

Lodovico Camozzi
Chief Executive Officer
Camozzi Group S.p.A.
Via Eritrea, 20/I
25126 Brescia
Italy

November 16, 2023

RE: Camozzi Group's business operations in Russia

Dear Mr. Camozzi,

We write to you as [B4Ukraine](#), a coalition of Ukrainian and international civil society organizations working to curtail the financial resources enabling the Russian invasion of Ukraine. In the spirit of respect for the fundamental rights of all people, the rules-based international order, and a prosperous global economy, we expect companies to demonstrate public support for the people, democracy, and territorial integrity of Ukraine, opposition to Russia's war of aggression, and alignment with the UN Guiding Principles on Business and Human Rights (UNGPs).

We request an urgent dialogue regarding potential inconsistencies between Camozzi Group's (Camozzi's) obligations under international humanitarian and human rights law, as well as the sanction regime, and the company's ongoing business operations and relationships in Russia that may contribute to, or be linked with, human rights harms.

We are writing to formally notify Camozzi on the serious and increasing risks the company faces by continuing its operations in Russia that may amount to complicity in human rights abuses committed by Russia¹ and to urge you to:

- Immediately cease all operations and presence in Russia and completely exit the Russian market.
- Refrain from any future business, trade, or investment in Russia until Russia ends its war in Ukraine, territorial integrity of Ukraine is restored, and accountability imposed for war crimes and the destruction of Ukrainian infrastructure and property.
- Establish and implement comprehensive human rights due diligence measures for any responsible exit from or re-engagement with Russia.

It has been 19 months since Russia invaded Ukraine and the devastating impacts continue to shock the global conscience and shake the global economy. Russia is violating international humanitarian law (IHL), including war crimes and crimes against humanity, through attacks on civilians and civilian infrastructure (e.g., mass executions, sexual violence, torture, forcible transfer of civilians). More than 27,500 Ukrainian civilians have been killed and injured and millions more have been forced to flee their homes, creating one of the largest humanitarian and refugee crises of modern times. In recognition of the severity of abuses, in March 2023 the International Criminal Court issued an arrest

¹ Andrew Clapham and Scott Jerbi, "Categories of Corporate Complicity in Human Rights Abuses," March 21-22, 2001, <https://media.business-humanrights.org/media/documents/files/reports-and-materials/Clapham-Jerbi-paper.htm> (accessed May 4, 2023).

warrant for Vladimir Putin to answer war crimes charges.²

Moreover, recent developments in Russia point to an expanding universe of financial, legal, and reputational risks facing those left behind.

On September 21, President Vladimir Putin escalated the war by announcing a “partial mobilisation” of the Russian population. The accompanying legislation ([Article 9 of Federal Law No. 31-FZ](#)) mandates all organisations, including the more than 1,500 international companies that are currently operating on a full or limited scale in Russia, to conduct military registration of the staff if at least one of the employees is eligible for military service.³ They must also assist with delivering the military summons to their employees, ensure the delivery of equipment to assembly points or military units, and provide information, buildings, communications, land plots, transport, and other material means of support to the war effort.

A new decree issued by President Vladimir Putin on March 3, 2023, enables the Russian government to suspend shareholders' rights and implement external management in companies that don't fulfil state defence contracts under conditions of martial law.⁴ By specifying the process of appointing Russian government representatives to manage businesses that fail to meet state orders, the latest Decree effectively creates a scenario of "partial nationalization."

With new legislation introducing partial mobilisation, nationalisation, and potentially martial law in Russia, it is highly likely that corporations will be unable to prevent or mitigate negative human rights impacts, an obligation imposed on companies by the United Nations Guiding Principles on Business and Human Rights. As such, continuing to conduct business in Russia entails significant legal risks for companies, including potential civil and criminal liability under comprehensive sanctions regimes and recent international jurisprudence holding corporations and their officers responsible for human rights abuses abroad.⁵ Companies face the rising risk of criminal liability for complicity in

² International Criminal Court, “Situation in Ukraine: ICC judges issue arrest warrants against Vladimir Vladimirovich Putin and Maria Alekseyevna Lvova-Belova,” March 17, 2023, <https://www.icc-cpi.int/news/situation-ukraine-icc-judges-issue-arrest-warrants-against-vladimir-vladimirovich-putin-and> (accessed March 22, 2023).

³ Federal Law No. 31-FZ of February 26, 1997 "On mobilization training and mobilization in the Russian Federation" (as amended), <https://base.garant.ru/136945/> (accessed November 14, 2022).

⁴ Decree of the President of the Russian Federation No. 139 dated March 3, 2023 "On Certain Issues of Carrying Out the Activities of Business Companies Participating in the Fulfilment of the State Defense Order", <http://publication.pravo.gov.ru/Document/View/0001202303030004> (accessed March 22, 2023).

⁵ International companies remaining in Russia are now at a greater risk of violating sanctions regimes as implementation of the legislation will likely involve transacting with sanctioned individuals or entities. Furthermore, new domestic civil and criminal cases against companies involved in violations of international law demonstrate the risk of significant liability for facilitating state-sponsored human rights abuses abroad (e.g., Lafarge case, Lundin case, Castel Group indictment, Nevsun holding, and Dassault Aviation, Thales, and MBDA France criminal complaint.) Victoria Riello and Larissa Furtwengler, “Corporate Criminal Liability for International Crimes: France and Sweden Are Poised To Take Historic Steps Forward,” *Just Security*, September 6, 2021, <https://www.justsecurity.org/78097/corporate-criminal-liability-for-human-rights-violations-france-and-sweden-are-poised-to-take-historic-steps-forward/> (accessed November 14, 2022); The Sentry, “Breaking: France Opens War Crimes Inquiry Focused on Iconic Food and Beverage Conglomerate,” July 1, 2022, <https://thesentry.org/2022/07/01/7216/breaking-france-opens-war-crimes-inquiry-focused-iconic-food-beverage-conglomerate/> (accessed November 14, 2022); *Rfi*, “French technology firm charged over Libya cyber-spying,” July 2, 2022, <https://www.rfi.fr/en/business-and-tech/20210701-french-tech-firm-charged-over-libya-cyber-spying> (accessed November 14, 2022); Preston Lim, “Canadian Supreme Court Allows Corporate Liability for International Law Violations,” *Lawfare*, March 12, 2022, <https://www.lawfareblog.com/canadian-supreme-court-allows-corporate-liability-international-law-violations> (accessed November 14, 2022); Sherpa, “Aiding and abetting war crimes in Yemen: Criminal complaint

international crimes, which can be prosecuted by domestic courts outside Russia under the doctrine of "universal jurisdiction."⁶

On 24 February 2023, The Financial Action Task Force (FATF) suspended Russia's membership as a result of the war, calling on all actors in the international financial system to exercise extreme caution in all dealings with Russia.⁷ In practice, the decision means that all international banks will scrutinise all Russian payments, making financial transactions more expensive, lengthy, with no guarantee that the transaction will occur at all.⁸ Although FATF has not yet blacklisted Russia, it highlighted the consensus among its 36 member countries that "the Russian federation's actions represent a gross violation of the commitment to international cooperation upon which FATF Members have agreed to implement and support the FATF Standards."⁹ Previous practice shows that noncooperative behaviour is one of the reasons for FATF blacklisting.

A recent report shows that Russia poses a "real threat to global financial integrity, as well as to national security more broadly."¹⁰ Additionally, the revelation by the Russian president confirming that the internationally recognized transnational criminal organization known as the "Wagner Group" is funded by the Russian government has brought to light a range of alarming risks related to money laundering, terrorist financing, and other financial crimes for businesses involved in or working with Russia.¹¹ It is now a distinct possibility that businesses continuing their operations and paying taxes in Russia may be providing financial support to the Wagner Group, a notorious paramilitary organization.

Companies may also be exposed to financially material risks through operational restrictions, such as limitations of future government contracts.¹²

Additionally, the Ukrainian government's [National Agency on Corruption Prevention](#) (NACP) is creating a list of "foreign companies that, despite the international recognition of Russia as the

submitted against French arms companies," June 2, 2022, <https://www.asso-sherpa.org/aiding-and-abetting-war-crimes-in-yemen-criminal-complaint-submitted-against-french-arms-companies> (accessed November 14, 2022).

⁶ For example, ongoing proceedings in the US and France against the French multinational Lafarge for complicity in human rights violations in Syria. The Paris Court of Appeal, "La Cour d'appel de Paris confirme la mise en état de la multinationale française Lafarge pour complicité de crimes contre l'humanité commis par l'Etat islamique," May 18, 2022, <https://www.doughtystreet.co.uk/sites/default/files/media/document/Press%20release%20french%20version.pdf> (accessed March 22, 2023); United States Attorney's Office, Eastern District of New York, "Lafarge Pleads Guilty to Conspiring to Provide Material Support to Foreign Terrorist Organizations," October 18, 2022, <https://www.justice.gov/usao-edny/pr/lafarge-pleads-guilty-conspiring-provide-material-support-foreign-terroris> (accessed March 22, 2023).

⁷ FATF, "FATF Statement on the Russian Federation," February 24, 2023, <https://www.fatf-gafi.org/en/publications/Fatfgeneral/fatf-statement-russian-federation.html> (accessed March 14, 2023).

⁸ Liudmyla Sliptsova, "Russia's membership in the FATF suspended. What does this mean and how ruinous is this for the aggressor's economy?," *Mind*, February 27, 2023, <https://mind.ua/en/publications/20253993-russias-membership-in-the-fatf-suspended-what-does-this-mean-and-how-ruinous-is-this-for-the-aggre> (accessed March 14, 2023).

⁹ FATF (n 7).

¹⁰ Themis, "Russia; Country Risk Report," June 2023, <https://themisservices.co.uk/country-risk-report-russia> (accessed June 26, 2023).

¹¹ Telegram, "Встреча Путина с военными и его заявления по поводу ЧВК "Вагнер," June 27, 2023, https://t.me/rian_ru/207202 (accessed July 3, 2023).

¹² Venable LLP, "Do You Contract with State Governments? If So, Beware of Emerging State Sanctions' Obligations Related to Russia and Belarus," *JD Supra*, June 3, 2022, <https://www.jdsupra.com/legalnews/do-you-contract-with-state-governments-6537229/> (accessed November 14, 2022).

aggressor state and the introduced sanctions restrictions, continue to cooperate with it.”¹³ These companies are recognised as international sponsors of war. The listed entities will be included into the World-Check database to protect the global financial sector from Russian sponsors of war. Since banks and insurance companies use World-check to assess risks, companies on the list will be limited in freely accessing personal and corporate finances. So far there are 44 companies on the list, but the NACP notes that it will be expanded with “international companies that provide the public and private sector with goods and services of critical purpose, as well as [those that] contribute to the Russian budget.”¹⁴ As you know, Camozzi Group is listed as an international sponsor of war and the company’s CEO, Lodovico Camozzi, is listed as an individual sponsor of war.¹⁵

In response to this unprovoked and unjustified war¹⁶ many other companies have already left Russia. According to the Kyiv School of Economics Institute's #LeaveRussia [company tracker](#), Camozzi Group has decided to continue its business operations in Russia. These activities in Russia risk enabling and financing Russia’s violations of IHL and human rights law during the ongoing invasion and occupation of Ukraine.

Kamozzi Pneumatics LLC, an official distributor of Camozzi Group in Russia, has 32 branches in Moscow, St. Petersburg, Samara, Rostov-on-Don, Yekaterinburg, Novosibirsk, Nizhny Novgorod, Kazan and other cities. Among its many clients in the country, Kamozzi counts factories in the sanctioned Russian military-industrial complex: "Izhorsky Zavody", "Kolomensky Zavod", "Power Machines", "Uralvagonzavod" NPK and PetrozavodskMash holding. Reportedly, Camozzi provided pneumatic cylinders as well as spare parts for metal processing to Russian tank manufacturers. Additionally, Kamozzi Pneumatics participated in an equipment exhibition in Moscow.¹⁷ Furthermore, Camozzi also had business relations with the sanctioned JSC "Tikhvin Carriage Works," a company that produces freight cars and is directly connected in the Russian military complex.¹⁸
Did Camozzi continue working with entities of Russian military-industrial complex: "Izhorsky Zavody", "Kolomensky Zavod", "Power Machines", "Uralvagonzavod" NPK and PetrozavodskMash holding and others in 2022-2023?

Camozzi is also allegedly continuing its business in the occupied Ukrainian territory of Crimea, where it operates the "Mechanical Assembly Plant Kamozzi Pneumatika" in the occupied Simferopol.¹⁹ The website of the Russian company "VPC Konkordiya" asserts that the company is an official Camozzi

¹³ NACP, “International Sponsors of War,” <https://sanctions.nazk.gov.ua/en/boycott/> (accessed February 6, 2023).

¹⁴ NACP, “Companies from the NACP list of “International Sponsors of War” are now in the World-check database, used worldwide for reviewing counterparties,” September 7, 2022, <https://nazk.gov.ua/en/news/companies-from-the-nacp-list-of-international-sponsors-of-war-are-now-in-the-world-check-database-used-worldwide-for-reviewing-counterparties/?hilit=sponsor+of+war> (accessed February 6, 2023).

¹⁵ NACP, “Camozzi Group is an international sponsor of the war,” <https://sanctions.nazk.gov.ua/boycott/1022/> (accessed November 10, 2023).

¹⁶ The UN General Assembly condemned Russia’s “aggression against Ukraine” and demanded that Moscow “unconditionally withdraw all of its military forces from the territory of Ukraine within its internationally recognized borders.”

¹⁷ Inna Popovych, “The Italian company Camozzi operates in the occupied Crimea and supplies pneumatic equipment for the Russian industry,” *Trap Aggressor*, October 26, 2023, <https://trap.org.ua/publications/italiyska-kompaniia-camozzi-pratsiuie-v-okupovanomu-krymu-ta-postachaie-pnevmoobladnannia-dlia-rosiyskoi-promyslovosti/> (accessed November 12).

¹⁸ Euheniia Martyniuk, “Italian tech giant Camozzi sticks with Russia, supply chain hints at military collaborations,” *Euromaidan*, October 26, 2023, <https://euromaidanpress.com/2023/10/26/italian-tech-giant-camozzi-sticks-with-russia-supply-chain-hints-at-military-collaborations/> (accessed November 15, 2023).

¹⁹ Popovych (n 17).

dealer.²⁰ Notably, Camozzi refrains from referencing its operations in Crimea on its official website, likely due to potential international pressure.

"Kamozzi Pneumatics" engages in direct trade with its parent company, "Camozzi Automation Spa" based in Italy. As per international trade databases, following the complete invasion, the Italian entity supplied products valued at \$61 million to its Russian counterpart, comprising primarily pipe fittings, aluminium, and plastic products. Notably, during Russia's full-scale invasion into Ukraine, Kamozzi Pneumatics also imported power plants and pneumatic motors totalling \$3.6 million into Russia.²¹

How does Camozzi comment on the continuation of work in the temporarily occupied Crimea? Has Camozzi Group expanded its property ownership in Crimea since 2014? If so, where does Camozzi Group believe the legal authority lies for any expansions or acquisitions made in the region?

What specific contractual clauses or measures does Camozzi Group have in place to ensure that its products are not utilised by the Russian military or entities linked to military operations?

As a Holding Company, what specific arrangements or policies has Camozzi Group established to align with international human rights norms across its operations, particularly in CAHRA and in areas of severe human rights violations, such as those committed by Russia in Ukraine?

Has Camozzi conducted heightened human rights due diligence, applying a conflict sensitive approach, both in its ongoing operations in Russia and in temporarily occupied Crimea?

How is Camozzi Group exercising its leverage to ensure that its subsidiaries are actively complying with their human rights obligations, and if so, how has this been achieved across the corporate structure?

As stated by the NACP, "the Italian company Camozzi continues its activities on the territory of the aggressor state, where it supports the military-industrial complex of the Russian Federation and cooperates with sanctioned persons."²² Camozzi products remain widely available in Russia.

Due to its continued operations, Camozzi is a significant taxpayer in Russia. Kamozzi Pneumatika LLC released its financial statements for 2021, revealing a consistent annual growth in revenue since 2011, reaching 8.3 billion rubles by 2021. During that year, the company paid 500 million rubles in taxes, marking a 35% increase compared to 2020.²³

How much profit tax has Camozzi paid to the Russian government in 2022 and 2023?

How much overall tax has Camozzi paid to the Russian government in 2022 and 2023?

How does Camozzi comment on its increasing profits and tax contributions in a time when other companies are leaving the Russian market due to its aggressive war against Ukraine?

Additionally, Camozzi employs approximately 700 staff in Russia and has about 90 open vacancies advertised across the country, including a position in the occupied territory of Crimea.²⁴

We understand that Camozzi has obligations towards its employees. These are laid out under the UNGPs and in the wider international human rights legal and regulatory framework.

²⁰ NACP, "Hiding their presence in the temporarily occupied Crimea and cooperating with the Military Industry of Russia: Camozzi Group is included in the list of international sponsors of war," October 27, 2023, <https://nazk.gov.ua/en/news/hiding-their-presence-in-the-temporarily-occupied-crimea-and-cooperating-with-the-military-industry-of-russia-camozzi-group-is-included-in-the-list-of-international-sponsors-of-war/> (accessed November 11, 2023).

²¹ Popovych (n 17).

²² NACP (n 15).

²³ Ibid.

²⁴ Hh.ru, "Camozzi Pneumatics LLC," <https://hh.ru/employer/6202?hhtmFrom=vacancy> (accessed November 15, 2023).

How has the company applied heightened human rights due diligence to its operations in Russia considering the new Russian legislation requiring businesses to help conduct military registration, deliver the summons to its employees, and provide resources where required?

Has Camozzi received any such requests, and if so, how has the company responded to them?

Can Camozzi clarify which practices and policies the company adopted to minimise the risks and impacts of the war to its employees?

What is Camozzi doing to safeguard its employees from mobilisation?

Have any of your employees been mobilised and, if so, what was Camozzi's role in the process?

Which stakeholders has Camozzi engaged with in determining its policies and the decision to stay in the market?

Other companies have faced legal, administrative, and ethical challenges and still committed to, and exited, Russia. Camozzi has decided to stay in the country, even after over one year since the start of the war, over 100,000 reported war crimes, over 27,000 Ukrainian civilians killed or injured, and with the head of the Russian state indicted by the International Criminal Court for alleged war crimes, namely the abduction of Ukrainian children. Camozzi Group's Code of Ethics specifies that the company values honesty, sincerity, transparency, and compliance with the law.²⁵

Considering these developments and the rising number of reported human rights abuses and war crimes, has Camozzi considered fully exiting Russia so as not to be even indirectly or remotely associated with these crimes?

In consideration of the above points, we request an urgent dialogue with Camozzi Group's relevant senior management and staff to discuss the company's ongoing activities and relationships in Russia, associated risks to the people of Ukraine and the company, and potential steps to prevent/mitigate these risks. Please contact the B4Ukraine Coalition at contact@b4ukraine.org to schedule a call. We kindly ask for your response by 5:00pm CET, November 30th, 2023.

Please note that this letter and any response or lack thereof will be published on B4Ukraine webpages. If Camozzi decides to join the proposed call, any such conversation would be held under Chatham House Rules.

Sincerely,

The B4Ukraine Coalition

²⁵ Camozzi Group, "Code of Ethics," <https://en.camozzigroup.com/the-group/responsibility-and-values/code-of-ethics-b.kl> (accessed November 14, 2023).