

# **Hartree Metals Sàrl (Hartree Metals LLC)**

## **Swiss Conflict Minerals and Child Labour Due Diligence Transparency Report**

### **1. Introduction**

This is a report of Hartree Metals Sàrl for the financial year ending 31 December 2024 and the due diligence and reporting obligations relating to child labour required by the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (“DDTrO”). During the period, HMS managed its due diligence obligations regarding child labour as described below.

#### **Business**

Hartree Metals Sàrl is a private, limited company incorporated in Geneva, Switzerland (CHE-262.592.160) and is part of the Hartree Partners, L.P. (“HPLP”) global energy and commodities trading business. An employing entity, it had approximately thirty-two employees based in Geneva, Switzerland and its subsidiaries had fourteen employees at fiscal year end 2024. Hartree Metals Sàrl and its subsidiaries (“HMS”) engage in the sale and marketing of non-ferrous base metals and concentrates (collectively, “Products”) with international operations. It primarily buys Products from mines and trading counterparties and then sells to smelters, often based in Asia but also in Europe and the Americas. During the 2024 fiscal year, HMS and its subsidiaries were active in the purchase of Products from 20 countries and sales of Products to 15 countries.

#### **Supply chain**

During fiscal year 2024, HMS purchased gold, silver, copper, zinc, lead and nickel products. These Products were sourced from a variety of geographies including Australia, the Americas, Africa, Asia, Europe and the Middle East.

Products are typically purchased directly from the owners of the source mines or a few trading counterparties. The purchase of Products is undertaken through contracts that are negotiated for each spot and/or longer-term offtake purchase. HMS' major activities include the purchase and sale of base and precious metals concentrates, ores and semi-refined metals (copper, zinc, lead, nickel, gold, silver) and the provision of financing in the form of working capital loans and pre-payments to fund the development or operation of mines, in some cases this is linked to off-take arrangements. Where the mining companies do not take care of the transport to the final consuming smelter, HMS and its subsidiaries utilise contractors to provide freight/transport/logistics services in connection with the purchase and sale of Products.

#### **Position on child labour**

HMS aligns itself with the principles-based approach to doing business outlined in the Ten Principles of the UN Global Compact: Human Rights, Labour, and Environment and Anti-Corruption<sup>1</sup>. These principles enable us to manage risk in the markets, activities and jurisdictions in which HMS operates. HMS is committed to acting with integrity when conducting business and to improving its practices to prevent child labour in its supply chains.

### **2. Management System**

#### **Policies**

HMS is committed to maintaining high standards of integrity, fairness and ethics and to ensuring that there is no child labour in its supply chains or in any part of its business and will suspend business with

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<sup>1</sup> Available at: <https://unglobalcompact.org/what-is-gc/mission/principles>

counterparties we have identified as using child labour in their supply chain. Many of HMS' policies and compliance efforts are developed at the group level (i.e. HPLP), some of which can be found at [www.hartreepartners.com/documents/](http://www.hartreepartners.com/documents/). HMS' commitment to ethical operations, including the prohibition of child labour, is integrated into the company policies set out in the following paragraphs.

The [Hartree Partners Code of Conduct](#) ("**Code**"), which applies to HMS, commits HMS to conduct business with integrity, fairness and ethics, including compliance with all laws and regulations, in a way that respects both the people and the communities with which it interacts. Specifically, the Code states that:

"We conduct our business in a way that respects both the people and the communities we interact with. We are committed to supporting efforts to protect human rights, whether that is in understanding how our business impacts the human rights of others, or in combatting modern slavery in our supply chains."

The importance of human rights and combating modern slavery is further recognised by indicating that employees must: (i) always consider the human rights impact of their business activity (ii) know that Hartree has a zero-tolerance approach to modern slavery and human trafficking; and (iii) report any concern related to a potential abuse of human rights by a business partner to Compliance.

Hartree maintains a policy on [Modern Slavery and Human Trafficking](#) that reinforces its commitment to respecting human rights in all of its business practices.

The [Hartree Supplier Code of Conduct](#) ("**Supplier Code**") reflects a zero tolerance to slavery and human trafficking and requires suppliers to comply with all human trafficking laws and to not support, engage or require the use of child labour. The Supplier Code states that:

"The Supplier shall comply with all applicable anti-slavery and human trafficking laws, statutes, regulations and codes such as the Modern Slavery Act 2015, or equivalent country legislation in any part of its supply chain. This includes, but is not limited to, not supporting or engaging or requiring any forced labor, the use of child labor, bonded labor, indentured labor and prison labor."

Additionally, where HMS becomes aware of any supplier related issues under the Supplier Code, particularly with regard to respect for human rights, child labor, forced and compulsory labor, and health and safety, HMS may contact the supplier to understand the nature of the issue and any applicable remediation plans.

The HMS [Supply Chain Policy on Child Labour](#) ("**Supply Chain Policy**"), which was adopted in 2024, applies to HMS's sourcing of its Products and endeavours to assure that

- business is conducted with high ethical and social responsibility standards, reflecting a core culture of integrity, fairness and ethics;
- business activities are conducted in compliance with health, safety and environmental regulations;
- business is done with likeminded business partners who share a commitment to integrity in business dealing; and
- internal awareness is raised and capabilities increased around identification and management of potential child labour risks.

In addition, HPLP updated its [Environment Social Governance Policy](#) ("**ESG Policy**"), in 2024, which includes, amongst other items, a commitment to respect people and communities. Specifically, with regard to Hartree offices and operations and in the communities with which Hartree interacts, it is committed to protecting human rights.

HMS seeks to develop and strengthen relationships with suppliers who are committed to and act in accordance with the principles set out in its policies and codes of conduct. HMS believes that all business counterparties should adopt comparable standards and, at a minimum, comply with the international and host country laws and regulations applicable to each counterparty.

### 3. Risk assessment system

HMS' child labour risk assessment structure consists of the following components: (i) know your counterparty ("KYC") reviews; (ii) supplier expectations via the Supplier Code; and (iii) a child labour risk assessment.

#### KYC Reviews

At the HPLP level, a KYC review 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 KYC review 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.

The KYC reviews also comprise: (i) screening for risks such as trade sanctions, anti-money laundering, bribery and other regulatory infringements and (ii) identification and review of adverse media reports. These reviews should highlight any issues with human rights that may be in the public domain with respect to the counterparty. This dual screening process is undertaken on the initial onboarding of the counterparty and then on an ongoing basis with any issues of concern being escalated to the Compliance function.

#### Country risk and due diligence determination

An initial, risk-based assessment of due diligence requirements pertaining to child labour in a particular country is determined using the UNICEF Children's Rights in the Workplace Index ("**UNICEF Index**")<sup>2</sup> in accordance with the requirements of the DDTro.

Based on the UNICEF Index, the table below summarizes the initial child labour due diligence classifications for the 20 countries in which HMS sourced Products:

Basic	Enhanced		Heightened
Australia	Argentina	Laos	Papua New Guinea
Canada	Bolivia	Mexico	
Chile	Brazil	Mongolia	
	Bulgaria	Peru	
	Colombia	Saudi Arabia	
	Democratic Republic of Congo	Turkey	
	Ecuador	United States	
	Indonesia	Zambia	

If a country is classified as having an Enhanced or Heightened due diligence response, as set out in the UNICEF Index, an additional risk assessment with respect to the country and Product is conducted utilising the U.S. Department of Labor's 2022 List of Goods Produced by Child Labor or Forced Labor<sup>3</sup> (the "**DOL Child Labor List**"). Additionally, HMS will assess the risk of child labour in the artisanal and small-scale mining sector utilising country assessments provided in the SOMO study, *Gold from children's hands*

<sup>2</sup> <https://www.unicef.ch/en/media/4548/download?attachment=>

<sup>3</sup> <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods/>

(2015)<sup>4</sup> “**SOMO Country List**”). In the event that the Enhanced or Heightened country and the associated HMS Product are included in the DOL Child Labor List or the country is included in the SOMO Country List, additional due diligence is conducted on the supplier at the source location of the Product as described below.

### **Child labour risk assessment**

Products sourced in Enhanced and Heightened risk countries as per the UNICEF Index and listed in the DOL Child Labor List, or Products sourced from artisanal miners in countries included in the SOMO Country List, undergo additional due diligence (“**ADD**”) on a risk-weighted basis. Depending on the country and Product, ADD may include: additional public database searches; an enhanced review of the counterparty’s ownership structure; a review of any child labour/human rights programs in place; memberships in industry and other associations which have commitments to mining without child labour and in a way which improves human rights; and, a review of modern slavery and sustainability statements and other policies. Requests for additional information and other investigatory means may be utilised to assess whether the risk of child labour is present.

In 2024, as part of its risk assessment process, HMS screened all Product sourcing transactions. 29 out of a total of 121 suppliers were classified as requiring ADD based on the country, product and/or counterparty risk. To date, HMS has not identified any cases of child labour in its direct supply chain. Based on the 2024 risk assessment, HMS anticipates that there are additional due diligence requirements for specific Products, with the top priority being Products sourced in Bolivia, Ecuador and Zambia.

In addition, HMS began evaluating the potential for supplier questionnaires and independent third-party reviews for higher-risk Products. This resulted in the roll-out of a supplier questionnaire pilot (embedded into our onboarding process) for HMS in Q4 2024. The results of the pilot will be analysed during 2025 and next steps defined accordingly. In Q4 2024, HMS also began the process to recruit a dedicated ESG expert to be based in Geneva.

HMS’ risk assessment pertaining to child labour, and the commensurate due diligence, is reviewed annually.

## **4. Risk management**

### **Supply chain child labour risk management**

HMS is committed to acting ethically and with integrity in its commercial relationships. HPLP’s Supplier Code as well as HMS’s Supply Chain Policy describes the social, environmental, labour and ethical standards that suppliers are expected to uphold. Additionally, as stated above, HMS has rights under the Supplier Code that enable the management of any issues of child labour that may arise in the supply chain with its counterparties.

HMS also utilises the Ethics Hotline<sup>5</sup> as tool to manage child labour risk. As part of the HPLP group, HMS’ suppliers, customers and other stakeholders have access to the Ethics Hotline to report alleged misconduct, including misconduct related to human rights, modern slavery and child labour. The Ethics Hotline is an anonymous, secure, web and telephone-based service delivered by an independent, third-

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<sup>4</sup> <https://www.somo.nl/wp-content/uploads/2015/11/Gold-from-children's-hands-5.pdf>, page 24, Schipper, de Hann & van Dorp, November 2015.

<sup>5</sup> Available at: <https://www.hartreepartners.com/ethics-hotline/>

party. The service is available twenty-four hours a day, seven days a week. All reports made through this system are taken very seriously by every HPLP group company, including HMS.

In 2024, there were no complaints to the Ethics Hotline related to purported child labour misconduct.

#### **Supply chain traceability system**

The names and addresses of HMS' Product suppliers and a description of the Products, are recorded in HMS' electronic, trade-reporting system; production sites are recorded in electronic files. HMS continues to enhance its tracking systems, particularly as they relate to production sites, and to evaluate the effectiveness of the data-capture activity.

#### **Training**

HMS seeks to raise internal awareness and to increase our capabilities around the identification and management of potential child labour risks. Training needs are determined based on an assessment of the risks the employee encounters in performing their role.

**Report Approved by the Board of Hartree Metals Sàrl (Hartree Metals LLC) as of 27 June 2025**

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