

CRONIMET Raw Materials GmbH	Details of trading company
<i>Company name</i>	CRONIMET Raw Materials GmbH
<i>Business address</i>	Südbeckenstr. 22, Karlsruhe
<i>Other sales points</i>	-/-
<i>Annual Report</i>	2021
<i>Date of this report</i>	25.07.2022
<i>Responsible Person managing this report</i>	Philipp Kistner (Managing Director)

Introduction:

The CRONIMET Holding Group (CRONIMET) is committed to entrepreneurial, socially and ecologically responsible corporate management. We act in accordance with the law, we rely on fair competition, reject corruption and comply with cross-border trade regulations. We also observe ethical guidelines based on the principles of the United Nations (UN) Global Compact, the International Labour Organization (ILO) Conventions, the Universal Declaration of Human Rights of the UN, the UN Conventions on the Rights of the Child, OECD Guidelines for International Business.

Principles in dealing with metals and minerals from conflict and high-risk areas:

To avoid the use of conflict minerals, which directly or indirectly finance or benefit armed groups and/or involve other serious human right abuses in high-risk and conflict-affected regions, CRONIMET has developed a supply chain policy and measures to ensure the origin of the traded material.

CRONIMET *condemns all activities in the extractive sector that involve illegal or unlawful exploitation of ores, that directly or indirectly finance or benefit armed groups in conflict zones, or that contribute to serious human rights violations.*

CRONIMET *fully supports the activities of the Organization for Economic Cooperation and Development (OECD) to address these risks and has implemented the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas (OECD Guidance).*

<i>Due Diligence Concept</i>	Implemented Measures
<i>Establish a strong company management system</i>	<p>CRONIMET maintains a certified Integrated Management System (IMS), which currently includes a quality management system according to ISO 9001, an environmental management system according to ISO 14001, an occupational safety management system according to ISO 45001 and an energy management system according to ISO 50001. Responsible procurement of tungsten is ensured via a risk management system incorporated into the IMS. The risk management system includes a regular review of the identified risks in the supply chain, including risk assessment and the measures defined to reduce risks. Potential business partners for primary raw materials are screened on a risk basis for negative media news, embargo regulations as well as sanctions lists. In case of not meeting requirements, such as adequate proof of country of origin, certifications or compliance with legal rules, a business transaction is excluded. Primary raw materials from countries on the CAHRAS (Conflict Affected and High-Risk Areas) list are excluded from business transactions.</p>
<i>Establish a supply chain policy regarding responsible sourcing of raw materials</i>	<p>The supply chain policy is fully aligned with the third edition of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance) and the corresponding EU regulation (Regulation (EU) 2017/821). The supply chain policy defines the ethical guiding principle towards conflict minerals, and how risks are assessed and managed in our supply chain. It covers all the risks identified in Annex II of the OECD Guidance and its geographic scope is global.</p>
<i>Establish a strong internal system of due diligence, controls and transparency</i>	<p>Responsible procurement of tungsten is ensured via a risk management system incorporated into the IMS. In order to ensure the internal system of due diligence, a mandatory procedure has been implemented. The procedure can be found in the process description. Controls and documentation requirements are also laid down in the guideline on handling metals and minerals from conflict and high-risk areas.</p> <p>The risk management system includes a regular review of the identified risks in the supply chain, including risk assessment and the measures defined to reduce risks. Potential business partners for primary raw materials are screened on a risk basis for negative media news, embargo regulations as well as sanctions lists. In case of not meeting requirements, such as adequate proof of country of origin, certifications or compliance with legal rules, a business transaction is excluded. Primary raw materials from countries on the CAHRAS (Conflict Affected and High-Risk Areas) list are excluded from business transactions. Controls are automatically implemented in the ERP system. In addition, an independent department (MSU) can carry out irregular,</p>

random checks manually anytime. In addition to the internal operational controls, an interdepartmental control takes place annually.

Establish a confidential grievance mechanism

We rely on our employees, suppliers, customers and other stakeholders to act responsibly and honestly, and welcome any information with the intention of uncovering grievances. Therefore, we offer a whistleblower system, which is confidential and protects the identity of the person reporting a violation. The whistleblower system serves exclusively to receive and process reports on actual or alleged violations of laws, guidelines or the CRONIMET Code of Conduct. In particular, it is not available for general complaints or for product and warranty enquiries. Furthermore, grievances regarding CRONIMET's procurement practices can be reported to compliance@cronimet.de.

Results of the due diligence review 2021

How much material did CRRM import into the European Union?	92 t
How many different traders were used?	3
From which countries of origin was the material sourced?	Russia, Vietnam, China
How many producers are certified according to RMI (in %)?	100%
How many upstream supplier confirmed a conflict-free supply chain (in %)?	100% (confirmed under the PO)
Were potential business partners or offers made rejected?	Yes, in accordance with procedural instructions, bids from potential upstream suppliers were rejected, if required evidence could not be provided.
Have any reports been received in the whistleblowing system in connection with irregularities in the supply chain?	None.