

IL 13: DUE DILIGENCE REPORT**Introduction**

This report gives information about "due diligence" politics and processes of Gerli Metalli supplying chain. This report is in line with the principles of the Quality System, European Rule (EU) 2017/821 and with the OECD "due diligence" guidance for responsible supplying chains of minerals and metals from *conflict-affected and High-Risk areas (CAHRAs areas)*

1. Information about the Company

Gerli Metalli S.p.A. is a trading company that has worked for over a century in the non-ferrous metals, ferro alloys and pig iron market. In this context Gerli plays the role of intermediary between production, trading and distribution to the metal industry. The international sourcing of raw materials enables us to have up to date market information and a global accurate view.

The diversification of our product range puts us in daily contact with the main sectors of the economy and their operators: automotive industry, constructions, cables, oil and gas and packaging. The constant relationships with the financial sector and the LME's brokerage houses allow us flexibility and efficiency over price execution on metals and the forex market. To this regard, we also provide dynamic hedging in order to reduce the risk exposure and stabilize price fluctuations.

2. Summary of the Responsible Minerals Assurance Process (RMAP)

Gerli Metalli S.p.A. identification number is IT00820860153. Gerli Metalli is a trading company working in the trading market of smelters and refiners approved by RMI.

Gerli Metalli S.p.A. is a downstream company in the responsible supply chain of minerals and metals from *conflict-affected and High-Risk areas (CAHRAs areas)*.

Gerli Metalli S.p.A. has a procedure of "due diligence" in its supply chain (sourcing) as importer of metals in force in the Regulation particularly for tin and tungsten.

3. Supply chain politic

Gerli Metalli S.p.A continuously struggles to implement sustainability strategy in all its transaction, in particular in respect of security, health, environment and human rights.

Supply chain politic is in line with the principles of the Quality System, with regulation (EU) 2017/821 and OECD Due diligence guidance for Responsible Supply Chains of Minerals from *Conflict-Affected and High-Risk Areas*. (ISO 9001, Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017, the 'OECD Guidance').

Gerli Metalli S.p.A. undertakes to face risks as specified in the enclosure II of the OECD guidance.

Gerli Metalli S.p.A. undertakes to face risks as specified in the enclosure II of the OECD-guidance, if identified.

According to our company policy, all documents about the business system management have been:

- given to suppliers, customers and employers,
- issued only in .pdf format and not in another format,
- drafted only for those materials we are actively trading,
- put at their disposition in the company web site <http://www.gerlimetalli.it>

4. Management structure

4.1 Management structure

Gerli Metalli S.p.A. has established an internal procedure regarding supply chain with "due diligence" measures.

In particular:

- Management and sale manager are responsible for "due diligence" and for the risk management and its implementation.
- Gerli Metalli S.p.A. gives an adequate training to its employees about managing system of responsible supply chain in particular for those minerals *from Conflict-Affected and High-Risk Areas*

4.2 Internal Systems of Control

The Manager in charge has the task to check the approved suppliers list and in particular to check that it is in accordance with the list of smelters approved by RMI (link <http://www.responsiblemineralsinitiative.org/reporting-templates/cmrt/>).

The check is made at least once a quarter and confirmed once a year giving a list of approved suppliers for the current year to the sale managers.

The "Conflict Mineral" report is also published in the company web site.

The report is updated every time it has been updated or a new smelter has been included.

The valid report is the one in the web site (link <https://gerlimetalli.it/EN/certifications.asp>).

4.3 Record Keeping Systems

Gerli Metalli S.p.A. keeps records relating to "due diligence program" in the company database for minimum five years.

5. Risk Identification

Gerli Metalli S.p.A. has developed and implemented a management process which includes policies, procedures, due diligence guidance, training, technical and survey monitoring documents which all staff has to conform with.

A guideline including behaviour and moral values against corruption, sanctions, anti-laundering and to prevent frauds, market abuses, tax evasion, competition laws, data security and clash of interest.

Gerli Metalli S.p.A. commits to support good business practices in accordance with the law.

Gerli Metalli S.p.A. obtained the Rating of Legality certification issued by the "competent supervisory competition and market Authority"

This document is submitted in the company website www.gerlimetalli.it (<https://www.gerlimetalli.it/uploads/Ratinglegalita.pdf>).

Gerli Metalli S.p.A. identifies the risks regarding supply chain:

- Check metals included in the Annex I of Regulation (EU) 2017/821;
- Check supplier for these metals;
- Check smelters approved by RMI (<http://www.responsiblemineralsinitiative.org/reporting-templates/cmrt/>);
- Filled in declaration form;
- For customers possibility to download the declaration on website www.gerlimetalli.it (link <https://www.gerlimetalli.it/IT/certifications.asp>)

Company purchasing strategy:

Strategy about purchasing for a responsible supplying chains for minerals and metals from *conflict-affected and high-risks areas (CAHRAs areas)*:

- Continue trading transactions adopting risk reduction measures; or
- Temporarily suspend trading transaction until resolution of risk reduction measures; or
- Terminate the contract with a supplier after attempts to reduce risk have failed.

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