



Commonwealth Modern Slavery Act 2018 Statement in respect of Hartree Metals Sàrl (Hartree Metals LLC)

This is the third modern slavery statement issued by Hartree Metals Sàrl (Hartree Metals LLC) (“**HMS**”) and it relates to the fiscal year ending 31 December 2023. It sets out the steps that HMS has taken to manage the risks of modern slavery occurring in its business and supply chains. It further sets out the additional steps that it intends to take over the coming year. HMS is committed to acting with integrity when conducting its business and to improving its practices to prevent slavery and human trafficking.

Organisation's structure

HMS is a private limited company incorporated in Switzerland (CHE-262-592-160) which is also registered, as of 27 August 2021, as an overseas foreign company with the Australian Securities and Investments Commission (ARBN: 651 798 793) and is part of a global energy and commodities trading business. At December 31, 2023, HMS, an employing entity, had approximately twenty-five employees based in Geneva, Switzerland and its subsidiaries had fourteen employees and had four subsidiaries: Hartree Metals Peru S.A.C. (“**HMP**”), Hartree Metals Mexico, S. de R.L. de C.V. (“**HMM**”), Hartree Metals Chile SpA and Hartree Metals Investments Sàrl. Its immediate parent undertaking is Hartree International Holdings Limited, a UK private holding company which holds 90 per cent of its share capital with the remainder of the share capital directly held by one of the directors. HMS’ ultimate parent undertaking is Hartree Partners, LP (“**Hartree**”), a limited partnership duly formed in the State of Delaware, United States of America and it is a part of the Hartree group of companies (excluding the Sprague group of companies, the “**Group**”). At fiscal year-end 2023, the Group had approximately 960 employees worldwide and operated primarily through 17 offices with locations in the US, Europe, Asia, South America, South Africa and the Middle East.

Business

HMS and its subsidiaries engage in proprietary trading in metal concentrates and semi-refined products (collectively, “**Products**”) and carry on the business of suppliers, distributors and dealers of such commodities. It primarily buys Products from mines and trading counterparties and then sells to smelters often based in China. During the 2023 fiscal year, HMS and its subsidiaries were active in the purchase and sale of Products in Europe, Africa, Asia, the Americas and the Middle East. HMS previously made loans to the owners of two mines in Australia which are linked to offtake arrangements; HMS continued to take deliveries under both offtake arrangements during 2023.

Supply chains

During the 2023 fiscal year, HMS purchased gold, silver, copper, zinc, lead and nickel Products. During that same period, HMP purchased lead and copper products and HMM purchased zinc products. Products were sourced from a variety of geographies including North, South and Central America (USA, Argentina, Brazil, Bolivia, Ecuador, Canada, Chile, Mexico and Peru), Africa (Zambia, the Democratic Republic of Congo and



Papua New Guinea), Asia (China, Indonesia, Laos, Malaysia and Mongolia), the Middle East (Saudi Arabia), Oceania (Australia) and Europe (Bulgaria and Turkey).

These Products are typically purchased directly from the owners of the source mines, trading counterparties or smelters. The purchase of Products is undertaken through contracts that are negotiated for each spot and/or longer-term offtake purchase. HMS and its subsidiaries utilise contractors to provide freight/transport/logistics services in connection with the purchase and sale of Products.

Risks of Modern Slavery in Operations and Supply Chains

HMS and its subsidiaries, as traders of Products, will not cause modern slavery practices as they do not control any entities involved in the extraction of the Products and have no operations that may directly result in modern slavery practices. In light of Hartree's employment processes, coupled with the location and nature of the roles themselves, HMS believes that there is a low risk that employees of HMS and its subsidiaries may be the subject of modern slavery practices.

However, HMS and its subsidiaries, as purchasers of Products that are derived from mining extraction, acknowledge that there are risks that their supply chains may indirectly contribute to modern slavery practices for example through their supply contracts. In addition, there is a risk of HMS and its subsidiaries being linked to modern slavery practices through its business relationships.

HMS and its subsidiaries recognise that the extractives industry globally would be viewed as a higher risk sector for modern slavery risk given the potential to use lower skilled labour resources and short-term contracts. Some of the geographies from which Products are sourced are higher risk jurisdictions according to the Global Slavery Index 2023 and/or may exhibit contributing factors to slavery such as limited human rights and employment protections, weak rule of law and recent conflict situations.

Our policies on slavery and human trafficking

The concentrates trading business is one of many businesses focusing on different commodities within the Group. The Group is committed to ensuring that there is no modern slavery or human trafficking in its supply chains or in any part of its business and continues to review its practices as it builds out its corporate compliance programme to reflect its continuing growth.

During 2023, Hartree implemented a global telephone and web reporting mechanism available to both employees of all Group entities and third parties to facilitate the reporting of modern slavery issues. Also in 2023, the Group adopted the Hartree Supplier Code of Conduct ("**Supplier Code of Conduct**") which will be utilised to develop and strengthen relationships with suppliers who are committed to, and act in accordance with, the principles set out in the code. The Group maintains a policy on Modern Slavery and Human Trafficking as well as an employee Code of Conduct that reinforces its commitment to respecting human rights and reducing the risk of modern slavery in all of its business practices.

During 2024, the Group will consider the implementation of a supplier due diligence questionnaire to accompany the Supplier Code of Conduct. The Group has a strong commitment to acting ethically and with



integrity in all its commercial relationships. Given this commitment, as the Group continues to expand its business and footprint, it will work towards implementing and enforcing effective systems and controls that ensure slavery and human trafficking is not taking place anywhere in its supply chains.

Due diligence processes for slavery and human trafficking

At the Group level, due diligence is conducted on HMS trading counterparties prior to entering into any business relationship. Depending on the risk profile of the counterparty, a varying level of due diligence will be conducted. The risk profile will be determined by a number of factors, including the type of counterparty and the nature of their business, the type of relationship HMS is entering into and the jurisdiction within which they operate.

These know your counterparty (“KYC”) checks also comprise screening for: (i) risks such as trade sanctions, anti-money laundering, bribery and other regulatory infringements and (ii) adverse media reports. This dual screening process is undertaken at the initial onboarding of the counterparty and on an ongoing basis, with any issues of concern being escalated to the Compliance function. Hartree will continue to refine these processes and look at incorporating human rights and modern slavery into the risk assessment of trading counterparties in a more systematised way.

Regarding its fiscal year 2023 Product purchases, HMS conducted an initial, desk-top, risk-based assessment for child labour on the Products and the countries from which HMS sourced Products. HMS conducted additional due diligence on those Products, countries and/or counterparties with higher risk profiles. In conducting this assessment, HMS did not identify any cases of child labour in its direct Product supply chain.

Training

HMS seeks to raise internal awareness and to increase its capabilities around the identification and management of potential child labour risks. Training needs are based on an assessment of the modern slavery risks they encounter in performing their role.

Our effectiveness in combating slavery and human trafficking

As the Group builds out its corporate compliance programme, it will put in place a set of key performance indicators (“KPIs”) that will give it insight not only into the performance of the wider organisation but also the effectiveness of HMS and its subsidiaries’ compliance with the Commonwealth Modern Slavery Act 2018. Although it has yet to undertake this work, it is anticipated that some of the KPIs would include statistics relating to modern slavery and human rights training and other ethical training in addition to the selection of potential suppliers, which Hartree believes to be higher risk from a slavery and human rights perspective.



Next steps

The Group anticipates taking the following steps to further combat slavery and human trafficking which will impact HMS and its subsidiaries:

- Continue to build out the Group’s compliance programme;
- Initiate a more detailed risk mapping exercise of risks that HMS and its subsidiaries have in the slavery and human trafficking area in its supply chains;
- Continue to work with various Hartree teams to develop data that allows a better assessment of the risk of modern slavery in its supply chains;
- Integrate the Supplier Code of Conduct into the onboarding process;
- Consider the implementation of a supplier due diligence questionnaire to be completed during the onboarding process; and
- Embed into the KYC processes the additional risks inherent in the human rights area.

Consultation with Subsidiaries

HMS has the four subsidiaries detailed above. The companies operate as one metals concentrates business under common leadership. There is one common director to HMS and its subsidiaries under whom the day-to-day management and oversight of the concentrates business occurs. The boards of each of the subsidiaries have also approved this statement.

This statement was approved by the board of HMS on 1 July 2024

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Pascal Larouche
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Pascal Larouche

Managing Officer (Director)

For and on behalf of **Hartree Metals Sàrl (Hartree Metals LLC)**

Date: 1 July 2024