



ANNUAL DUE DILIGENCE REPORT YEAR 2023

Step 1: Internal Management System

SAFIMET Spa Società Benefit, operating in the sector of recovery of precious and/or valuable metals from waste, in line with the provisions of its Quality and Environmental Policy, declares its commitment to manage and develop the activities carried out in the San Zeno (AR) treatment plant with constant attention and continuous improvement of the quality of its products/services and the protection of employees, the environment, and the community.

To confirm this commitment, since October 2022 Safimet Spa has become a Benefit Company that in the exercise of its economic activity, in addition to the purpose of dividing its profits, pursues common benefit purposes and operates in a responsible, sustainable and transparent manner towards people, communities, territories and the environment, cultural assets and activities. It therefore integrates into its corporate purpose, in addition to profit objectives, the purpose of having a positive impact on society and the biosphere.

Safimet Spa Società Benefit has implemented a corporate management system described in specific manuals and codes of procedure that describe the approach to anti-money laundering, terrorist financing, ethics through the development of a specific Code of Ethics and specific procedures on responsible procurement based on the principles of the “RJC Code of Practices” in the 2019 edition and the “RJC Chain Of Custody” in the 2017 edition according to the dictates established by the OECD guidelines “Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas”.

The definition of corporate roles and skills is well structured and shared with all interested parties as required by the internal management system. The responsible functions are periodically informed of changes in the legislation in force applicable to them.

In practice, the management system provides for the use of documentary supports described below. The counterparties are periodically informed of the need to align themselves with the principles embraced by the company through the dissemination of its General Policy and the consequent request for sharing of content.

When the counterparties are involved, their eligibility is confirmed.

The internal operating system allows each refining order to be monitored to ensure its specific traceability.

Step 2: Identification and assessment of supply chain risks

The identification of supply chain risks is carried out according to the risk indicators referred to in the supplement to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

In order to investigate and assess risks associated with the activities of counter-parties, Safimet Spa Società Benefit has defined an operational flow to obtain information on the materials supply chain. Following the evaluation of the information and documentation collected, the



ANNUAL DUE DILIGENCE REPORT YEAR 2023

company then establishes the qualification status each counter-party, in order to activate transactions.

The risk assessment carried out by Safimet Spa Società Benefit involves the use of a dedicated questionnaire sent to all counter-parties that supply materials to be processed, whether they are customers or suppliers.

Together with the questionnaire, which must be returned duly completed by the counter-party, the company policy is sent with the related attachments and the counter-party is required to share the principles contained therein.

At the end of the assessment, the appointed responsible function informs Management of the outcome.

During the period from January to December 2021, no medium/high risk transactions were identified. Due to the type of counter-parties, all the transactions are assessed as low risk.

The information making it possible to assess the risk relating to our transactions as low is mainly collected from the following sources:

- Federorafi per la rassegna stampa settoriale;
- Confindustria per la rassegna stampa generale;
- Banche dati specializzate per il monitoraggio su variazioni intervenute su controparti (es. Cerved);
- Banche dati internazionali (es.world check):
- http://ec.europa.eu/external_relations/cfsp/sanctions/consol-list_en.htm;
- <http://www.treas.gov/offices/enforcement/ofac/sdn>;
- <http://bancaditalia.it/UIF/terrorismo/liste>.
- https://e-justice.europa.eu/106/IT/business_registers_in_eu_countries (per aziende europee)
- <https://find-and-update.company-information.service.gov.uk/> (per aziende in United Kingdom)
- Telemaco

Step 3: Implementation of a Risk Management System

In the event that, according to news, information or critical outcomes of the assessment relating to a counter-party, there are reasonable suspicions of involvement in illegal activities, transactions from that source must be suspended and a report sent to the competent authorities.

The process of managing specific corrective measures would then be activated internally with the involvement of the counter-party itself.

All Safimet Spa Società Benefit personnel are aware of the importance of reporting any



ANNUAL DUE DILIGENCE REPORT YEAR 2023

suspicious or dubious transactions to the Management.
Step 4: Third-Party Due Diligence Audit
SAFIMET Spa Società Benefit is RJC COP – COC certified, consequently its Due Diligence is verified with established periodicity. The renewal of the COP certification is expected by the end of the first half of 2023, with consequent confirmation of the supply chain Due Diligence process. The CoC certification was renewed in 2022 with expiry in August 2025.
Step 5: Supply Chain Due Diligence Report
This report is the first structured and organized in this way, and it will be integrated in subsequent revisions with any additional data or comments.

During the observation period, no transactions at risk were identified in the Supply Chain on the basis of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRAs, nor were any transactions carried out in relation to unverified or unqualified mines or counter-parties.

The Management

Arezzo, 02/05/2023