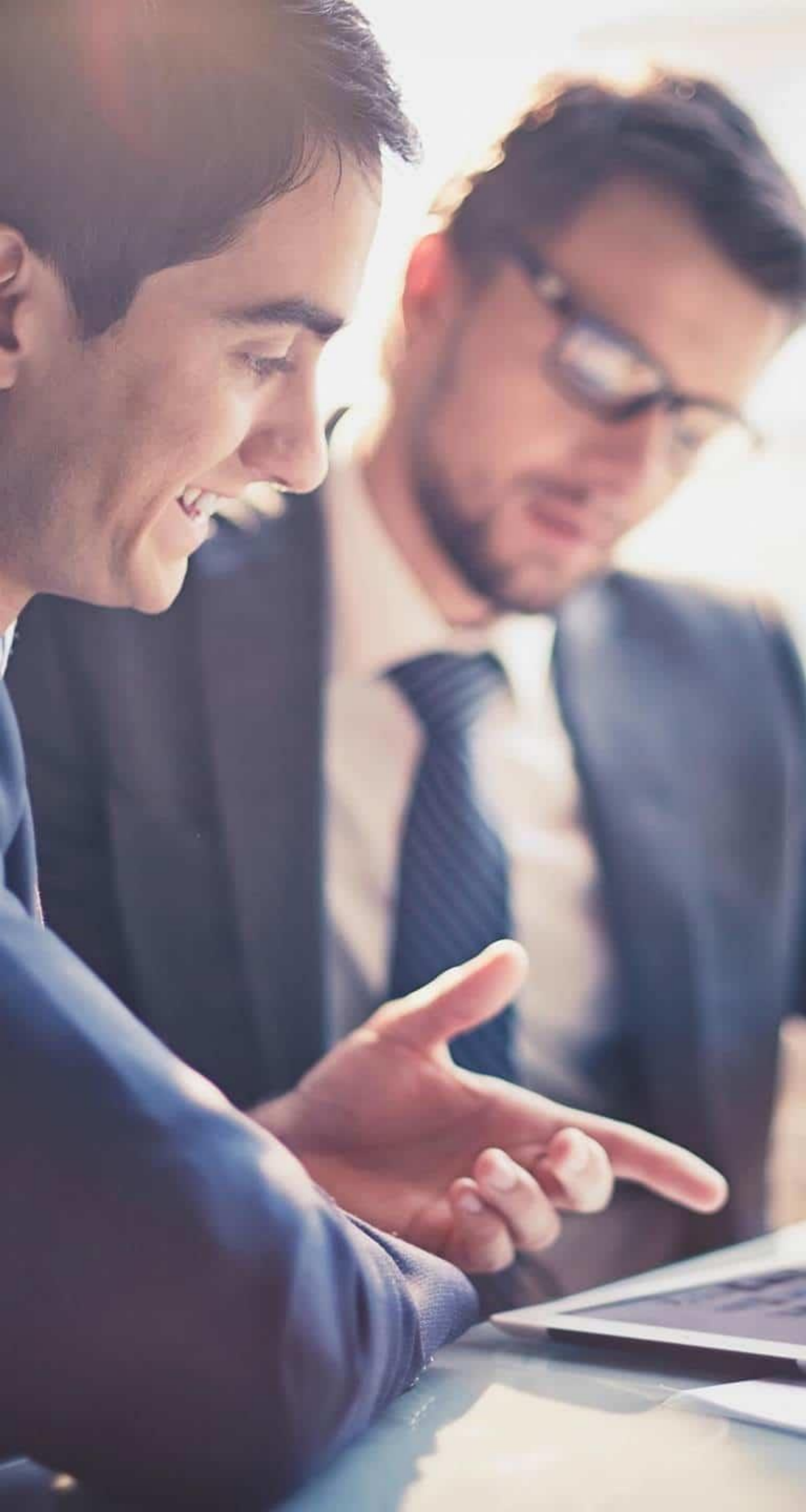


Conflict-free Minerals & Conflict-free Cobalt



Summary

- \ DEFINITION
- \ REGULATION
- \ CONFLICT-FREE MINERALS/COBALT COMPLIANCE PROCESS
- \ ASTEELFLASH CONTEXT AND ORGANIZATION

DEFINITIONS

Conflict minerals & Cobalt



- \ Conflict minerals : The 3 TG
 - \ **Tantalum** derived from Colombite-tantalite
 - \ **Tin** derived from cassiterite
 - \ **Tungsten** derived from wolframite
 - \ **Gold**
- \ **Cobalt** is extracted in mechanized and artisanal mining operations, used in lithium-ion batteries that form an integral part of electric automobiles, mobile phones and laptop computers.
 - \ The Democratic Republic of the Congo (DRC) is the world's largest producer of cobalt and holds more than 50 percent of the global cobalt reserves



Conflict-Free

- \ The term conflict-free means that a product does not contain minerals necessary to the functionality or production of that product that directly or indirectly finance or benefit armed groups, in the Democratic Republic of the Congo as well as in an adjoining country.
- \ Conflict minerals that a registrant obtains from recycled or scrap sources, are considered DRC conflict-free.
- \ In SiliconExpert you can find a section “Conflict Minerals”, with the status “DRC conflict-free”

Environmental Info			
Lead Free	Compliant	Phthalates	Unaffected
ELV	Compliant	Bisphenol A (BPA)	Unaffected
RoHS Status	Compliant	Inorganic phosphorus	Affected
RoHS Version	2011/05/EU, 2015/863	IEC 62474	Not Affected
RoHS Exemption	No	California Proposition 65	Exempted
Halogen Free	Compliant	ODC	Not Affected
Green	Compliant	GADSL	Affected
China RoHS Status	Unaffected	PFOS (EU Directive 2006/122/EC)	Not Affected
REACH(SVHC) Information	Unaffected	Persistent Organic Pollutants (POPs)	Not Affected
Rare Earth Element Information	Rare Earth Free	PFQA	Not Affected
WEEE	Out of Scope	AD-DSL	Not Affected
JIG-101 Ed 4.1	Unaffected	Hazardous Substances	No Hazardous Substances

Conflict Minerals Info				
Sub-Total		0.02074	0.02074	1000000
MOLD COMPOUND				
MOLD COMPOUND	Epoxy	85954-11-6	0.004666406	0.058330074
MOLD COMPOUND	Fused Silica	60676-86-0	0.051913766	0.058330074
MOLD COMPOUND	Metal Hydroxide	N/A	0.001749902	0.058330074
Sub-Total		0.058330074	0.058330074	1000000
SEMICONDUCTOR DEVICE				
Semiconductor Device	Doped Silicon	7440-21-3	0.001057947	0.001057947
Sub-Total		0.001057947	0.001057947	1000000
Conflict Minerals Info				
Manufacturer Status	DRC Conflict Free	Conflict Mineral Statement	Download PDF	
ICC Membership	No	Conflict Minerals Policy	Download PDF	
SD Form	Download PDF	ICC-GeSI/CMRT Template	Download XLS	
Conflict Minerals News	Download PDF			

Responsible minerals initiative : RMI

- \ Founded in 2008 by members of the Responsible Business Alliance and the Global e-Sustainability Initiative, the Responsible Minerals Initiative has grown into one of the most utilized and respected resources for companies seeking to responsibly source minerals.
- \ With more than 400 member companies, the Responsible Minerals Initiative is one of the most utilized and respected resources for companies from a range of industries addressing responsible mineral sourcing issues in their supply chains.
- \ The RMI manages the lists of the smelters and founders, see the site for more informations :
- \ responsiblemineralsinitiative.org

REGULATION

Responsible sourcing of minerals

- \ There are several steps in the 3TG minerals/cobalt and metals supply chain where money from the sales may go to armed groups or criminals (e.g.: extraction, refining, transportation...)
- \ This source of income can help perpetuate armed conflict, violence and human rights abuses, often in weak or unstable countries
- \ Making sure that these armed groups and criminals can no longer rely on the purchase of 3TG/cobalt as a source of income is a way of:
 - \ Making it more difficult for them to continue their activities
 - \ Tackling human rights abuses



US Regulation

- \ In 2010, the U.S. Congress passed a landmark law :
 - \ The “conflict minerals” provision—commonly known as Section 1502 of the “Dodd Frank Act”:
 - \ Requires U.S. publicly-listed companies to check their supply chains for tin, tungsten, tantalum and gold, if they might originate in DR Congo or its neighbours, take steps to address any risks they find
 - \ Requires U.S. publicly-listed companies to report on their efforts every year to the U.S. Securities and Exchange Commission (SEC)
 - \ Requires U.S. publicly-listed companies to show they are working with the appropriate care—what is now known as “due diligence”—to make sure they are not funding armed groups or human rights abuses.
- \ In October 2012, industry groups challenged the SEC conflict minerals rule, which ultimately led the D.C. Court of Appeals to find part of the Rule’s requirement to be unconstitutional



EU Regulation

- \ Set by the Organization for Economic Co-operation and Development (OECD) in 2011
 - \ Requires EU companies in the supply chain to ensure they import these minerals and metals from responsible and conflict-free sources only
 - \ EU importers of minerals and metals are required to follow a five-step due diligence framework and carry out :
 - \ Establish strong company management systems
 - \ Identify and assess risk in the supply chain
 - \ Design and implement a strategy to respond to identified risks
 - \ Carry out an independent third-party audit of supply chain due diligence
 - \ Report annually on supply chain due diligence efforts
- \ The 2016 version has two supplements tailored to the challenges associated with these minerals' supply chain structure :
 - \ Supplement on Tin, Tantalum and Tungsten
 - \ Supplement on Gold

Locations covered

For the US regulation :

Countries with conflict minerals are : DRC and adjoining countries (Angola, Burundi, Central African Republic, the Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia)



For the EU regulation :

Every conflict region globally can be considered as a conflict minerals one



Companies covered & volume exemption

\ In US regulation :

\ Companies :

\ Upstream and downstream firms when they import the targeted minerals or metals into the US

\ Volume exemption :

\ Small imported volumes below the annual thresholds

\ In EU regulation :

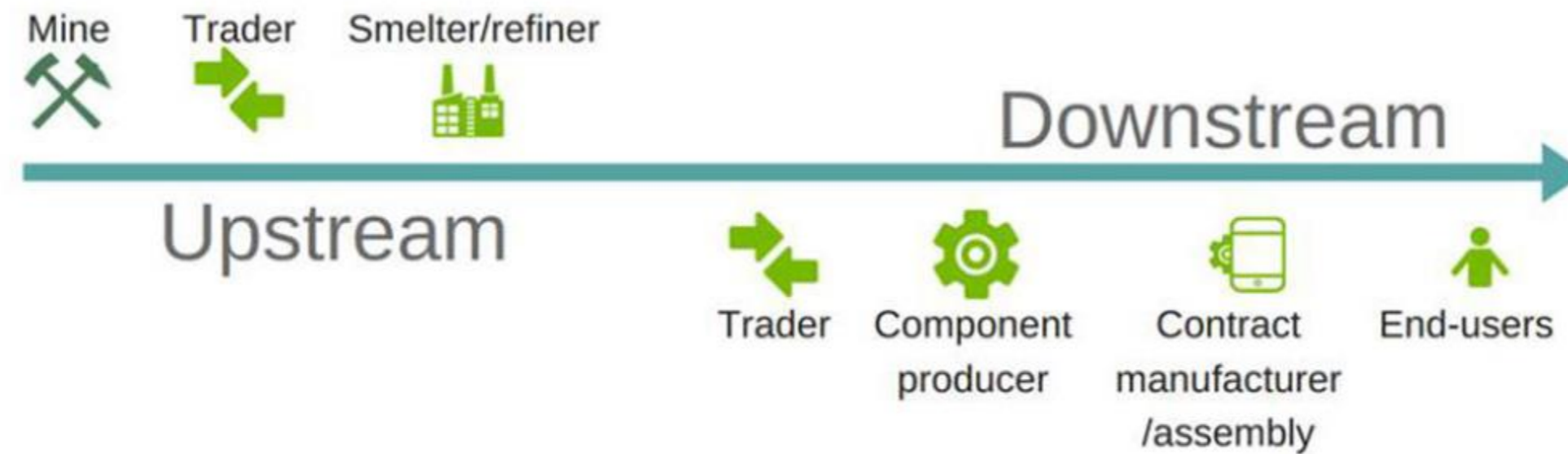
\ Companies:

\ US SEC-reporting companies which manufacture or contract to manufacture products that contain 3TG, including the 'downstream' users

\ Volume :

\ No exemption

Upstream & Downstream companies



- \ Upstream companies have to comply with mandatory rules on due diligence when they import, as this is the most risky part of the supply chain
- \ Downstream companies fall into two categories:
 - \ those importing metal-stage products have also to meet mandatory due diligence rules
 - \ those operating beyond the metal stage do not have obligations under the regulation, but they are expected to use reporting and other tools to make their due diligence more transparent, including, for many large companies, those in the non-financial reporting directive

Different requirements for different companies

- \ Production of goods often involves many different companies engaged in various types of activity along the supply chain.
- \ Firms that extract, process and refine raw materials are called 'upstream' companies. The EU regulation identifies as upstream companies :
 - \ Mining companies
 - \ Raw material traders
 - \ Smelters
 - \ Refiners
- \ Downstream companies are further process metals produced during the upstream stage into a finished product. (The downstream stage includes the sale of the product to other businesses, governments or private individuals).

Conflict minerals VS Cobalt

- \ There is no legislation that imposes companies to treat cobalt like the 3TG
- \ The treatment of cobalt by companies is purely ethical
- \ RMI push companies to treat cobalt like conflict minerals 3TG and provide lists of smelters and mines for cobalt.

Key requirements and Referenced Due Diligence Framework

\ For the US regulation :

- \ Establish strong company management systems
- \ Identify and assess risk in the supply chain
- \ Design and implement a strategy to respond to identified risks
- \ Carry out an independent third-party audit of supply chain due diligence
- \ Report annually on supply chain due diligence efforts

\ For the EU regulation :

- \ Determine applicability
- \ Conduct country of origin inquiry
- \ Establish a due diligence process
- \ Obtain an independent private sector audit of the company's due diligence efforts
- \ File Form SD with the SEC annually

\ The OECD Guidance is the referenced due diligence framework for both regulations

The system of Due diligence

- \ The term 'due diligence' means acting with reasonable care and investigating an issue before making a decision. In other words, it is an on-going, proactive and reactive process through which companies put in place systems and processes to make sure they are able to identify, manage and report on risks in their supply chain
- \ The regulation requires importers to follow a five-step framework, which the Organization for Economic Co-operation and Development (OECD) has laid out in a document called 'Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High-Risk Areas' (OECD Guidance):
 - \ Establish strong company management systems
 - \ Identify and assess risk in the supply chain
 - \ Design and implement a strategy to respond to identified risks
 - \ Carry out an independent third-party audit of supply chain due diligence; and
 - \ Report annually on supply chain due diligence

Compliance with regulation

- \ Each EU Member State must check whether EU importers comply with the regulation
- \ Member States' authorities will examine documents and audit reports. If needed, they can carry out on-the-spot inspections of an importer's premises.
- \ If a Member State finds an EU importer has not complied with the regulation, it will :
 - \ Order the firm to address the problem within a given deadline and
 - \ Follow up to make sure it does so
- \ The regulation provides for a planned review of the legislation effectiveness by January 2023 to assess whether the member states should be given the competence to impose penalties "in the event of persistent failure to comply with the obligations set out in the Regulation"

Active Smelter & Refiner Lists

- \ The active lists represent smelters and refiners that have committed to undergo a Responsible Minerals Assurance Process (RMAP) assessment, completed the relevant documents, and scheduled the on-site assessment. These may be in the pre-assessment, assessment, or corrective-action phases of the assessment.
- \ The RMI notes on the active smelters list the names of any smelters or refiners that have left the Active or Conformant list and intend to re-enter the program.
- \ The smelters and refiners lists : [Smelters & Refiners Lists \(responsiblemineralsinitiative.org\)](https://responsiblemineralsinitiative.org)

CONFLICT-FREE MINERALS COMPLIANCE PROCESS

How the regulation applies to a company

- \ Including mapping of the supply chain all the way down to the primary source to understand the origins of minerals and possible 3TG/cobalt risks the organization is facing
- \ In-depth understanding and high level of visibility are key to determine which supplier should be involved in risk-mitigating efforts and how it should be done
 - \ What is the company's current visibility of the supply chain?
 - \ What is the current nature of relationships between the company and its suppliers?
 - \ Which existing supply chain policies are in place?

Strong management systems

- \ To effectively address the risks associated with conflict minerals, an organization should start from the management systems
- \ Along with getting leadership buy-in, securing the program budget and determining the key roles and responsibilities, make sure to cover the following:
 - \ Ensure senior management oversight of conflict minerals compliance program
 - \ Adopt a supply chain policy and communicate it to suppliers and the wider public
 - \ Incorporate supply chain policies and traceability into contracts and agreements with suppliers
 - \ Establish an internal or external (i.e. ombudsperson) mechanism for whistleblowers that deals with concerns about the due diligence process



Supply chain risks

- \ With a solid foundation in place, a company can move on to the due diligence process
- \ Assess risks by identifying the factual circumstances of company's activities and supplier relationships
- \ Benchmark what have been found against the best practices and regulatory requirements
 - \ Liaise with suppliers to identify and assess the supply chain risks of adverse impacts based on the available third-party audit reports on smelters and refiners. In the absence of such reports, obtain independent third-party reports as part of the due diligence.
 - \ Design and implement a strategy to respond to the identified risks, adopt risk-mitigating measures and track the progress
 - \ Integrate the conflict minerals compliance program with other supply chain compliance activities and sustainability agenda to leverage potential efficiencies
 - \ Document as going and maintain internal records for a minimum of five years


Conflict Minerals/Cobalt Reporting Templates

- \ The Conflict Minerals Reporting Template (CMRT) is a free, standardized reporting template developed by the Responsible Minerals Initiative (RMI) that facilitates the transfer of information through the supply chain regarding the mineral country of origin and the smelters and refiners being utilized
 - \ The template also facilitates the identification of new smelters and refiners to potentially undergo an audit via the RMI's Responsible Minerals Assurance Process (RMAP)
- \ The Cobalt Reporting Template is a free, standardized reporting template developed by the Responsible Minerals Initiative to identify choke points and collect due diligence information in the cobalt supply chain.
 - \ The template was formally launched on December 21, 2018. RMI reviewed and integrated feedback from the pilot phase into CRT version 1.0.

Conflict Minerals Reporting Template structure

- \ The link to the report : <http://www.responsiblemineralsinitiative.org/reporting-templates/cmrt/>
- \ Different worksheets of the report :
 - \ **Revision** : additional information on past revisions of the CMRT including description of functional change and updates to the smelter reference list
 - \ **Instructions** : additional information on how to complete the CMRT
 - \ **Definitions** : additional information on common terminology and acronyms used in the CMRT
 - \ **Declaration** : mandatory due diligence questions and company information (user input required)
 - \ **Smelter list** : list of all smelters/refiners of 3TG in the supply chain as identified by the company direct suppliers, if applicable (user input required for any metal with a yes response in question 2)
 - \ **Checker** : verification list to confirm user completion of all required fields within the CMRT
 - \ **Product list** : If declaration scope is at the Product level, user must complete this list with all in-scope parts (user input required if product scope selected)
 - \ **Smelter look-up** : list of the RMI's 3TG smelter names/alias information as of the date of the template's release* –this list may be used as a reference in identifying actual smelters and refiners submitted by your direct suppliers and to confirm the information provided before submitting to customers

Declaration Tab



Select Language Preference Here:
 请选择你的语言:
 사용할 언어를 선택하십시오:
 表示言語をここから選択してください:
 Sélectionner la langue préférée ici:
 Seleccione Preferencia de idioma Aquí:
 Wählen sie hier die Sprache:
 Seleziona el lenguaje de preferencia aquí:
 Selezionare la lingua di preferenza qui:
 Burada Dil Tercihini Belirleğin:

Conflict Minerals Reporting Template (CMRT)

English

Template Language

Revision 6.1
April 28, 2021

The version and its date

The purpose of this document is to collect sourcing information on tin, tantalum, tungsten and gold used in products

[Link to Terms & Conditions](#)

Mandatory fields are noted with an asterisk (*). Consult the instructions tab for guidance on how to answer each question.

Company Information

Company Name (*):	Asteelflash		
Declaration Scope or Class (*):	A. Company		
Description of Scope:			
Company Unique ID:			
Company Unique ID Authority:			
Address:	E. M. S. L. 22222 N. W. 11th St., Suite 100, Fort Lauderdale, FL 33304		
Contact Name (*):	John Doe		
Email - Contact (*):	john.doe@asteelflash.com		
Phone - Contact (*):	(561) 555-1234		
Authorizer (*):	John Doe		
Title - Authorizer:	Vice President Supply Chain Management		
Email - Authorizer (*):	john.doe@asteelflash.com		
Phone - Authorizer:	(561) 555-1234		
Effective Date (*):	14-Jun-2021		

Answer the following questions 1 - 8 based on the declaration scope indicated above

1) Is any 3TG intentionally added or used in the product(s) or in the production process? (*)	Answer	Comments
Tantalum (*):	Yes	Those 4 conflict metals are needed in the electronic area
Tin (*):	Yes	Those 4 conflict metals are needed in the electronic area
Gold (*):	Yes	Those 4 conflict metals are needed in the electronic area
Tungsten (*):	Yes	Those 4 conflict metals are needed in the electronic area

Declaration Scope or Class (*)

Select your company's declaration scope. Options include:

A. Company: Encompasses the entirety of a company's products or product substances produced by the parent company. Therefore, if the user is reporting 3TG data at the company level, the declaration should include conflict minerals data on all products they manufacture and/or on all products produced from all organizations under the parent company.

B. Product (or List of Products): When this declaration is selected, a link to the Product List worksheet will be displayed. It is mandatory to list the Manufacturer's Product Number of the products covered under the Scope of this Declaration in Column B of the Product List worksheet. It is optional to list the Manufacturer's Product Name in Column C of the Product List worksheet.

C. User-defined: When this declaration is selected, it is required that the user describes the scope to which the 3TG disclosure is applicable. The scope of this class shall be defined in the Description of Scope field (row 10) by the supplier and should be easily understood by customers or the receivers of the document. For example, a user may input one of the company's specific manufacturing sites to signify their declaration is applicable to only products manufactured at that location. Companies may also provide a link to clarifying information.

This field is mandatory.

Different Questions

DUE DILIGENCE QUESTIONS (ROWS 26 – 71)

- \ Eight questions define the usage, origination and sourcing identification for each of the metals. The questions are designed to collect information about the use of 3TG in the company's product(s) to allow for the determination of regulatory applicability.
- \ Responses to these questions shall represent the 'Declaration Scope' selected in the company information section. The responses to the questions in this section can be used to determine applicability and completeness of 3TG reporting.
- \ For each of the eight required questions, provide an answer for each metal using the drop-down menu selections.
- \ The questions in this section must be completed for all 3TG. If the response for a given metal to question 1 and question 2 is "Yes", then the subsequent questions (3 through 8) shall be completed for that metal and the following due diligence questions (A to H) shall be completed about the company's overall due diligence program.
- \ If the response to questions 1 and 2 is "no," then companies are still encouraged to complete questions A-H.
- \ Questions 4, A, B, D, and H have been added or modified from CMRT 5.12 as per the IPC-1755 Revision

QUESTIONS A – H (ROWS 75 – 89)

- \ The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-affected and High-risk Areas (OECD Guidance) defines “Due Diligence” as “an on-going, proactive and reactive process through which companies can ensure that they respect human rights and do not contribute to conflict.”
- \ Due diligence should be an integral part of your company’s overall responsible minerals sourcing strategy
- \ Questions A. thru H. are designed to assess your company’s responsible minerals sourcing due diligence activities
- \ Responses to these questions shall represent the full scope of company’s activities and shall not be limited to the ‘Declaration Scope’ selected in the company information section

Smelter list Tab

- \ The tab is used to identify the smelters / refiners in your supply chain to which the scope of your CMRT is applicable.
 - \ If knowing the Smelter ID (CID) Number, refer to section 1.
 - \ If knowing the Metal and the smelter name, refer to section 2.
 - \ If preferred to copy/paste, refer to section 3.
- \ Columns B and C must be completed in order from left to right to utilize the Smelter Look-up feature.

Smelter Identification Number Input Column	Metal (*)	Smelter Look-up (*)	Smelter Name (1)	Smelter Country (*)	Smelter Identification	Source of Smelter Identification Number	Smelter Street	Smelter City
	Tantalum							
	Tungsten							
	Gold							

- \ Column D will grey out when it is not required. Separated lines for each metal/smelter/country combination should be used.

Smelter Identification Number Input Column	Metal (*)	Smelter Look-up (*)	Smelter Name (1)	Smelter Country (*)	Smelter Identification	Source of Smelter Identification Number	Smelter Street	Smelter City	Smelter Location Pro
Gold	Smelter not listed	NSC Smelter				Error smelter details			
Tin	Smelter not listed					Error smelter details			
Tungsten	ALC Metals Ensl	*		DRAC	000000	CPS		Araquajua	São Paulo

Cobalt Reporting Template structure

- \ The link to the report : <http://www.responsiblemineralsinitiative.org/reporting-templates/cobalt-reporting-template/>
- \ **Revision** : additional information on past revisions of the CRT including description of functional change and updates to the smelter reference list
- \ **Instructions** : additional information on how to complete the CRT
- \ **Definitions** : additional information on common terminology and acronyms used in the CRT
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ASTEELFLASH CONTEXT and ORGANIZATION



Context

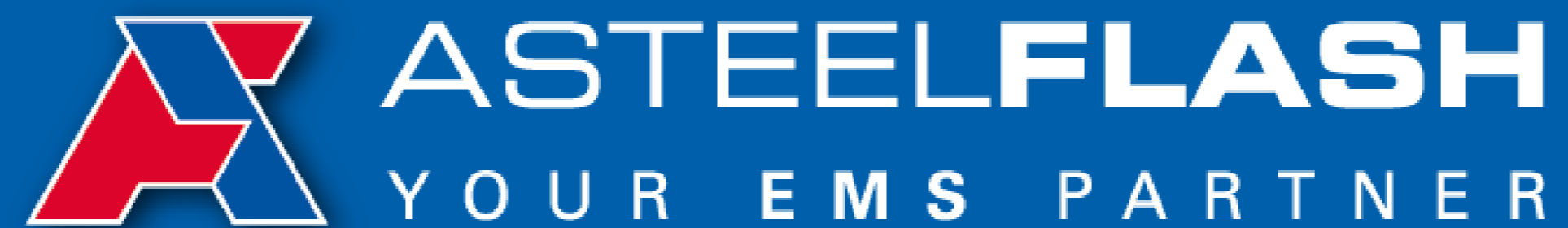
- \ Asteelflash Group is a USI subsidiary, which means being a part of the perimeter of USI to insure a 100% conflict-free supply chain with its targeted key suppliers
- \ Therefore Asteelflash has two perimeters to manage :
 - \ its participation to the « USI and its subsidiaries » total activity
 - \ its own activity
- \ Asteelflash Group declaring its CMRT before being included in the USI company, has decided to keep its own reporting in order to be able to answer to its own customers with an accurate perimeter of targeted key suppliers/manufacturers

Organization

- \ The conflict minerals requirement is listed in the procedure « Generic Suppliers requirements »
- \ Corporate and local Sourcing teams are in charge to check the capability of the manufacturers and suppliers to respect this requirement
- \ A Quality team located at the Suzhou facility, working with the Corporate EHS/CSR department, is in charge in close relation with USI, to annually :
 - \ define the targeted key manufacturers
 - \ collect their CMRT and inspect them to check their compliance
 - \ build the list of smelters and mines of the Asteelflash supply chain for manufacturers asked by USI, targeted to be 100% conflict-free
 - \ build the list of smelters and mines of the Asteelflash supply chain for the Asteelflash perimeter as well
 - \ escalate to Sourcing teams in case of road-blocks
 - \ fill the Asteelflash CMRT at the valid template version



Realizing IDEAS Together



Thank you
Manel IDOUDI / Aurore LAURENT

22/09/2021

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