

CRONIMET Raw Materials GmbH

Annual report 2022 for metals and minerals covered by the EU Regulation (EU) 2017/821 (supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas)

Details of trading company	
<i>Company name</i>	CRONIMET Raw Materials GmbH (“CRRM”)
<i>Business address</i>	Suedbeckenstrasse 22, 76189 Karlsruhe, Germany
<i>Other sales points</i>	-/-
<i>Annual Report</i>	2022
<i>Date of this report</i>	30.06.2023
<i>Responsible Person managing this report</i>	Philipp Kistner (Managing Director of CRRM)

Introduction:

The CRONIMET Holding Group (“CRONIMET”), of which CRRM is a part, 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).*

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.*

Due Diligence Aspect	Implemented Measures
<p><i>Establish a strong company management system</i></p>	<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.</p> <p>Responsible procurement of metals and minerals covered by the EU Regulation (EU) 2017/821 (in case of CRONIMET: Ferrotungsten) 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.</p> <p>Existing and potential business partners for primary raw materials are screened on a risk basis for violations against the requirements of CRONIMET’s Supplier Code of Conduct, embargo regulations, sanctions lists and other relevant regulations. 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>
<p><i>Establish a supply chain policy regarding responsible sourcing of raw materials</i></p>	<p>CRONIMET’s 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 those raw materials, 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>
<p><i>Establish a strong internal system of due diligence, control and transparency</i></p>	<p>Responsible procurement of metals and minerals covered by the EU Regulation (EU) 2017/821, such as Ferrotungsten, is ensured via a risk management system incorporated into the IMS.</p> <p>In order to ensure the internal due diligence compliance, a mandatory procedure has been implemented which is supported by a process description. Supervision, inspection, and documentation requirements are also laid down in an internal 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 mitigate or – whenever possible – to eliminate risks.</p> <p>Existing and potential business partners for primary raw materials are screened on a risk basis for violations against the CRONIMET principles, the requirements of CRONIMET’s Supplier Code of Conduct, 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</p>

countries on the CAHRAS (Conflict Affected and High-Risk Areas) list are excluded from business transactions.

Controls are automatically performed in the ERP system of CRRM. In addition, a specialized department of CRONIMET named “Environment, Quality, Safety and Regulatory Affairs” (EQS), having an own mandate and a reporting line independent from the one of CRRM, can carry out irregular, random checks anytime. In addition to the internal operational controls, a third-party conformity assessment in accordance to the EU Regulation (EU) 2017/821 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 for the year 2022	
Which products covered by the EU Regulation (EU) 2017/821 did CRRM import into the European Union during the reporting year 2022?	Ferrotungsten (FeW)
Which quantity of the product(s) did CRRM import into the European Union during the reporting year 2022?	157,94 metric tons
How many different suppliers were used for those imports?	4
From which countries of origin was the material sourced?	Russia (until April 2022), China
How many producers are certified according to RMI (in %)?	100%
How many upstream suppliers confirmed a conflict-free supply chain (in %)?	100% (confirmed under the PO)
Were potential business partners or offers made rejected?	No. In 2022, CRRM did purchase FeW from known and authorized suppliers only.
Have any reports been received in the whistleblowing system in connection with irregularities in the supply chain?	None