuses related to the extraction of minerals, their transportation or trade POLMOR Sp. z o.o. undertakes that it will not tolerate, benefit from or in any way contribute to the perpetration of:
 - a) torture and cruel, inhuman and degrading treatment,
 - b) forced or compulsory labour,
 - c) illegal forms of child labour,
 - d) other serious human rights violations such as sexual violence, among others,
 - e) war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.
2. With regard to serious fraud risk management, POLMOR Sp. z o.o. will immediately suspend or terminate cooperation with raw material suppliers if it determines that there is a reasonable risk that suppliers are sourcing from any entity that has committed the serious abuses listed in Section 1.
3. Aware that direct or indirect support to non-state armed groups includes, among other things, acquiring minerals from them or from entities affiliated with them, making payments to them, POLMOR Sp. z o.o. declares that it will not tolerate any direct or indirect support and any provision of logistical assistance or equipment to groups or entities that:
 - a) unlawfully control mining sites or otherwise control transportation routes, points where minerals are traded, and upstream entities
 - b) unlawfully impose taxes or extort money or minerals at access points to mines, along transportation routes, or at points where minerals are traded
 - c) unlawfully tax intermediaries, exporting or trading companies, or extort money from them.
4. With regard to the management of risks related to direct or indirect support for non-state armed groups, POLMOR Sp. z o.o. will immediately suspend or terminate cooperation with raw

material suppliers if it determines that there is a reasonable risk that they are sourcing from, or are affiliated with, any entity that provides non-state armed groups with direct or indirect support as defined in Section 3.

5. With regard to public or private security forces, POLMOR Sp. z o.o. agrees to eliminate, directly or indirectly, support for public or private security forces that unlawfully control mines, transportation routes and upstream entities, unlawfully tax or extort money or minerals at access points to mines, along transportation routes or at points where minerals are traded, or unlawfully tax or extort money from intermediaries, export companies or international traders.
6. POLMOR Sp. z o.o. recognizes that the role of public or private security forces at mines or in surrounding areas or along transportation routes should be solely to uphold the rule of law, including protecting human rights, ensuring the safety of mine workers, equipment and facilities, and protecting mines or transportation routes from interference with legitimate mining and trade.
7. In the event that any company in our supply chain enters into a contract with public or private security forces, POLMOR Sp. z o.o. will endeavour to have the relevant entities adopt controlling policies to ensure that individuals or units of the security forces known to be responsible for gross violations of human rights are not employed.
8. POLMOR Sp. z o.o. will support efforts to establish cooperation with central or local government bodies, international organizations and civil society organizations to contribute to developing solutions on how to improve transparency, proportionality and accountability in payments to public security forces for ensuring the rule of law.
9. POLMOR Sp. z o.o. will support efforts to establish cooperation with local administrations, international organizations and civil society organizations to avoid exposure or minimize the exposure of vulnerable groups, especially miners who mine manually, to negative effects associated with the presence of security forces, public or private, at mine sites.
10. With regard to the management of risks associated with public or private security forces, in accordance with the specific position of the company in the supply chain, POLMOR Sp. z o.o. undertakes to identify and assess risk factors within its own risk management system on the basis of available audit reports by an external entity or on the basis of an assessment of due diligence practices for steel mills.
11. With regard to bribery and misrepresentation of the origin of minerals, POLMOR Sp. z o.o. will not offer, promise, give or demand any bribes and will not solicit bribes to conceal or change the origin of minerals in order to mislead with respect to taxes and royalties paid to governments for mineral extraction, trade, processing, transportation and export.
12. With regard to money laundering, POLMOR Sp. z o.o. will support activities to contribute to the effective elimination of money laundering where it identifies legitimate money laundering risks arising from the extraction of, trade in, transportation of, or export of minerals, associated with illegal taxation or extortion of minerals at mine access points, along transportation routes, or at points where minerals are traded by raw material suppliers, or risks associated with such activities.
13. With regard to the payment of taxes and royalties to governments, POLMOR Sp. z o.o. will ensure that all taxes and royalties related to the extraction of, trade in and export of minerals



EXCELLENCE BASED ON EXPERIENCE



from conflict-affected and high-risk areas are paid to governments in accordance with the company's position in the supply chain.

14. With regard to the management of risks related to bribery and misrepresentation of the origin of minerals, money laundering, and payment of taxes and royalties to governments, POLMOR Sp. z o.o. undertakes to cooperate with suppliers, central or local government authorities, international organizations, civil society, and, where applicable, affected third parties in improving and tracking performance to prevent or reduce the risk of adverse effects by taking measurable actions within a reasonable time frame. POLMOR Sp. z o.o. will suspend or terminate cooperation with raw material suppliers after unsuccessful attempts to mitigate risks.

Management of POLMOR Sp. z o.o.