



Report 2024 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, 2024, to December 31, 2024. 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 that improve and safeguard communities worldwide. We deliver high-value commodities while upholding the highest standards of sustainability and ethical sourcing. In our commitment to integrity, we consistently rank among industry leaders in implementing robust due diligence and transparency measures. Our diverse team works together to bring products to markets around the world, always ensuring full compliance with international standards and best practices.

3. Our commitment to human rights

We are unwavering in our commitment to respect human rights throughout our value chain, as articulated in our Human Rights Commitment Statement and in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

This commitment extends to all internationally recognized human rights, including those enshrined in the International Bill of Human Rights and the International Labour Organization's core labour conventions – notably the ILO Minimum Age Convention (No. 138) and the ILO Worst Forms of Child Labour Convention (No. 182).

By adhering to these principles and conventions, we underscore that we do not tolerate any form of child labour and we actively work to prevent such practices in our operations and supply chains. Our policies and procedures reflect these commitments, and we regularly engage with our stakeholders to promote human rights and fair labour standards globally.

4. Due Diligence and Transparency in relation to Minerals

In accordance with our obligations under 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, Bulk Trading SA confirms that during the entire reporting period (1 January 2024 – 31 December 2024), the company did not engage in the purchase or sale of any minerals or metals originating from conflict-affected or high-risk areas as defined in Annex 1 of the Ordinance.

Upholding ethical sourcing standards and maintaining full compliance with international regulations on responsible mineral sourcing remain integral to our business operations.

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We continue to implement robust supplier screening and country-of-origin verification processes to ensure that our supply chain remains free from materials that could contribute to conflict financing or human rights abuses. Through these actions, Bulk Trading SA reinforces its commitment to sustainable and socially responsible business practices.

5. Our policies on child labor in our supply chain

At Bulk Trading SA, we maintain an unwavering commitment to upholding the highest ethical standards across all aspects of our operations.

A cornerstone of this commitment is our Human Rights Policy Statement, which formalizes our adherence to international labour rights conventions, with particular emphasis on the prohibition of child labour.

In line with the International Labour Organization (ILO) Conventions No. 138 and No. 182, Bulk Trading SA enforces a strict zero-tolerance policy against child labour across its entire value chain. This commitment is embedded in company-wide policies and procedures, which are mandatory for all employees and operational teams of Bulk Trading SA.

Furthermore, we have established a comprehensive Supplier Code of Conduct, which extends our zero-tolerance policy to all Tier 1 suppliers.

Wherever there is a reasonable suspicion or any indication of child labour practices, Bulk Trading SA undertakes thorough internal investigations in line with our due diligence obligations under the Swiss Ordinance on Due Diligence and Transparency. This process may include:

- Supplier audits,
- Documentary reviews,
- Corrective action plans,
- And, where necessary, termination of commercial relationships.

These requirements are explicitly embedded in our supplier contracts, granting us the right to monitor compliance and to act swiftly in cases of non-compliance.

In addition to enforcing these standards internally, Bulk Trading SA actively promotes the adoption of similar ethical principles across our supplier network. We encourage all partners to implement human rights and child labour prevention policies aligned with international standards.

To further strengthen transparency and accountability, Bulk Trading SA has established a dedicated web-based grievance mechanism, enabling all stakeholders—including employees, suppliers, and third parties—to report concerns related to potential human rights violations, including child labour, on an anonymous and confidential basis.

Through these initiatives, Bulk Trading SA reaffirms its long-standing commitment to ethical business conduct, ensuring that human rights principles remain integral to our corporate governance and day-to-day operations.

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

At Bulk Trading SA, we recognize that robust supply chain due diligence is not only a regulatory requirement under Art. 964j-k of the Swiss Code of Obligations and the related Swiss Ordinance on Due Diligence and

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Transparency in Relation to Minerals and Metals from Conflict-Affected Areas and Child Labour, but also a fundamental pillar of our corporate responsibility and ethical business conduct.

Our approach to supply chain risk management reflects our belief that responsible sourcing is integral to protecting human rights and fostering sustainable development across the regions and industries in which we operate.

System Design and Technological Support

Since 2022, Bulk Trading SA has implemented and progressively enhanced a dedicated Third-Party Risk Management Platform, which provides our Compliance Team with real-time access to risk profiles, monitoring tools, and due diligence checklists for all Tier 1 (direct) suppliers. This system is integrated into our vendor onboarding processes, transaction review workflows, and ongoing supplier monitoring activities.

This technology-driven approach enables the company to perform continuous supplier risk assessments, proactively detect emerging risks, and ensure that human rights considerations—including the risk of child labour—are embedded into every stage of our procurement and trading decision-making processes.

Risk Assessment Methodology: Dual Factor Scoring

For the reporting year 2024, Bulk Trading SA applied a dual factor risk assessment model, designed to systematically evaluate and monitor potential child labour risks across two independent but interrelated dimensions:

a) Supplier Risk Assessment

Each Tier 1 supplier was evaluated against a five-point risk scale (1 to 5), taking into account:

- The supplier's organizational structure,
- ESG governance systems,
- Public disclosure on human rights policies,
- Track record in regulatory compliance,
- And any historical incidents or negative findings from previous audits or screenings.

The purpose of this scoring was to differentiate between multinational suppliers with well-established human rights controls and smaller or less transparent suppliers operating in regions or sectors with potentially higher exposure to labour risks.

It is important to underline that, for the entire reporting period covering 2024, Bulk Trading SA did not engage in commercial relationships with any Tier 1 supplier rated as 4 (Important Risk) or 5 (Critical Risk) on the Supplier Risk scale.

This is a direct consequence of our procurement and counterparty selection policy, which strategically limits engagement to suppliers with verifiable governance structures and documented commitments to child labour prevention and human rights protection.

b) Country Risk Assessment

In parallel, each supplier's country of operation was assessed against a five-point Country Risk scale (1 to 5), informed by authoritative international data sources such as:

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- The UNICEF Child Labour Database,
- The International Labour Organization (ILO) Global Estimates,
- The U.S. Department of Labor’s List of Goods Produced by Child Labor or Forced Labor,
- And the ITUC Global Rights Index.

This component of the assessment ensures that country-specific risks relating to weak governance, labour rights enforcement gaps, and socio-economic factors are duly considered.

Composite Risk Value and Tiered Risk Categorization

To obtain a consolidated view of each shipment’s child labour risk, Bulk Trading SA calculated a Composite Risk Value for every vessel received during 2024. This value represents the sum of the Supplier Risk Score (1 to 5) and the Country Risk Score (1 to 5), producing a theoretical risk range from 2 to 10.

The following risk classification matrix was applied:

Composite Risk Value (Supplier + Country)	Risk Level	Action Required
2–3	Marginal Risk	Routine monitoring; no immediate action
4–5	Considerable Risk	Preventive measures recommended; enhanced monitoring
6–7	Important Risk	Mandatory risk mitigation actions before shipment acceptance
8–10	Critical Risk	Immediate preventive action; service or shipment prohibited until risk resolution

Throughout 2024, none of the suppliers or shipments evaluated reached the Important (6–7) or Critical (8–10) risk thresholds.

Preventive Measures for Considerable Risk Suppliers

For shipments and suppliers falling under the Considerable Risk category, Bulk Trading SA proactively implemented enhanced due diligence protocols, which included:

- Requiring formal child labour compliance declarations from the suppliers,
- Contractual confirmation of adherence to Bulk Trading SA’s Supplier Code of Conduct,
- Detailed country-of-origin risk analysis,
- And periodic reassessment of supplier risk classifications.

These actions reflect our preventive risk management philosophy, which aims to address and mitigate any emerging risks before they escalate.

Controls for Potential Future High-Risk Classifications

In the hypothetical scenario where a Tier 1 supplier were to be classified as Important Risk or Critical Risk in the future, Bulk Trading SA’s governance framework prescribes the activation of a comprehensive Enhanced Due Diligence Process, which would include:

- Detailed supplier risk questionnaires,
- Mandatory submission of additional documentation,
- Potential on-site audits conducted by internal teams or independent third-party auditors,

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- And the application of corrective action plans with clearly defined deadlines and follow-up mechanisms.

Final Observations on 2024 Supplier Risk Profile

In conclusion, the comprehensive vessel-level risk analysis conducted for 2024, combined with our ongoing supplier monitoring and proactive risk mitigation strategies, has resulted in a consistently low-risk profile across our Tier 1 supply chain in relation to child labour exposure.

This result underscores the effectiveness of Bulk Trading SA's supply chain due diligence framework, the strength of our supplier qualification criteria, and our institutional commitment to operating responsibly and ethically across all markets where we conduct business.

Our organization remains fully committed to continuous improvement, ensuring that we anticipate, detect, and mitigate potential human rights risks in alignment with Swiss legal requirements, international standards, and the ethical expectations of our stakeholders.

7. Risk Oversight in Indirect Suppliers (Beyond Tier 1)

In alignment with the requirements of Art. 964j-k of the Swiss Code of Obligations and the associated Swiss Ordinance on Due Diligence and Transparency, Bulk Trading SA acknowledges that child labour risks may also exist within the deeper tiers of its supply chain, beyond Tier 1 direct suppliers.

Given the complexity and global reach of the commodity trading sector, our company adopts a risk-based and proportionate approach towards the assessment and mitigation of such risks.

Rather than replicating Tier 1 assessment methodologies across all upstream levels—which would present material feasibility constraints—we have implemented a layered control strategy where Tier 1 suppliers play a critical gatekeeping role.

Each Tier 1 supplier is contractually required to enforce child labour prevention policies within its own upstream network, supported by periodic risk communication and due diligence dialogues with Bulk Trading SA.

Should specific risk signals emerge—such as NGO reports, external stakeholder concerns, or alerts from international monitoring bodies—Bulk Trading SA initiates targeted inquiries through the relevant Tier 1 supplier, demanding clarification, risk mitigation actions, or, where necessary, escalation of due diligence procedures on the indirect supplier involved.

This structured yet proportionate model allows Bulk Trading SA to extend its human rights oversight beyond direct commercial counterparts, while ensuring operational feasibility and alignment with industry best practices.

8. Supply chain traceability system

Bulk Trading SA's traceability framework is centered on its Tier 1 suppliers, for whom we maintain comprehensive, auditable records within our internal risk management and procurement platforms.

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For each Tier 1 supplier, our system captures:

- Company name and legal address,
- Commodity category supplied,
- Risk classification,
- Compliance documentation and declarations,
- And records of any due diligence assessments performed.

While our current traceability perimeter is primarily focused on Tier 1, we are actively evaluating the technical and operational feasibility of extending traceability beyond Tier 1, especially for material flows originating from countries or regions flagged as high-risk for child labour according to internationally recognized data sources.

Continuous improvement of our traceability system remains a strategic objective, ensuring that our supply chain monitoring capabilities evolve in step with regulatory developments and stakeholder expectations

9. Transparency and reporting

As part of our commitment to corporate transparency and regulatory compliance, Bulk Trading SA maintains publicly accessible documentation on its human rights policies and supplier expectations.

Our Code of Ethics, Human Rights Policy, and Supplier Code of Conduct are available on our corporate website (www.bulktrading.ch) for review by customers, partners, regulatory bodies, and the general public.

Furthermore, this Annual Due Diligence Report, prepared in accordance with Art. 964j-k CO, serves as a comprehensive account of our risk assessment methodologies, due diligence activities, and mitigation strategies deployed during the 2024 reporting year.

We are also committed to regularly updating our Human Rights webpage, ensuring that any material changes in our policies or risk management approach are communicated in a timely and transparent manner to all stakeholders..

10. Grievance Mechanism

Bulk Trading SA operates a multi-channel Grievance Mechanism, designed to allow internal and external stakeholders to report anonymously and confidentially any concerns related to human rights violations, including instances of potential child labour within our supply chain.

In 2024, we strengthened this mechanism through the introduction of the “You Speak, We Listen” online platform, which complements our existing physical grievance boxes located at each company site.

Every submission received through these channels is:

- Logged confidentially,
- Reviewed exclusively by our Compliance Team,
- Subjected to risk prioritization and investigative assessment,
- And, where necessary, followed by the implementation of Corrective and Preventive Actions (CAPA).

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Serious or systemic allegations—those posing reputational, legal, financial, or operational risks—are escalated for formal internal investigation, ensuring compliance with both regulatory expectations and internal corporate governance standards.

As of the publication date of this report, Bulk Trading SA confirms that no complaints related to child labour have been received during the 2024 reporting period.

This outcome reinforces the effectiveness of our preventive control systems, the robustness of our supplier engagement processes, and our organizational commitment to human rights due diligence at all levels of the supply chain.g 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.