



Report 2023 Due Diligence and Transparency
in relation to Minerals and Metals from
conflict-affected areas and Child Labour

Re: Art. 964j-k of the Swiss Code of Obligations and the Swiss Ordinance on Due Diligence and transparency
in Relation to Minerals and Metals from Conflict-Affected Areas and Child Labour

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1. Introduction

This report relates to the due diligence and reporting obligations covering child labor required by Art. 964j-k of the Swiss Code of Obligations and the Swiss "Ordinance on Due Diligence and Transparency in Relation to Minerals and Metals from Conflict-Affected Areas and Child Labour."

It covers the period January 1, 2023, to December 31, 2023. During the reported period, Bulk Trading SA complied with the due diligence obligations regarding child labor, as further detailed below. For more information, visit www.bulktrading.ch.

2. About Bulk Trading SA

Bulk Trading SA is dedicated to ensuring responsible trading practices to improve and safeguard communities worldwide. We provide high-value commodities that meet the highest standards of sustainability and ethical sourcing. In our commitment to ethical practices, we consistently rank among the industry leaders in implementing robust due diligence and transparency measures. Our diverse team works together to bring our products to markets around the world while ensuring compliance with international standards.

3. Our commitment to human rights

We are committed to respecting human rights throughout our value chain as articulated in our Human Rights Commitment Statement and in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the Organisation for Economic Co-operation and Development's Guidelines for Multinational Enterprises.

Our commitment covers all internationally recognized human rights, including those contained in the International Bill of Human Rights and the International Labour Organization's (ILO) core labor rights conventions, including the Minimum Age Convention (no.138) and the Worst Forms of Child Labour Convention (no. 182).

4. Due Diligence and Transparency in relation to Minerals

In accordance with our commitment to Due Diligence and Transparency in relation to minerals from conflict-affected areas, we affirm that during the entirety of 2023, our company did not engage in the purchase or sale of any products originating from conflict-affected regions.

Upholding ethical standards and compliance with international regulations regarding responsible mineral sourcing remains paramount to our operations.

We continuously strive to ensure that our supply chain is free from any materials that could contribute to conflict or human rights abuses, thereby fostering sustainable and socially responsible business practices.

5. Our policies on child labor in our supply chain

At Bulk Trading SA, we are steadfast in upholding the highest ethical standards. Central to our ethical framework is our Human Rights Policy Statement, which serves as a cornerstone in our commitment to adhering to international labor rights. Specifically, we rigorously enforce a strict prohibition against child labor, in accordance with the guidelines outlined in ILO Conventions 138 and 182. This commitment spans across our entire value chain, establishing comprehensive policies and procedures that are mandatory for all Bulk Trading SA employees.

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In addition to our Human Rights Policy, we have implemented a robust Supplier Code of Conduct. This Code mandates that our direct suppliers also enforce a strict ban on child labor within their own operations. Should there be any suspicion or indication of child labor, we undertake thorough investigations as part of our obligation under this Code. These investigations are complemented by regular audits, which are integral to ensuring compliance. Furthermore, these standards are firmly embedded into our contractual agreements with third parties, granting us the authority to monitor adherence closely and take decisive action swiftly against any instances of non-compliance.

At Bulk Trading SA, we are not only committed to maintaining these high standards internally but also advocate for their adoption among our partners and suppliers. We actively encourage them to integrate similar ethical principles into their own operations. To foster transparency and accountability, we have established a dedicated webpage where stakeholders can anonymously report any concerns they may have regarding violations of human rights. This platform underscores our unwavering dedication to ethical business practices and ensures that we uphold our responsibilities to society and our stakeholders with integrity.

6. Our supply chain risk management system for Tier 1 (direct) suppliers

At Bulk Trading SA is committed to rigorous compliance control within our supply chain through our third-party risk management system, implemented with an advanced tool since 2022 that supports our compliance team in counterpart decisions.

Additionally, we have established a dedicated webpage for anonymous reporting and third-party compliance, focused on our ethical code with particular emphasis on human rights.

Our Risk Management team categorizes our suppliers into two types of risk: Qualified Supplier Risk and Country-Specific Risk for Human Rights. Risk scores determine the categorization of Tier 1 suppliers in our supply chain:

- **Critical Risk:** Requires urgent preventive actions. Service must not be provided without urgent preventive measures for these risks.
- **Important Risk:** Requires mandatory preventive measures. Variables of the process/service must be tightly controlled during operation.
- **Considerable Risk:** Requires an analysis of economic feasibility to introduce preventive actions to reduce the risk level. If not feasible, maintain controlled variables.
- **Marginal Risk:** Should be controlled but does not require initial preventive actions.

In addition, all suppliers categorized with Critical Risk undergo further verification through specific questionnaires, including on-site assessments, to mitigate our risk and assess this risk more accurately.

Our proactive approach to risk management includes screening all product-receiving suppliers in 2023. As of today, we are pleased to confirm that no cases of child labor have been identified in our direct supply chain.

Our ongoing analysis of human rights risks reinforces our confidence in maintaining a low-risk profile for child labor among our Tier 1 suppliers.

At Bulk Trading SA, our commitment to ethical sourcing and rigorous control underscores our dedication to responsible business practices, ensuring that our supply chain operates with integrity and accountability

7. Assessing and mitigating child labor risk in indirect suppliers (beyond Tier 1 direct suppliers)

Bulk Trading focuses on assessing and mitigating child labor risks specifically in indirect suppliers, beyond our Tier 1 direct suppliers. While our core products include Petroleum coke, Steam Coal, Coking Coal, MetCoke, and Anthracite, our supply chain includes suppliers operating multiple tiers below our direct suppliers.

To manage child labor risks effectively, we have developed a streamlined approach. We prioritize assessing the compliance of our Tier 1 direct suppliers with ethical standards and local labor laws, including the prohibition of child labor. Our efforts include regular evaluations and reviews to ensure adherence to these standards.

For indirect suppliers, operating beyond our Tier 1, we recognize the need for increased scrutiny. We utilize a risk-based assessment framework that considers the nature of our products and the regions from which they originate. This framework helps us identify potential child labor risks and implement targeted mitigation strategies.

We maintain a vigilant approach across our entire supply chain to ensure that all suppliers, including those beyond Tier 1, uphold ethical standards and comply with relevant labor regulations.

At Bulk Trading, our commitment to ethical practices extends to all levels of our supply chain. We continuously enhance our processes to effectively assess and mitigate child labor risks in indirect suppliers, thereby promoting responsible sourcing and sustainable business practices.

8. Supply chain traceability system

Names and addresses of all our Tier 1 third-party suppliers, along with the commodity category of the goods or services they provide, are systematically recorded in our risk management and procurement systems. We maintain comprehensive records of monitoring activities, assessments, and completed specific third party questionnaires as part of our risk management process.

We are committed to enhancing our tracking systems to trace goods from third parties beyond our Tier 1 suppliers.

9. Transparency and reporting

Our Code of Ethics, Human Right Policy, and Supplier code of Conduct are publicly available on our website. We are going to update our risk management efforts in our annual Report Due Diligence for this topics and on our dedicated Human Rights webpage, located at our web page.

10. Grievance Mechanism

Our risk management initiatives are supported by our grievance mechanism, and in 2024, we introduced a new mechanism accessible through the "You Speak, We Listen" webpage on our site. Additionally, at each of our locations, there is a physical mailbox where employees can anonymously submit reports. This platform allows for the anonymous submission of complaints or the provision of information that may be useful in addressing issues of interest to our company.

All complaints will be handled anonymously and reviewed exclusively by our compliance team. Employees are encouraged to confidentially report any actual or suspected misconduct without fear of retaliation. This mechanism is also open to external parties.

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We ensure the swift receipt, risk assessment, prioritization, investigation, and resolution of complaints through the compliance team. Follow-up actions may involve engaging with relevant third parties, conducting interviews while maintaining anonymity, performing audits, and implementing Corrective and Preventive Actions (CAPA) if necessary. In cases where systemic root causes are identified, our robust remediation process addresses both the allegation and its underlying causes. Allegations posing higher risks to Bulk Trading in terms of reputation, operations, financial, legal, quality, or safety aspects are centrally investigated by our compliance team.

As of today, Bulk Trading has not received any complaints related to child labor within our operations or supply chain.