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Commitment to responsible sourcing of raw materials - Supply chain policy

As one of the world's leading recyclers of metallic scrap, CRONIMET is committed to the responsible handling and disposal of metallic scrap in the supply chain in order to minimize environmental impact and to comply with legal regulations and international conventions [e.g. Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, Minamata Convention on Mercury, Stockholm Convention on Persistent Organic Pollutants (POPs)]. Metal scrap is disposed of in accordance with the applicable environmental and recycling standards to ensure that it does not cause any damage to the environment.

Within the CRONIMET Holding Group (CRONIMET), CRONIMET Raw Materials GmbH (CRRM) is the integrated raw materials service provider. The core business of CRRM is primary raw materials, ferroalloys (incl. tungsten alloys) and powder metallurgy with a focus on the product areas nickel, chromium, molybdenum, titanium and other nonferrous metals. In addition to CRRM, CR Brasil is also responsible for trading primary materials outside Europe.

In accordance with the mission statement and corporate values of the CRONIMET Holding Group, CRRM and CR Brasil are committed to implementing best practices in all phases of material procurement within the supply chain concerning in terms of safety, health, human and environment. We strongly believe that sustainable business success must be based on a solid foundation that includes continuous compliance with legal, industrial and environmental standards as well as self-imposed rules beyond these. Therefore, CRONIMET supports its customers in complying with the SEC Conflict Minerals Rule on Section 1502 of the Dodd-Frank Act and the Conflict Minerals Regulation (EU) No. 2017/821.

Secondary raw materials (scrap) and raw materials that fall under the above-mentioned EU regulation are purchased by CRONIMET exclusively from conflict-free sources.

Our guiding principles for managing a sustainable supply chain are:

- 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 Organisation for Economic Co-operation 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).

Furthermore, CRONIMET operates in compliance with the final rule adopted by the U.S. Securities and Exchange Commission (SEC) in August 2012 regarding the sourcing of metals and minerals from conflict and high-risk areas under Section 1502 of the Dodd Frank Wall Street Reform and Consumer Protection Act.

CRONIMET does not use metals and minerals from conflict and high risk areas for the manufacture of its products. Metals and minerals from conflict and high risk areas are not required for the "functionality or manufacture" of our products.

CRONIMET considers all suppliers and the members of the underlying supply chains as valuable stakeholders in the procurement process that leads to the success of the company.

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Measures to comply with our principles:

We will strive to work with our suppliers and customers to exclude the use of metals and minerals sourced from conflict and high-risk areas from our product supply chain.

- CRONIMET only works with suppliers who meet the requirements of the CRONIMET Supplier Code of Conduct (SCoC). This concerns the compliance with the standards for labor rights as well as topics such as environmental protection, business ethics and conflict-free origin. The SCoC is based on the recommendations in Annex II and the supplement on tin, tantalum and tungsten of the OECD Guidelines.
- Primary raw materials are therefore procured exclusively from conflict-free sources certified by a recognized auditor.

We will identify and monitor the use of metals and minerals from conflict and high-risk areas in our products and supply chain, including conducting due diligence activities that may be advisable to comply with applicable reporting requirements.

- Therefore, 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.

Our management system addresses, among other things, the handling at CRONIMET of the risks listed in Annex II of the Guiding Principles:

- serious human rights abuses association with extraction, transport or trade of the minerals,
- direct or indirect support to non-state armed groups,
- the involvement of public or private security forces,
- bribery, fraudulent misrepresentation of minerals and money laundering, as well as
- adverse impact of non-payment of taxes, fees and royalties;

and, besides others, provides for

- identification, management and mitigation the above-mentioned risks,
- relevant consequences in case of non-performance of suppliers, including the supplier disengagement,
- Training in the various facets of responsible raw material sourcing for relevant employees, and
- Verification of suppliers against relevant boycott lists (e.g. CAHRAS list).

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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.

You can report grievances regarding CRONIMET's procurement practices to compliance@cronimet.de or use our anonymous whistleblower system ([LINK](#)).

Date/signature:

Executive management Jürgen Pilarsky, CEO CRONIMET Holding GmbH