



# COMMUNICATION ON PROGRESS 2021

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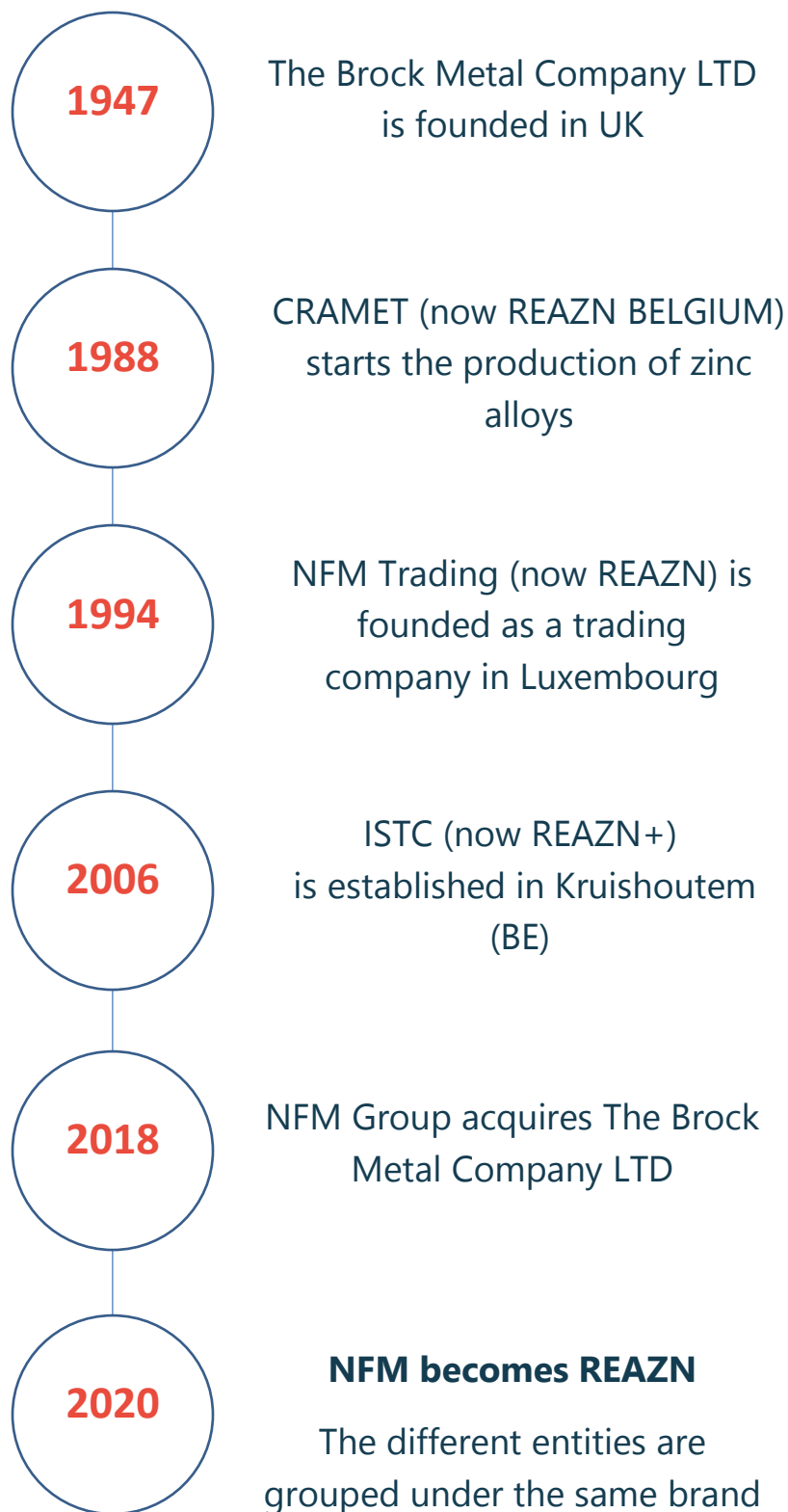
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# Our commitment

## Statement of continued support

We confirm that REAZN reaffirms its support for the Ten Principles of the United Nations Global Compact on Human Rights, Labour Standards, Environmental Protection and Anti-corruption.

In this annual progress report, we describe our actions to continuously improve the integration of the Global Compact and its principles into our business strategy, corporate culture and daily operations. As well, we include the Sustainability Development Goals in our own objectives.

Yours Sincerely,

Claude Bever

Managing Director



# Who we are

The REAZN GROUP is dedicated to manufacturing and distributing prime grade alloys to the casting and galvanizing industry.



## Locations

REAZN GROUP is located in 3 European countries: the headquarters in Strassen (LU), the production sites in Kruisem (BE) and Cannock (UK)

The REAZN group exists of multiple entities with own specific role in the group:

REAZN SA, located in Luxembourg, is the main customer interface for products and services provided by the REAZN GROUP. They are in contact with customers and suppliers and constantly strive to be an efficient service provider for all their partners. REAZN SA is coordinating the sourcing of raw materials for the zinc alloys production and the marketing of all REAZN products.

REAZN BELGIUM is the largest producing company in the REAZN GROUP. From the start it was conceived to produce zinc alloys from secondary, recycled, zinc materials. Through continuous investments and developments REAZN BELGIUM has grown into a medium-sized company with a nominal production capacity of 70.000 t of zinc alloys per year.

REAZN UK is a large supplier of zinc die-casting and galvanizing alloys to the European markets, with a leading position in the UK. The company has a total annual production capacity of approximately 35.000 t. The company has also been supplying the zinc and copper plating industries with specialist materials for more than 30 years.

REAZN+, located next to REAZN BELGIUM, is the service company in the group solely dedicated to the pre- and post-treatment of specific zinc containing secondary raw materials.

## **Strategy**

REAZN is driven and has been growing by implementing a customer intimacy strategy based on 4 pillars:

1. Offering reliable end products of primary grade quality from recycling industrial waste.
2. Bringing premium and customized zinc alloys to galvanizing and die-casting industry, first in Europe and later in other parts of the world.
3. Differentiating from commodity products by tailoring the alloys and the packaging to customer demand.
4. Developing closed loop solutions with customers that are also suppliers of recyclable materials.



# Our missions

At REAZN, we pursue excellence in the products and services we offer to our partners. We anticipate the challenges of a continuously changing world with great flexibility and with the necessary creativity. By keeping a constant focus on our partners' requests and on our values, we managed to build a worldwide network of long-term relationships based on mutual confidence.

## Innovation

REAZN is committed to keep on investing in better processes and technologies. By working at the ongoing optimization of our proprietary recycling technologies, we are able to improve the recovery rate of zinc units and thus save valuable raw materials from the waste stream. REAZN pushes for evolution through innovation. We believe that this innovation sources in the constant interaction of the product value stream and the people value stream.



## **Recycling**

Recycling is a key component of modern waste reduction. By upcycling zinc containing by-products from the industry into prime grade alloys, REAZN contributes to minimizing the environmental impact of zinc use by reducing the dependency on zinc metal produced from ores. Mining and transporting less ores helps saving natural resources and lowering the carbon footprint for the whole industry. Every by-product of our recycling process can be used as raw material in another industrial application which means that REAZN generates no waste requiring landfill disposal.

## **Circular Economy**

REAZN proposes closed loop solutions in order to facilitate the stream from industrial by-products to ready to use alloys. We offer a logistical service to our customers providing containers for collection of the materials to be recycled;

Another objective of REAZN is to recover zinc units from post-consumer goods. This will help to further reduce the use of resource inputs and to partly prevent the disposal of demolition and household waste.

# Sustainability Governance

## CSR Policy

Through its CSR policy, REAZN describes the values leading its business activities. By signing up in 2019 to the UN Global Compact, the company demonstrates its commitment to the basic values of Human Rights, Labor Standards, Environment Protection and Fight against corruption.

See Annex I

## Directives and legal requirements

The companies of the REAZN Group fulfill all applicable legal obligations under following regulations: the Restriction of Hazardous Substances Directive (RoHS) 1 and 2, the Waste Electrical and Electronical Equipment Directive (WEEE), the Classification, Labelling and Packaging of chemicals (CLP), the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), "conflict minerals" provision, Modern Slavery Act 2015 and European Market infrastructure Regulation (EMIR)

## Certifications

REAZN Group is certified by Vinçotte for its Quality, Environmental and Safety Management systems.





# Sustainable Development Goals (SDG)

The United Nations defined 17 Sustainable Development Goals as priorities to tackle challenges related to poverty, inequality, climate change, environmental degradation, peace and justice.

To map the SDGs, REAZN relies on the SDG Roadmap established by IZA (International Zinc Association). This approach based on the zinc industry bring a perspective on where the greatest potential lies for the sector to contribute to the SDGs.

For REAZN, some SDGs are more relevant than other ones, despite their equal importance, activities not having the same impact on all areas. Therefore, REAZN assessed the different SDGs according to the relevance and applicability and focus on the 3 highly relevant and 6 medium relevant ones.

The SDGs for which REAZN focus on and has taken actions are the following:



# Our actions

## Human Rights



**Principle 1:** *Businesses should support and respect the protection of internationally proclaimed human rights*

**Principle 2 :** *make sure that they are not complicit in human rights abuses.*

In consistence with its QSE policy and its CSR policy, REAZN is committed to respect human rights and safety of its employees and third parties.

First of all, REAZN is fully committed to respect applicable local legislation. Legal compliance is verified by an external company to ensure that all laws and regulations are respected.

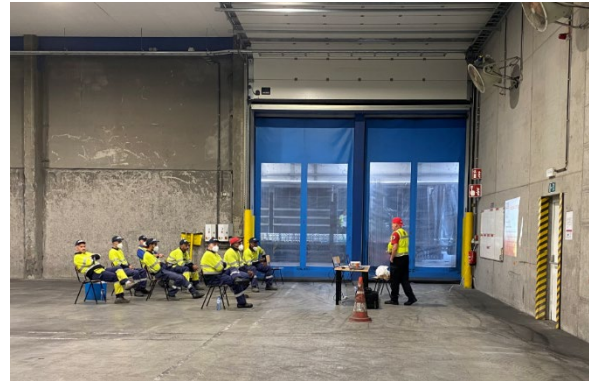
### **Zero accident**

The company takes care to offer a safe place to work to its employees. This is implemented through risks analysis, incidents investigation, safety improvement of equipment and workplace. All these actions are performed in relation with the Standard ISO 45001.



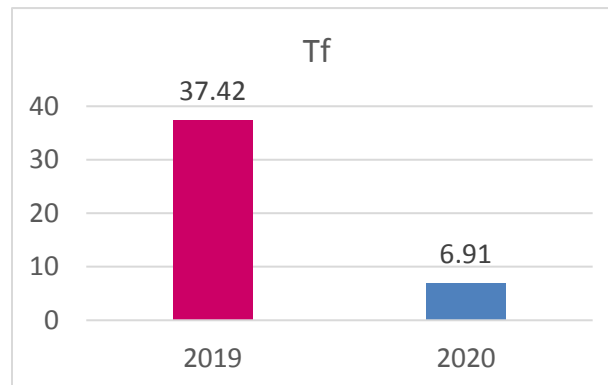
## Awareness

The human component is also taken in account by the awareness of workers. Not less than 1144 hours of trainings have been provided to workers in REAZN in 2020.



*August 2020: Safety day with workshops and trainings.*

In 2020, a global safety project has been launched to aim the zero accident target. This strategic approach considers 7 different aspects and is declined in steps with workshops including all categories of workers.



*Evolution of Tf.*

## ***Health and Well-being***

2020 has been a challenging year with the worldwide pandemic. From the first days, REAZN has taken all technical and sanitary measures regarding its workers, sub-contractors and third-parties to ensure the business continuity in the safest conditions. An external communication has been raised to our partners on our maintained activity and shipments.

The satisfaction and wellness at work of its employees is also an important topic for REAZN. That's why we have launched in 2020 an external survey conducted by The Great Place To Work Institute. This could highlight the strengths and improvement paths.

By the way, REAZN S.A. got the label for its offices in Luxembourg and is ranked in the Top 10 of the "Great Place To Work" in the small companies ranking.



## ***Human Rights in the world***

The core business of REAZN is the recycling of zinc to produce high quality zinc alloys. The production process of REAZN starts with secondary materials acquired on the market of industrial waste mainly in Europe. It uses only a minor part of primary metals (mining).

REAZN is committed to responsible sourcing for its primary materials. All primary materials are bought LME registered producers based in Europe and are not providing from CAHRA countries (Conflict affected and high concern areas).

### ***Solidarity Actions***

REAZN employees of all sites participated to solidarity actions, such as LëtZ Go Gold for Kriibskrank Kanner (Childhood Cancer Foundation) and the Business Run for the Fondation contre le Cancer au Luxembourg.







**Principle 3:** *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;*

**Principle 4:** *the elimination of all forms of forced and compulsory labor;*

**Principle 5:** *the effective abolition of child labor;*

**Principle 6:** *the elimination of discrimination in respect of employment and occupation.*

### **Statement**

REAZN complies with all applicable laws in the jurisdictions where we do business, in particular, all applicable employment, labour health and safety and human rights laws. We do not employ children or anyone below the legally-allowed age under local laws. We sign a contract of employment with all of our employees and we ensure that they have the right to work in the jurisdictions where we employ them.

We declare all of our employees to the tax and employment authorities of all the countries where we employ them.

We permit our employees to be unionized.

We do not hold any of our employees' passports, work or residency permits or certificates or authorization, and do not hold them in their employment against their will. Our employees are free to leave their employment, respecting their contractual and legal obligations, the same way we comply with our own.



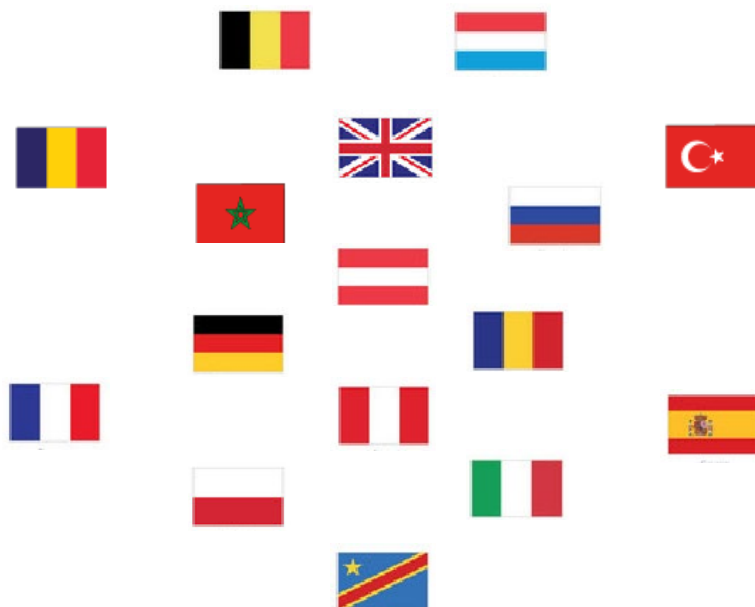
## ***Non-discrimination***

We treat each other with dignity and respect. All employees deserve an inclusive workplace where they are treated fairly and respected for their contributions. REAZN provides equal opportunities for employment. We base employment decisions on merit, and consider qualifications, skills and achievements. We do not tolerate discrimination based on characteristics such as age, gender, race, ethnic background, sexual orientation, national origin or religion beliefs. We do not tolerate harassment or bullying.

REAZN has defined its values in a code of conduct policy

## ***Diversity***

REAZN proves its non-discrimination regarding origin, nationality, race, etc by the diversity of nationalities present in its facilities: our 112 employees gather 16 different nationalities



## Environment

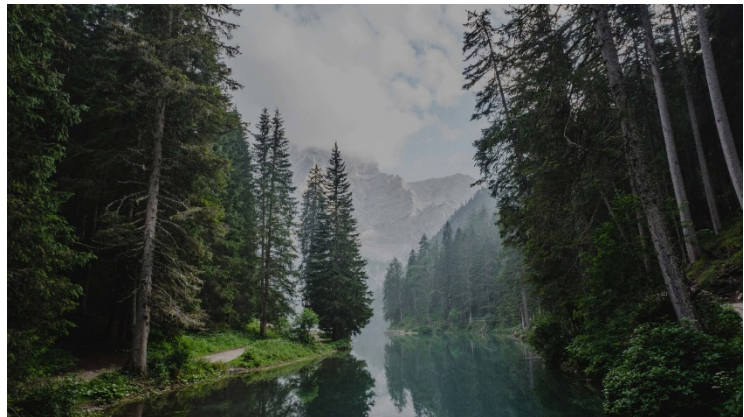


**Principle 7:** *Businesses should support a precautionary approach to environmental challenges;*

**Principle 8:** *undertake initiatives to promote greater environmental responsibility;*

**Principle 9:** *encourage the development and diffusion of environmentally friendly technologies.*

REAZN provides the market of zinc alloys with an alternative for the production of zinc alloys from primary materials. The recycling process brought a clear advance on sustainability by its reduced footprint on energy and



materials compared to what existed already on the market. Subsequently, recycling rate, energy consumption and water consumption became inherent drivers for all actors. REAZN is committed to keep on investing in better processes and technologies. By working at the ongoing optimization of their proprietary recycling technologies, they are able to improve the recovery rate of zinc materials and thus save valuable raw materials from the waste stream.

A range of innovation projects are ongoing to improve the production process and reduce the impact on environment.

## ***Energy***

The following projects have allowed a reduction of our energetic consumption and on our CO<sub>2</sub> emissions:

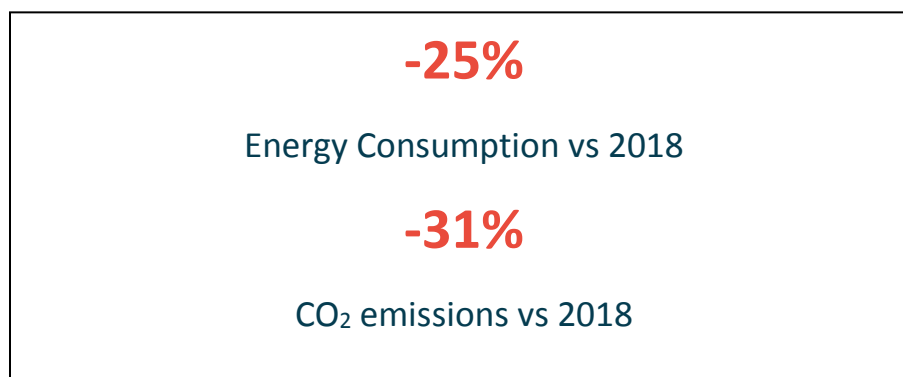
- Burners technology has been improved
- Thermic forklifts replaced by electric forklifts
- Compressed air distribution technology optimized
- Renewal of building
- LED lighting

## ***Projects***

REAZN will pursue the projects mentioned above until their final completion.

To improve our air emissions quality, the replacement of our filter will be achieved in 2021. This will lead to a strong decrease of dust emissions, anticipating more strict norms, a better monitoring of the emissions, a lower electric consumption and an improvement of workplace through less noise.

Another project consists in a change of the furnace design will drive to a consequent gas consumption decrease and thus a lower CO<sub>2</sub> emissions.



## Sustainability Performance

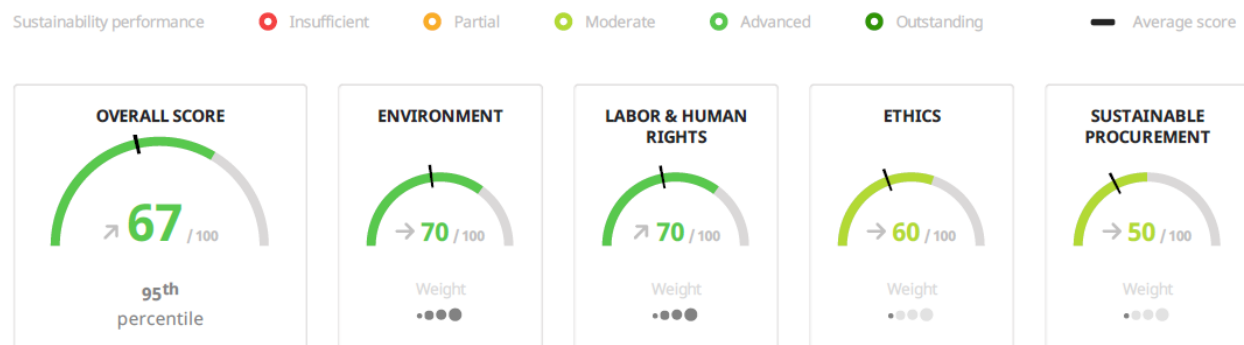
In its sustainability program, REAZN Group decided in 2016 to join the EcoVadis platform to assess its RSE performance. In 2020, REAZN integrated the top 3% of companies rated by EcoVadis in the Manufacture of basic precious and other non-ferrous metals industry.



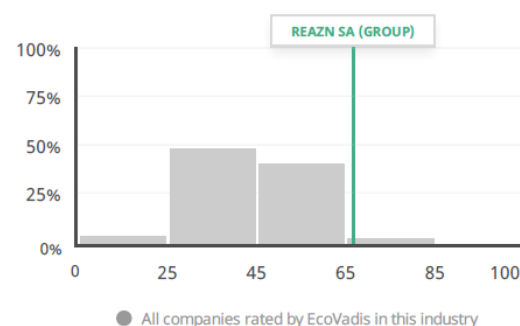
The results of the assessment is shown here below.

### SUSTAINABILITY PERFORMANCE OVERVIEW

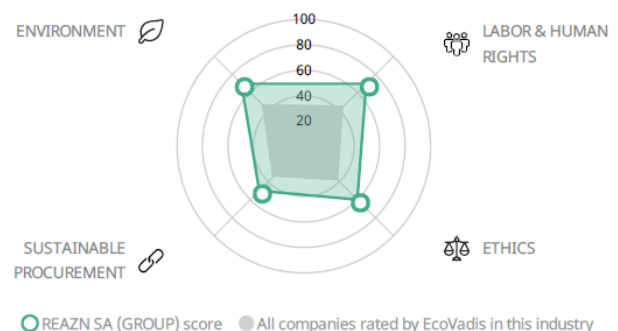
#### Score breakdown



#### Overall score distribution



#### Theme score comparison



## Anti-corruption

**Principle 10:** *Businesses should work against corruption in all its forms, including extortion and bribery.*

REAZN is committed to conducting all of its activities with legality, integrity and transparency. In the compliance approach dedicated to the prevention and fight against corruption, the Company has developed an anticorruption Policy and addressed it to its employees.

See Annex II

## Annex I

# CORPORATE SOCIAL RESPONSIBILITY POLICY

## The meaning of Corporate Social Responsibility (CSR) for REAZN Group

We see the purpose of our CSR as an indispensable tool for **value creation** in the 21st century. The purpose of our CSR is to develop innovation and to promote a sustainable business model. As such it fundamentally determines our strategic and operational decision making. The benefits of our approach lie in:

- sharing our values with all relevant stakeholders: employees, customers, suppliers, local and governmental authorities, banking and insurance service suppliers, and shareholders
- promoting competitiveness and innovation in both products and production methods
- promoting a sustainable business model by constant investments in technical and human resources
- optimizing our business model to the specific needs of all relevant stakeholders.

In this sense our CSR guide is also a tool for **risk management**, insuring compliance by mitigating operational risks and their potential impact, and by supporting the relationship with external entities, by:

- helping to assess internal and external contexts in which the group operates
- helping to focus on risks and opportunities implied with these contexts
- eliminating hazards deemed as disproportionate or unsustainable
- monitoring and reducing risks linked to a sustainable business model to acceptable levels
- identifying opportunities for improving existing production methods
- identifying opportunities for innovation and/or investments
- making sure that all processes of the organization are in line with a model of global sustainability.

We have identified following critical areas for which we feel that particular attention is required:

- workforce health and safety
- human rights policies
- ethics and whistleblower protection
- environmental issues and energy management.



## Health and Safety - Occupational Safety

Our Health & Safety vision is to provide a work environment where all hazards are eliminated and all risks effectively identified and controlled. Each employee has to be aware about the risks involved in his/her tasks and he/she has to take responsibility for his/her own safety and that of their colleagues. Accidents at the workplace aren't inevitable and work-related illness aren't part of a normal life at work. We have to make sure to offer a workplace where health and safety of the workforce are considered a top priority. Our zero harm policy is integrated in a fatality prevention scheme organized under the requirements of ISO 45001 (Occupational Health and Safety) standard.

Policies are certainly fine, but **awareness** is at least as important. We foster a culture of **commitment to safety** at the workplace by promoting safety awareness and by organizing trainings and practical workshops (for example investigations of incidents or near-hits) on a regular basis. If deemed necessary, technical skills are updated in specialized third party training camps. Employees are enticed to share their experiences and thoughts, and to express any reservation about existing risk assessments.

## Human rights

We respect fundamental human rights in all locations where we operate. Human rights are considered in key business processes such as risk assessments, procurement and contractor management and in our dealings with all stakeholders.

Respecting human rights also requires us to work with suppliers to ensure that they hold themselves to the same human rights standards that we hold ourselves accountable to. In our view the specific points to consider are child labor, forced or compulsory labor (modern slavery criteria) and human trafficking.

We have to insure that we:

- assess and monitor potential risks of such character in our supply chain
- eliminate any risk of human rights violation in our business model.

In line with the MODERN SLAVERY ACT 2015 (UK), Section 54 (1), REAZN UK publishes a specific Slavery and Human Trafficking Statement detailing the actions taken to ensure the above.

REAZN Group is committed to use raw materials of legal and sustainable origin, and not to source 'conflict minerals' contributing to finance armed conflicts and enable human rights abuses. REAZN Group keeps a due diligence monitoring to achieve compliance with this commitment.

Our employees are enticed to share their experiences and thoughts, and to express any reservation about existing human rights issues with existing or potential stakeholders.

## Ethics and Whistle-blower Protection

In our business dealings we are committed to following fundamental values: fairness, transparency, honesty and mutual trust. We expect all stakeholders to subscribe to the same fundamental values. We expect leadership from the top, as management and team leaders should exemplify good ethical practice in order to demonstrate accountability.

**Corruption:** we are strictly opposed to any behavior, actions or non-actions leading to, or which could be interpreted as a form of, active or passive corruption. We encourage all stakeholders to refer to the reports of the UN Global Compact Anti-Corruption working group and the World Economic Forum – Partnering Against Corruption initiative. The behavior rules for our management and our employees are detailed in the document “Rules of ethical behavior”.

**Respect of labor:** we make sure that wages are appropriate for the kind of work being done, and related to the experience level of the worker. We make sure that the companies of the group comply with all relevant employment laws, especially in relation to working hours, overtime, and breaks.

**Fair treatment:** we want everybody to be treated equally and fairly, regardless of their age, sex, race, gender, religion, political opinion, sexual mores, social engagement or handicap. We have no room for discriminatory practices.

**Labor organization:** we respect the rights of employees to set up groups or trade unions to discuss work related matters, promote their rights at work and bargain collectively.

**Harassment and violence:** we will not accept that anyone has to face verbal or physical abuse at work, or any kind of behavior that creates a hostile or intimidating atmosphere. Sexual harassment is part of this.

In case our employees or other stakeholders have an issue they feel they can't raise with their usual contact, their line manager or with local management they can report directly to the general management (Conseil d'Administration) of the group. This also applies for one-time or ongoing violations of CSR principles. They will be guaranteed a discretionary treatment of the matter reported and granted full **whistle-blower protection** for their reporting.

## Environmental Issues and Energy Management

We aim at continuously improving the efficiency of our activities and production processes with a focus on protecting ecological functions and reducing our environmental footprint, particularly in terms of energy and water use, emissions, and waste generation. We also continuously improve the efficiency of our production processes, in order to optimize the yield in the use of raw materials and to reduce the amount of by-products and/or waste. Considering that the core part of our business model is based on recycling of secondary raw materials, it is obvious that we have always acknowledged the importance of **environmental performance** as essential to our strategical orientation towards durability and sustainability.

Our aim is to promote the better use of natural resources and to minimize environmental impacts, by further improving our innovative recycling processes and thus reducing the global carbon footprint in our business sector. In other words: environmentally-friendly products by environmentally-friendly production methods.

All practical aspects related to water, energy and climate change, emissions to air, waste, biodiversity and land management, and material stewardship are organized under the requirements of ISO 14001 (Environmental Management System) standard.

## **Conclusion: the categorical imperative for our future development is Global Sustainability**

We are and we will remain committed to responsible and sustainable business practices. This approach protects and enhances our long-term business model, and it helps to make it more resilient and competitive towards all internal or external challenges.

**This implies of course that we support every CSR initiative sharing the same values as those exposed above.**

Strassen, the 31<sup>st</sup> of March 2021

**for the REAZN GROUP S.A.**

**Jean GOUVERNEYRE**  
Managing Director  
REAZN Belgium



**Claude BEVER**  
Managing Director  
REAZN



**Gerard KEANE**  
Managing Director  
REAZN UK



## Annex II

### **REAZN ANTI-CORRUPTION POLICY**

As member of UN Global Compact, REAZN takes a strong stance against corruption and bribery consistent with the anti-bribery and anti-corruption laws that exist in many countries around the world. We demand the same from our business partners. We strictly prohibit bribes, fraudulent conduct, kickbacks, illegal payments and any other offer of items of value that may inappropriately influence or secure an improper advantage with a government official, supplier or customer. We interact with both public and private entities, and individuals, with government regulators, non-governmental organizations and inspection authorities. It is our duty to follow local and internationally applicable laws and ethical standards prohibiting bribery and corruption. Value transfers to third parties must be at fair market value for services rendered and there must be a legitimate need for the goods and services.

The violation of anti-corruption legislation may have significant consequences on REAZN and on implied individuals. The risks incurred by the Company and its employees can be disciplinary sanctions, fines, civil lawsuits, end of contracts, disqualification from bidding and tenders, suspension or closure of the activities and up to imprisonment.

**REAZN counts on each of its managers and employees to demonstrate, by his/her own conduct, REAZN Group's commitment in complying with anti-corruption rules.**

To guide all REAZN employees in their daily practice, by supplying the necessary practical knowledge to detect and prevent corrupt practices, and to know how to act in compliance with anti-corruption laws, here is an overview of the most important rules to ensure a corruption-free business :

- 1) any personal gift received from a supplier/customer/service provider, whether at the office or at any other location, must be declared to the Management. The manager or employee who has received this gift is entitled to keep it or place it in a pool for distribution among their colleagues at a later date;
- 2) any gift exceeding the equivalent value of EUR 250 must not be accepted and the Management must be informed;
- 3) any manager or employee who is invited by a supplier/customer/service provider to lunch, dinner or another event must notify the Management, irrespective of whether or not the invitation has been accepted. The declaration must include the following information: the name of the person(s) or company providing the invitation, the reason for the invitation, the context, the benefits offered, the duration of the event, etc.;
- 4) any formal invitation to lunch, dinner and other events from a supplier/customer/service provider must be reported to the Management. The declaration must include the following information: the name of the person(s) or company providing the invitation, the reason for the invitation, the context, the benefits offered, the duration of the event, etc. Since a person invited as a guest is acting as a representative of the company, they must therefore act accordingly.

**Payments, gifts and entertainment**

Payments in any form whether received or given, to public or private persons or entities, before or after the fact, in order to obtain business, are prohibited. Gifts and entertainment may create a sense of obligation on the recipient who is encouraged to alter his or her behavior in some way or even an expectation that something will be given in return

- 5) DO NOT make a payment, provide a gift or other service in order to obtain a contract or business;
- 6) DO NOT make payments without supporting documentation (contracts, invoices...);
- 7) DO NOT make payments, financial arrangements, cash payments, or payments with cashable checks to companies or individuals;
- 8) DO NOT make payments to a person of influence (e.g. charitable or political contribution) near the time of a contract or procurement decision related to this person of influence;
- 9) DO NOT make a payment or commission to an offshore or non-reputable bank account or to a name/person different from the one earning the payment/commission.
- 10) Gifts and entertainments also must be occasional. For instance: if you offer a meal every week to a potential client, it could be considered as a bribe, even if the bill is low.

Any breach of these rules will be subject to a penalty ranging from censure to outright dismissal, depending on the severity of the offence

Strassen, the 31<sup>st</sup> of March 2021

**for the REAZN GROUP S.A.**

**Jean GOUVERNEYRE**  
Managing Director  
REAZN Belgium



**Claude BEVER**  
Managing Director  
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**Gerard KEANE**  
Managing Director  
REAZN UK

