

EU Conflict Minerals Regulation Compliance Report

Introduction of the Company

Wilhelm Grillo Handelsgesellschaft mbH is a global trading company for non-ferrous metals. Our activities focus on the listed metals zinc, copper, lead and tin. We also trade in aluminum, nickel and rare metals as well as secondary metals such as remelted zinc, brass, red brass and bronze. The employees of Wilhelm Grillo Handelsgesellschaft mbH are committed to Herbert Grillo's example and thus to the tradition of the honorable merchant. In addition to complying with applicable laws, Wilhelm Grillo Handelsgesellschaft mbH is committed to respecting and upholding human rights, labour and environmental protection measures in its own company and in the supply chain, and to strengthening these as far as possible.

Corporate Governance

MANAGEMENT SYSTEM

Effective risk management is based on strong corporate governance. Wilhelm Grillo Handelsgesellschaft mbH places great emphasis on this. To establish such a management system, responsibilities have been clearly defined and procedures for individual processes have been written down. To ensure traceability, the results of these processes are documented in the inventory control system. To maintain a constant dialogue with the management, the management is closely involved in all processes and decisions.

The management system of Wilhelm Grillo Handelsgesellschaft mbH is regularly audited and certified according to DIN EN ISO 9001:2015. In addition, the German companies are recognised as certified waste management companies in accordance with waste disposal compliance.

KONTROLLSYSTEM

All procurement documentation is filed and stored in the inventory control system. Signed codes of conduct and supplier questionnaires are also on file there. In addition, all Conflict Minerals Report Templates (CMRTs) are saved in the system, along with the countries of origin of the products. This allows us to check which suppliers are considered as high risk, the extent to which measures have been communicated and the supply chains analyzed.

COMPANY GUIDANCE

Wilhelm Grillo Handelsgesellschaft mbH's values have been defined by management in the company's own mission statement. These values, such as flexibility, loyalty and reliability, are the cornerstones of the company.

In addition to the general values that characterise the company, specific values on human rights and environmental protection have also been laid down in the Wilhelm Grillo Handelsgesellschaft mbH Code of Conduct. This forms the basis of every business relationship and everyday behaviour. The Code of Conduct of Wilhelm Grillo Handelsgesellschaft mbH can be viewed by clicking on the [link](#).

As a trader of the raw material tin, Wilhelm Grillo Handelsgesellschaft mbH is aware of its responsibility when purchasing this raw material and is always guided by the EU Conflict Minerals Regulation. The same awareness and due diligence are expected from suppliers. These expectations are communicated to the suppliers by Wilhelm Grillo Handelsgesellschaft mbH by means of defined requirements for the conflict raw material tin.

AUFBEWAHRUNGSSYSTEM

As all documents and data relating to the fulfilment of due diligence obligations in the supply chain are filed in the inventory control system or saved on the server, the recording is guaranteed for at least ten years.

Risk Analysis

PROCESS OF RISK ANALYSIS

The Wilhelm Grillo Handelsgesellschaft mbH operates based on a risk-based approach as defined in the OECD Guidelines, focusing on (social and environmental) risks that may occur in the direct and indirect supply chain as well as in its own business operations. Due to the requirements of the EU Conflict Minerals Regulation, the risk analysis focuses on the raw material tin. In line with the EU Conflict Minerals Regulation and due to the complexity of traceability of secondary raw materials, scrap is not included in the materiality analysis.

The corresponding country risks are determined based on the defined raw material tin. This is done using external sources such as the EU Commission's CAHRA list.

To verify the extent to which the potential risks occur in the supply chain, the necessary information is obtained from suppliers through self-assessment questionnaires and audit reports. The results are incorporated into the risk assessment.

The risk analysis is reviewed at least once a year and on an ad hoc basis, i.e. in the event of specific indications or suspicions of risks and breaches of the minimum requirements (see Code of Conduct) and is made available to the goods department and management.

The CSR Officer is responsible for monitoring and processing the materiality and risk analysis.

SUPPLY CHAIN TRANSPARENCY

To create a transparent supply chain, it is necessary to identify the individual stages of the supply chain, in particular the smelters and refiners. For this reason, the Wilhelm Grillo Handelsgesellschaft mbH requests information on upstream suppliers from individual tin suppliers. Wilhelm Grillo Handelsgesellschaft mbH recognises the Responsible Minerals Initiative (RMI) and therefore uses the Conflict Minerals Reporting Template (CMRT) developed by the RMI. The templates are regularly obtained and reviewed for all sources of supply. The downstream value chain is informed accordingly.

SUPPLY CHAIN DUE DILIGENCE

The Wilhelm Grillo Handelsgesellschaft mbH is committed to due diligence in the supply chain to act responsibly and minimize any risks. In addition to recognizing the requirements of corporate due diligence, local conditions and the commitment of suppliers should also be checked wherever possible.

Verification of compliance with due diligence requirements is by means of self-disclosure in the form of supplier questionnaires and audit reports by third parties such as RMI. Social and environmental parameters such as human rights, occupational health and safety and environmental protection for the supplier's own site and the supplier's upstream supply chain are examined in more detail.

SUPPLY CHAIN RISK ASSESSMENT

The results of the above activities form the basis for the risk assessment.

The risk assessment considers the raw material, country and supplier human rights and environmental risks identified in the risk analysis, as well as the results of the CMRT and supply chain due diligence reviews. This means that aspects of self-disclosure, supplier meetings and audit reports are considered in the assessment.

The sum of all risk assessments results in the risk level of the individual suppliers in the supply chain of Wilhelm Grillo Handelsgesellschaft mbH.

The risk assessment is carried out after the risk analysis. Accordingly, it is also carried out at least once a year and on an ad hoc basis, i.e. in the event of specific indications or suspicions of risks and violations of the minimum requirements (see Code of Conduct).

The risk assessment is carried out by the CSR Officer.

RISK DESIGNATION

The review has shown that none of the smelters and refineries from which Wilhelm Grillo Handelsgesellschaft mbH procures its raw material tin are in any of the risk countries on the CAHRA list. Nevertheless, Wilhelm Grillo Handelsgesellschaft mbH is aware of the fact that risks can occur, especially with the raw material tin. Appropriate measures are taken to minimize the risk (see Risk Minimization).

Risk Minimization

RISK MANAGEMENT PLAN

In accordance with the risk-based approach defined in the OECD Guidelines, Wilhelm Grillo Handelsgesellschaft mbH has established a risk management plan for the fulfilment of due diligence obligations in the supply chain. The risk management plan includes and describes the core elements for the fulfilment of due diligence obligations in the supply chain. These include the stakeholder analysis, the risk analysis process and the resulting measures to minimize the identified risks.

The description of the core elements is accompanied by a list of the newly implemented structures and processes. The new processes will be implemented in all departments. The individual measures developed on the basis of the risk analysis are described in more detail in the following sections.

RISK MINIMIZATION MONITORING

The responsible persons continuously monitor the minimizations of the identified risks using the defined indicators. As the EU imports analyzed according to the CAHRA list do not originate from high-risk countries and the test reports do not show any serious risks, an effectiveness review in this area is not necessary.

EFFECTIVENESS REVIEW

The responsible persons review the minimization of the identified risks on an annual basis using the defined indicators. As the EU imports analyzed do not originate from high-risk countries according to the CAHRA list and the test reports do not show any serious risks, an effectiveness review in this area is not necessary.

PREVENTION AND ACTION MEASURES

Wilhelm Grillo Handelsgesellschaft mbH has developed and implemented several measures to fulfil its duty of care under the EU Conflict Minerals Regulation. These include both preventive and remedial measures.

To support the risk analysis, a complaints procedure has been set up. This enables internal and external persons to notify Wilhelm Grillo Handelsgesellschaft mbH by e-mail or telephone of any grievances or violations of the company's values. This enables risks to be identified immediately.

The Code of Conduct provides a framework for clarifying the company's values and communicating them to all raw material suppliers as the basis of every business relationship. The Code of Conduct is available in two languages (English and German) and is based on the recognized conventions of the International Labour Organisation (ILO), the principles of the United Nations and the OECD guidelines.

In addition, the requirements for the conflict raw materials tantalum, tungsten, tin and gold (3TG) have been set out in a policy and communicated to raw material suppliers. The policy states that the CAHRA list of conflict and high-risk areas will be monitored on a quarterly basis and that relevant evidence of the conflict-free nature of purchased products will be obtained and verified in order to minimize the potential risks of these conflict raw materials.

To identify potential risks in the supply chain, a supplier questionnaire is used to assess the status quo of human rights and environmental compliance. This covers social and environmental parameters such as human rights, occupational health and safety and environmental protection at the supplier's own site and in the supplier's upstream supply chain. The supplier questionnaire is a self-disclosure tool and is a key component of our efforts to identify and mitigate risks along the supply chain.

Both the results of the supplier questionnaires and the supplier visits are reviewed against defined criteria. Any deviations from our own corporate values and the associated requirements for raw material suppliers are documented in an action plan and the correction of these deviations is regularly monitored.