

CONFLICT MINERALS: DISCLAIMER

"Conflict Minerals" refer to minerals or other derivatives whose use could directly or indirectly finance armed groups engaged in civil wars that result in serious social and environmental abuses.

In July 2010, the U.S. passed the Dodd-Frank Financial Reform & Consumer Protection Act, Section 1502(b), which requires all U.S. public companies and their suppliers to disclose the use of the conflict minerals chain of custody.

In 2012, the U.S. Securities and Exchange Commission (SEC) recognized the OECD Guidance as an international framework for due diligence measures undertaken by companies required to submit a "conflict minerals" report according to the final rule implementing the Dodd-Frank ACT. The U.S. Department of State endorses the Guidance and encourages companies to use it as a guide when establishing their own due diligence practices.

On 17 May 2017, the European Parliament and the Council adopted Regulation (EU) 2017/821 laying down supply chain due diligence obligations, in accordance with the OECD Guidance, for Union importers of tin, tantalum and tungsten, their ores, and gold originating in conflict-affected or high-risk areas.

Regulation (EU) 2017/821 applies specifically to "importers, smelters and refiners" of Conflict Minerals and therefore does not apply to Italcoppie Sensori which purchases metals beyond the metallurgical phase. In fact, as specified by the European Union guidance documentation¹, the metallurgical phase constitutes the limit downstream of which companies have no obligations in relation to the due diligence obligations set by the European Regulation.

However, in order to ensure the concreteness of the due diligence action steered, Italcoppie Sensori points out that:

- among the materials used, only Tin (tinning wire) and Gold (contact coatings) fall within the materials of Conflict Minerals' European and U.S. regulations.
- IT DOES NOT purchase the metals listed above directly from mines, smelters or refineries;
- Gold and Tin are purchased from suppliers located in Italy or Europe, therefore directly involved in the application of the Conflict Minerals Regulation;

¹ https://policy.trade.ec.europa.eu/development-and-sustainability/conflict-minerals-regulation/regulation-explained_en?prefLang=it&etrans=it

- The quantities used each year are insignificant.

In this regard, the total quantities used in the company's products are reported below:

Metal/Mineral	Quantities provided for by Regulation (EU) 2017/821	Total quantities used in Italcoppie Sensors
Raw Tin	100.000 kg	100 Kg
Tin, other items	2.100 kg	150 Kg
Gold	100 kg	80 Kg

Note: Regulation (EU) 2017/821 art. 1) point 3.

Aware of the above and highlighting that Italcoppie Sensori cannot be – in no way – considered an "Importer" within the meaning of the EU Regulation, the company fulfils its obligations of due diligence by asking its suppliers to fully comply with the Conflict Minerals regulations, even with contractual supply constraints.

Regarding the use of Italcoppie Sensori products on the U.S. market and their compliance with the Franck-Dodd Act, the company reasserts that all Conflict Minerals used in its products come from the European secondary market, which means that they are globally controlled by Regulation (EU) 2017/821.

Considering the irrelevant quantities purchased, the research for the foundries or refineries at the origin of the supply is extremely difficult, especially considering that the material is often purchased at retail and not from wholesalers, who instead may have the required information.

A systematic research of the supply chain would therefore entail costs that would have to be charged to the product, and that cannot be justified by the quantities used annually.

On the basis of the above, Italcoppie Sensori, given the quantitative irrelevance of materials in the production process, does not fall within the scope of application of the above legislations and has no obligation to comply with requests to fill in any declarative questionnaire and/or declarations.

We hope that this statement contains the required information.

Cremona, 2nd August 2024

The Direction