



Public Due Diligence Report

1. Company Information

Alpha Assembly Solutions Inc. (“Alpha” or the “Company”) is committed to developing and manufacturing the highest quality electronic assembly materials for its customers and ensures any tin, tantalum, tungsten and/or gold (collectively, the “Conflict Minerals”) included in these materials are procured from validated sources. Alpha has been a part of the Element Solutions Inc (“ESI”) group since 2015 and continues to be one of the industry’s preferred suppliers of high-performance materials and chemistry. The Alpha tin processing facility (CID000292) is located at 4100 Sixth Avenue, Altoona, Pennsylvania, USA and is one of the largest single electronic solder recycling sites in North America. Since November 11, 2013, this site has received multiple certifications as a conformant smelter by the Electronic Industry Citizenship Coalition (“EICC”) / Responsible Business Alliance (“RBA”)-Responsible Minerals Initiative (“RMI”) and the Global e-Sustainability Initiative (“GeSI”) Conflict-Free Smelter Audit Review Committee, as confirmed by third-party compliance audits. This report describes Alpha’s due diligence management system and activities for the assessment period between May 2018 and September 2019.

2. RMAP Assessment Summary

Alpha’s most recent third-party audit approval of conformance under the Responsible Minerals Assessment Process, Tin and Tantalum Standard (the “RMAP Standard”) assessment was conducted by Arche Advisors of the RMI’s Audit Review Committee on November 15-16, 2017 with the final report issued on July 2, 2018. For further information and complete audit summary, please refer to the following:

- [RMI - Tin Conformant Smelters](#)

3. Company Supply Chain Policy

Alpha, along with its parent company ESI, endeavors to establish validated sources of Conflict Minerals so that these minerals can be procured in a way that contributes to economic growth and development, rather than to conflict, human rights abuses or financial wrongdoings. To this end, ESI adopted a Supply Chain Conflict Minerals Policy (the “Policy”) which implementation is intended to conform in all material respects to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the supplements for each Conflict Mineral (the “CAHRA-OECD Guidance”). The Policy applies to all ESI’s subsidiaries, including Alpha. The Company communicates this Policy, along with a supplemental Supplier Code of Conduct to each of its suppliers and requires them to comply with both, in addition to all applicable laws and regulatory requirements. The Policy was reviewed and approved by ESI’s senior management and can be found on ESI’s global website under Corporate Social Responsibility:

- [Supply Chain Conflict Minerals Policy](#)
- [Supplier Code of Conduct](#)



4. Company Management System

Aligned with ESI's Policy, the Company engages in rigorous due diligence efforts designed to verify - whenever possible - the source of Conflict Minerals used in its products and to ensure that these minerals and other materials are purchased only from environmentally and socially responsible suppliers. Alpha follows through on the commitments described in the Policy by way of an internal due diligence procedure which consists of the following:

- ESI's Executive Vice President, General Counsel and Secretary and its Vice President, Legal and Chief Compliance Officer are responsible for overseeing the due diligence program and risk management implementation.
- The Company's Global Director of Metals is responsible for overseeing and updating Alpha's Supply Chain Policy and its commitments of assuring that the Company's due diligence program is constantly being updated and conformant with RMI RMAP international standards.
- ESI has assigned a Compliance Manager to coordinate the Conflict Minerals-related work of all relevant departments, including Purchasing, Regulatory, and Plant Management to ensure each department follows up on their roles and responsibilities to implement the due diligence program and report any red flags and potential risks identified.
- The Compliance Manager provides annual due diligence training to individuals involved across all relevant departments responsible for implementing the due diligence program. Should there be any updates to the program, the Compliance Manager conducts additional training as necessary.

4a. Internal Systems of Control and Grievance Mechanism

Alpha has updated its due diligence program to be aligned with the CAHRA-OECD Guidance and revised RMAP Standard published on June 12, 2017. The type of material (e.g. secondary material) and origin of all Conflict Minerals included in the material and received at Alpha is validated through receipt and evaluation of transportation documents and visual observations of the material. Alpha currently sources only tin-containing material that is exempt or considered low-risk according to the RMAP Standard, therefore, upstream suppliers are not evaluated under our current program. The Company has also incorporated compliance conditions with Conflict Minerals regulations as a requirement into its legally binding agreements with suppliers using the Company's purchase orders.

The Company shall refer all its suppliers of Conflict Minerals and other interested parties to RMI's publicly available grievance mechanism should they want to comment on its management system or potential risks in its supply chain. This process allows for anonymous incident reporting and whistleblower protections. Complaints may be reported to Alpha management directly for review, assessment and action, if warranted. The grievance form along with further information can be found [here](#) on RMI's website.

4b. Record Keeping System



It is the policy of the Company to manage all business records and data to ensure efficient use, storage and retrieval as well as the timely removal and destruction of nonessential material. Each business unit is advised to establish and administer a records management program consistent with these guidelines as well as all applicable federal, state and local regulations, to the extent such business units use such regulated minerals. All records relating to supplier due diligence are maintained and secured electronically for at least five years.

5. Risk Identification

To its knowledge, Alpha does not directly source from any Conflict Affected-High Risk Areas (CAHRAs) and all primary Conflict Minerals procured to Alpha are solely sourced from RMI-RMAP (formerly EICC/CFS/CFSI) compliant smelters, which compliance was determined by using:

- The Company's Third-Party Due Diligence process to identify risks throughout its supply chain.
- The Company's annual Conflict Minerals Certification and Agreement process.

5a. Third-Party Due Diligence Process

The Company utilizes an industry leading Third-Party Risk management platform, which allows Alpha to validate all new and existing supplier relationships by intelligently identifying risk exposure and mitigation throughout its supply chain and using a multi-level risk model managing multiple risk domains proactively. This platform aims to ensure:

- 1) Supply Chain Compliance
- 2) Anti-Bribery & Anti-Corruption Compliance
- 3) Sanctions Compliance

This due diligence process includes confirming the identity and legality of any supplier's business (name, address, country of incorporation/business operations, nature of business, etc.) as well as identifying applicable key executive individual(s) associated with that supplier. All required supplier information is captured securely within the system, then processed through a screening application which notifies both ESI's Compliance and Legal teams about any of the following risk categories for review and remediation:

- Politically Exposed Persons (PEPs)
- Region/Country
- Corruption
- Financial Crime
- Organized Crime
- Global Sanctions Lists (including Control and Ownership)
- Tax Crime
- Terror
- Trafficking
- War Crimes
- Production/Supply Chain Issues
- Fraud
- Human Right Abuses



- Workplace Health/Safety Issues
- Hundreds of various Global Official and Exclusions lists

Based on the information provided and alerted on, all third-party suppliers are assigned a risk rating (Low, Medium, High) and reviewed either annually, every three years, upon notification of a material change or as deemed necessary by the Compliance Manager.

5b. Conflict Minerals Certification and Agreement Process

Annually, the Company undertakes a comprehensive mapping of Alpha's supply chain, in line with the CAHRA-OECD Guidance, to understand its Conflict Minerals exposure globally. This supply chain risk assessment is reported to ESI's legal team, including providing recommendations to mitigate any identified risks as deemed appropriate. The supply chain risk assessment report will include the following:

- Risk rating and assessment status for each identified supplier of Conflict Minerals via the companies designated Third Party Due Diligence Application.
- CMRT assessment and review for each identified supplier of Conflict Minerals, excluding Suppliers of 100 % scrap materials.
- Any material negative news identified, to the extent we become made aware of, on any applicable supplier of Conflict Minerals, verified using open source intelligence. This also includes information provided to us by way of customer notification.

Based on guidance from ESI's legal team, appropriate risk mitigation measures will be implemented globally. At any time should a supplier of the Alpha supply chain be identified as an unacceptable risk, a prompt notification to ESI's legal team will be made and ESI's internal "Conflict Minerals Supply Chain Procedure for Non-Compliance" will be initiated.

As required by Section 1502 of the Dodd-Frank Act, ESI files a Conflict Minerals Report (Form SD) with the Securities and Exchange Commission detailing efforts to determine the chain of custody and origin of the Conflict Minerals used in the products manufactured by its businesses during the applicable reporting year. This disclosure is posted annually and can be found on the ESI website [here](#).