



Supplier Code of Conduct

Element Solutions Inc (“ELEMENT SOLUTIONS”) is committed to conduct all aspects of its business activities with the highest standards of business ethics and in accordance with all applicable laws and regulations. ELEMENT SOLUTIONS’ ethics are founded on the values of integrity, relevance to all its constituencies, sustainability, performance excellence and accountability. ELEMENT SOLUTIONS understands that its Suppliers (defined below) are independent entities; however, the business practices and actions of a Supplier may impact and/or reflect upon ELEMENT SOLUTIONS. Because of this, ELEMENT SOLUTIONS expects that all Suppliers shall adhere to this Supplier Code of Conduct conducting business with and/or on behalf of ELEMENT SOLUTIONS. This Supplier Code of Conduct establishes minimum standards of conduct required for all of ELEMENT SOLUTIONS’ Suppliers.

To assist Suppliers and Factories (defined below) to comply with this Supplier Code of Conduct, ELEMENT SOLUTIONS has provided assessment recommendations, examples of actual or potential noncompliance matters and/or illustrations of good management practices. This guidance is provided at the end of certain sections.

1) General Terms

- a) This Supplier Code of Conduct applies to:
 - i) All Suppliers of ELEMENT SOLUTIONS. The term “Supplier” (or “Suppliers” in the plural form) means any entity, including suppliers and manufacturers, which directly or indirectly provides or produces services or products to ELEMENT SOLUTIONS and includes such entity’s parents, affiliates, subsidiaries, divisions, agents, employees, representatives and subcontractors and other businesses, names and trade names used by the entity in connection with the sale of products or its raw materials to, for or on behalf of ELEMENT SOLUTIONS.
 - ii) All factories used by Supplier to provide or produce products or its raw materials for or on behalf of ELEMENT SOLUTIONS (each a “Factory” or “Factories” in the plural form).
 - iii) All products or its raw materials manufactured and/or produced for or on behalf of ELEMENT SOLUTIONS, regardless of whether ELEMENT SOLUTIONS is the importer of record.
 - iv) All products shipped for or on behalf of ELEMENT SOLUTIONS to all ELEMENT SOLUTIONS destination countries, the countries in which ELEMENT SOLUTIONS sells or distributes its products.
 - v) All employees of Suppliers or Factories. The term “employee” means any current, former or retired employee, laborer, worker, staff member or consultant of Supplier employed or retained, directly or indirectly, to perform services relating to, in connection with or on behalf of ELEMENT SOLUTIONS.
- b) The purpose of this Supplier Code of Conduct is to establish the minimum requirements for the conduct of Suppliers and Factories who desire to do business with ELEMENT SOLUTIONS. On an ongoing basis Suppliers and Factories shall:
 - i) Comply with all applicable laws in any country in which it conducts business and demonstrate actions in all cases that meet or exceed those required by applicable law. The term “applicable law(s)” means with respect to any Supplier, any domestic, foreign, federal, state, local or municipal statute, law, ordinance, policy, guidance, rule, administrative interpretation, regulation, order, writ, injunction, directive, judgment, decree or other requirement of any governmental entity applicable to such Supplier.



- ii) Provide safe and healthy working conditions.
 - iii) Protect the environment in any country in which it conducts business.
- c) Inspections
- i) ELEMENT SOLUTIONS reserves the right to inspect and/or authorize a third party on its behalf to inspect and audit, at any time, whether or not notice is provided in advance, all Suppliers and Factories.
 - ii) Suppliers shall also permit ELEMENT SOLUTIONS' customers or trade associations such as the Electronic Industry Citizenship Coalition to inspect and audit its Factories to the extent reasonably required or requested by such customers or trade associations as a condition of it doing business with ELEMENT SOLUTIONS.
 - iii) In the event of wrongdoing, Suppliers and Factories shall fully cooperate with any related investigation conducted by ELEMENT SOLUTIONS. Suppliers and Factories shall correct any non-conformances identified during assessments.
 - d) Documentation – Suppliers and Factories shall maintain on site all documentation that may be needed to verify compliance with the terms of this Supplier Code of Conduct and any agreement(s) between Supplier and ELEMENT SOLUTIONS. All such documentation must be accurate, (i.e. free from any attempt to falsify or mislead) and be made available promptly upon request to any person of ELEMENT SOLUTIONS or third parties on its behalf conducting an inspection or audit.
 - e) Ethical Standards – ELEMENT SOLUTIONS conducts business with business partners in an open environment. ELEMENT SOLUTIONS acts ethically and with integrity. All business transactions are transparent and straight forward. No money, favors or things with value should be solicited by ELEMENT SOLUTIONS employees, service providers, auditors or other parties acting on its behalf. Nor should these items be offered by ELEMENT SOLUTIONS business partners, including Suppliers.
 - f) ELEMENT SOLUTIONS does not assume any duty to monitor or ensure compliance with this Code of Conduct, and Suppliers acknowledges and agree that Suppliers are solely responsible for full compliance with this Code of Conduct.

2) **Labor and Employment Standards**

a) **Working Environment**

- i) Suppliers and Factories shall inform all of its employees, at the time of hiring, the terms of such employee's employment as mandated by applicable law and the terms of Supplier's and Factory's policies and procedures.
- ii) Suppliers or Factories shall enter into a written agreement with its employees evidencing the terms and conditions of employment and must be signed by both parties, receive any required governmental approval, and if applicable, bear any governmental approval stamp. As part of the hiring process, employees must be provided with a copy of this written employment agreement in their native language. If applicable, a copy of this agreement shall be provided to the employee prior to departing from his or her country of origin.
- iii) Suppliers and Factories are not permitted to withhold deposits of its employees as a condition of employment. Employees shall not be required to pay employers' or agents' recruitment fees or other related fees for their employment. If any such fees are found to have



been paid by employees, such fees shall be repaid to the employee.

- iv) The identity card of each employee must be in his or her possession at all times. Specifically, Suppliers, Factories and their agents may not hold or otherwise destroy, conceal, confiscate or deny access by employees to their identity or immigration documents, such as government-issued identification, passports or work permits, unless such holdings are required by law.
- v) Suppliers and Factories must abide by fair and humane employment practices and uphold the human rights of workers. Suppliers and Factories must also treat employees with dignity and respect as understood by the international community. This applies to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker.
- vi) In conformance with local law, Suppliers and Factories shall respect the right of all employees to form and join trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly as well as respect the right of employees to refrain from such activities. Employees and/or their representatives shall be able to openly communicate and share ideas and concerns with management practices without fear of discrimination, reprisal, intimidation or harassment.
- vii) Suppliers and Factories shall put in place procedures and systems to prevent, manage, track and report occupational injury and illness including provisions to: encourage employee reporting; classify and record injury and illness cases; provide necessary medical treatment; investigate cases and implement corrective actions to eliminate their causes; and facilitate return of employees to work.
- viii) Suppliers and Factories will provide employees with appropriate workplace health and safety training in their primary language. Health and safety related information shall be clearly posted in the Factories.
- ix) Suppliers and Factories shall not discriminate against their employees or prospective employees in hiring practices, wages, promotions, rewards, access to training or other term or condition of work on the basis of race, color, national origin, gender, gender identity and expression, religion, age, disability, ethnicity, protected genetic information, political affiliation, sexual orientation, social or marital status, maternity, covered veteran status, or membership in worker's organizations, such as unions, or any other similar factors. Workers shall be provided with reasonable accommodation for religious practices. In addition, workers or potential workers shall not be subjected to medical tests or physical exams that could be used in a discriminatory way.
- x) Suppliers and Factories shall not engage in the use or threat of corporal punishment, the use or threat of any type of abuse or harassment, including mental, physical (including sexual) or verbal, against its employees or the use or threat of any other form of intimidation. Suppliers and Factories shall treat all of its employees with respect and dignity. All disciplinary measures taken against employees shall be documented by Suppliers and Factories. Disciplinary policies and procedures shall be clearly defined and communicated to workers.

Assessment Recommendations

Suppliers and Factories should:

- Review hiring practices to determine whether classes of people are barred from employment.
- Determine whether people with certain characteristics are either channeled into certain jobs or barred from certain jobs
- Be aware of and have processes for complying with local laws regarding pregnancy and pregnancy testing
- Review procedures for employees to bring concerns of discrimination to the attention of management for resolution

- Periodically reviewing hiring practices to determine that there is no prohibited discrimination
- Determine if open feedback channels exist for employees to bring issues to the attention of management for resolution
- Determine whether workers affiliated with organizations are subjected to discriminatory treatment

Examples of Actual or Potential Noncompliance

- Discrimination in hiring, employing, or terminating workers
- Substantial differences in the demographics of supplier's workforce to other similar facilities close by may indicate discriminatory practices
- Variations in pay, benefits or promotion based on grounds of race, religion, age, nationality, social or ethnic origin, sexual orientation, gender, gender identity or expression, political affiliation, or disability
- Health tests unrelated to the requirements of the job, pregnancy testing, or contraception used as a condition of employment
- Pregnant workers performing dangerous tasks
- Withholding mandated benefits such as maternity leave
- Lack of written hiring and employment policies
- Lack of feedback system between employees and management
- Discipline that is intended to harass, humiliate or physically harm employees
- Evidence of physical or sexual abuse or harassment
- Evidence of wage deductions or monetary fines used as discipline
- Lack of written policies prohibiting physical or sexual abuse or harassment
- Lack of feedback system between employees and management.
- Lack of effective management/employee lines of communication
- Evidence of unlawful interference with employees attempting to organize or establish membership in worker organizations
- Threatening to shift production or close a facility as a consequence of employees forming or attempting to form a union
- Dismissal, discipline, coercion or threatening of workers because of their exercise of the right to freedom of association
- Refusing to hire job applicants because of their exercise of the right to freedom of association, and participating in the blacklisting of any such individuals

Examples of Good Management Practices

- Periodically reviewing hiring practices to determine that there is no prohibited discrimination
- Hiring agents and supplier management who are trained in nondiscrimination and applicable nondiscrimination laws
- Periodically training managers on nondiscrimination
- Conducting interviews to determine that employees are being fairly compensated, including whether women workers are allowed to take maternity leave
- Creating written job descriptions that focus solely on "occupational qualifications," not personal characteristics
- Taking affirmative action to hire and promote a diverse workforce
- Management communicates its written policies on nondiscrimination to its employees
- Periodically training managers on nondiscrimination
- Conducting interviews to determine that employees are being fairly compensated, including whether women workers are allowed to take maternity leave
- Creating written job descriptions that focus solely on "occupational qualifications," not personal characteristics
- Taking affirmative action to hire and promote a diverse workforce
- Management communicates its written policies on nondiscrimination to its employees.
- Written policies and practices are in place prohibiting harassment and abuse
- Supplier has established a training program for management and supervisors delineating policies and disciplinary action regarding abuse and harassment

- All disciplinary actions are clearly documented
- The Supplier has established a communication system or suggestion box where workers can raise issues of concern including treatment by their supervisors or coworkers
- Management communicates its written policies on respect and dignity to its employees

b) Forced or Indentured Labor

- i) Suppliers and Factories shall not use or employ any involuntary prison, indentured, bonded (including debt bonded), slavery, trafficking of persons or forced labor. No employees shall be forced to work other than on a voluntary basis. Employees shall not be transported, harbored, recruited, transferred or received by means of threat, force, coercion, abduction or defrauded to obtain their labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the Factories. Additionally, there shall not be unreasonable restrictions on entering or exiting Supplier-provided facilities. All work must be voluntary and employees shall be free to leave work at any time or terminate their employment.
- ii) In the event of a labor shortage and foreign contract workers (employees) are recruited or employed, such employees are to be employed in full compliance with the labor and employment laws of the host country. The contract terms under which such employees are employed must be in writing, in a language that the employees can read and understand, and accepted by the employees prior to their departure from their home countries. Related recruitment fees, if any, shall be paid by the Supplier or Factory. The passports and visas of such foreign employees are to be in the personal possession of such foreign employees at all times and never to be withheld from such foreign employees by the Suppliers, Factories or any third party.

Assessment Recommendations

Suppliers and Factories should:

- Review their hiring practices to determine the source of its labor and terms of hiring, including the terms and conditions of its labor contracts
- Should inquire into the existence of labor contracts that a hiring agent may use to limit the workers' ability to voluntarily terminate their employment
- Verify that identification papers are not withheld from employees
- Determine if workers are free to leave the Supplier location in off-hours, subject to reasonable safety policies and procedures

Examples of Actual or Potential Noncompliance

- Any type of forced, prison, indentured, or bonded labor
- Employees are prohibited from leaving the Supplier location or dormitory during certain times and such restrictions are not related to safety
- Unreasonable restrictions placed on basic liberties – (bathroom, drinking water, use of medical facilities, etc.)
- Withholding government issued identification, passports or work permits without employee consent
- Refusal to permit use of external medical facilities when on-site infirmaries exist

Examples of Good Management Practices

- Supplier's and Factories' hiring practices, and those of any labor recruiters, prohibit forced or bonded labor; Suppliers and Factories actively verify compliance.
- Supplier and Factories establish a written set of instructions for all subcontractors and labor recruiters that prohibit forced labor and Suppliers and Factories actively verify compliance.
- Management eliminates unreasonable restrictions placed on the movement of employees.
- Government issued identification, passports or work permits are not withheld from the employee.

c) Wages and Benefits

- i) The wages paid by Suppliers and Factories to its employees shall be at least the greater of (1) the minimum wage under applicable law or (2) the wage that is equivalent to the prevailing wage for the same type of work in the same or similar industry having similar ownership in the same geographic area.

Paid annual leave and holidays shall be paid by Suppliers and Factories to its employees as required by applicable law.

- ii) Benefits provided by Suppliers and Factories shall include, at a minimum, those mandated by applicable law.
- iii) For each pay period, Suppliers of Factories shall provide its employees a timely and understandable wage statement, which includes days worked, wage or piece rate earned per day, hours of overtime at each specified rate, bonuses, allowances and legal or contractual deductions. The wage structure, with any employer contributions and legitimate deductions, is to be itemized clearly to the employees. Wages are to be paid on schedule at least once per month or such shorter time-period as required by applicable law.
- iv) Suppliers and Factories are not permitted to take deductions from wages from its employees as a disciplinary measure.
- v) Suppliers and Factories are not permitted to modify or terminate contracts with employees for the sole purpose of avoiding the provision of benefits.

Assessment Recommendations:

Suppliers and Factories should:

- Determine how workers' time on the job is recorded, and that it is recorded accurately (i.e. working time clocks, valid log-in sheets, production records)
- Review timesheets or other records to determine if workers' wages are being calculated accurately
- Assess the impact of the production system on pay – verify that production targets don't drag workers below the legal minimum
- Review payroll records and look for the lowest compensation totals to determine all mandated pay and benefits are provided
- Ask workers if they know how their pay is calculated and review evidence that workers are given information relating to wages in an understandable form
- Determine if workers are provided with required insurance(s)
- Determine if social security and other similar contributions have been made

Examples of Actual or Potential Noncompliance:

- Lack of compliance with minimum wage and overtime guidelines
- Incorrect pay records
- Miscalculation of wages
- Miscalculation of benefits
- Improper or unauthorized wage deductions
- Compensation not paid directly to workers, except as required by law or by voluntary employee authorization
- Nonpayment or late payment of wages
- Failure to provide employer/employee mandated benefits
- Failure to pay employee mandated withholdings to the appropriate government agency
- No payroll receipts provided to workers

Examples of Good Management Practices:

- Employees are provided payroll receipts that clearly indicate compensation, including overtime hours and overtime compensation levels
- Workers are educated on wage/pay practices
- Workers are encouraged through surveys to suggest changes/improvements in benefits

d) Working Hours

- i) Suppliers and Factories shall comply with applicable laws and industry standards with respect to working hours and must allow to its employee at least one day off during each seven-day period. Workweeks should not be more than 60 hours per week, including overtime, except in emergency or unusual situations.
- ii) Employees may refuse overtime without any threat of penalty, punishment or dismissal; provided, however, should overtime work be necessary or mandatory, especially if the industry is seasonal in nature, employees are to be advised of that at the time of hiring by the Supplier or Factory. If applicable, legal overtime waivers are to be obtained by Suppliers and/or Factories in accordance with and as required by applicable law.
- iii) Suppliers and Factories shall pay its employees overtime pay at a rate which is higher than regular wages and in accordance with applicable law.
- iv) Suppliers and Factories shall permit its employees to take all breaks required by applicable law and in any event reasonable breaks, lunch periods and bathroom breaks.

Assessment Recommendations:

Suppliers and Factories should:

- Review system for recording time worked to determine that time is recorded accurately and completely
- Interview workers to determine if they are knowledgeable about the Supplier's and the Factory's overtime policies
- Review production records and capabilities to assess the Supplier's and Factory's ability to avoid unnecessary or excessive overtime

Examples of Actual or Potential Noncompliance:

- Missing, incorrect, or no time records
- Non-payment for actual time worked (work done off the clock)
- Overtime in excess of the principles set out in this Supplier Code of Conduct
- Not providing mandated rest day(s), holiday(s), and vacation day(s)
- Denial of mandated meal and rest breaks
- Broken time recording device

Examples of Good Management Practices:

- Supplier or Factory maintains and applies systems to pay workers for overtime in accordance with applicable law
- Supplier or Factory has a process for identifying capacity restraints, to minimize overtime hours
- Employees are provided payroll receipts that clearly indicate compensation, including overtime hours and overtime compensation levels

3) Child Labor

- a) Suppliers and Factories shall comply with all applicable laws and shall employ only employees who have attained an age no less than the legal minimum working age or 15 years of age, whichever is greater, or, the age designated by national law for completion of compulsory education. For jobs that require greater maturity or pose a safety risk, these employees are to

be a minimum of 18 years of age.

- b) Suppliers and Factories shall maintain official documentation of each employee's date of birth, provided, however, if such this documentation is not available, apply a legitimate and reliable method to assess or confirm each employee's age. The minimum working age requirement is applicable to all subcontracted work performed, in whole or in part, at home or in cottage industries.
- c) ELEMENT SOLUTIONS supports the development of legitimate workplace apprenticeship programs for the educational benefit of younger people, provided that Suppliers and Factories do not abuse such systems. Suppliers and Factories shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable law and regulations. Suppliers and Factories shall provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns and apprentices shall be at the least the same wage rate as other entry-level workers performing equal or similar tasks.

Assessment Recommendations

Suppliers and Factories should:

- Know all local child labor laws and regulations
- Inquire into hiring practices to see how age is verified before a worker is hired
- Check for reliable proof of age and retain a copy of the relevant document proving age on file
- If applicable, verify that workers under age 18 are not performing work that is hazardous in nature
- Determine if workers under age 18 are working only the legally specified number of hours
- Know all local laws regarding trainees and apprentices
- Determine if workers are kept on trainee wages beyond legally specified durations

Examples of Actual or Potential Noncompliance:

- Use of workers below the legal age of employment
- Children present in the workplace except in approved separate child care facilities
- Young workers not working within the appropriate conditions of employment: working hours, overtime hours, working within school hours, working under hazardous conditions
- Incomplete or missing age documentation records verifying the age of all employees, particularly with regard to young looking workers

Examples of Good Management Practices:

- Supplier verifies the age of each worker prior to employment
- Supplier ensures that young workers are not performing hazardous work
- Supplier ensures that young workers are only employed within the legally specified number of hours
- Supplier has a clear program for hiring, training, and promoting apprentices

4) Health and Safety

- a) Suppliers and Factories shall provide a safe and healthy work environment and fully comply with all health and safety measures designed to minimize health and safety risks pursuant to applicable law and any policy or procedures of the Supplier or Factory. Adequate steps shall be taken by Suppliers and Factories to minimize the causes of hazards inherent in the working environment. For example, employee exposure to potential safety hazards (e.g., electrical and other energy sources, fire, vehicles and fall hazards) are to be controlled through proper design, engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tagout), and ongoing safety training. Where hazards cannot be adequately controlled by these means, employees are to be provided with appropriate, well-maintained, personal protective equipment and educational materials about risks to them associated with these



hazards. Employees shall be encouraged to raise safety concerns.

- b) Suppliers and Factories shall appoint a senior management person to be responsible for the health and safety of its employees. The health and safety manager/officer shall hold periodic reviews to ensure full compliance with the safety measures above.
- c) In addition to meeting or exceeding the general health and safety working conditions as required by applicable law, Suppliers and Factories shall ensure the following:
 - i) Health and Safety Education
 - (1) Employees are to be regularly educated on the importance of health, safety and sanitation.
 - (2) Procedures are adopted to prevent accidents and injury of its employees. Related instructions and signs are to be visibly posted for viewing by employees and/or manuals are to be made accessible for the safe operation and handling of equipment and hazardous or flammable materials. Such signs and manuals are to be available in a language and form that is readable and understandable by all of the employees.
 - (3) Employees who use hazardous or flammable materials or operate dangerous equipment must be properly trained. Employee exposure to chemical, biological and physical agents must be identified, evaluated, and controlled. Engineering or administrative controls must be used to control overexposures. When hazards cannot be adequately controlled by such means, worker health is to be protected by appropriate personal protective equipment programs.
 - ii) First Aid and Emergency Care
 - (1) Properly trained first-aid personnel and first-aid kits are to be available on-site and at proximity of the employees during all hours at which employees are present.
 - (2) In the event of serious injury, employees are to be promptly transported to and provided with proper medical treatment at the closest outside medical facility.
 - (3) These first aid and emergency care services are to be provided at no cost to the employees.
 - iii) Emergency Exits and Stairways
 - (1) Easily accessible exit doors and stairways, at a minimum to be located at each end of every floor of any facility; provided, however, additional doors and stairways are required for larger areas of any facility.
 - (2) All such exit doors and stairways are to be clearly marked, free of obstacles, unlocked and available for fire and other emergency exit during all hours at which employees are present. All aisles or pathways leading to such exit doors and stairways shall be kept clear of any obstruction that may prevent access thereto by the employees.
 - iv) Fire Safety and Emergency Evacuation
 - (1) Fire and other emergency evacuation drills are conducted at least two times each year. Trained supervisors on each floor of any facility and in each area are to be designated to monitor the safe and orderly evacuation of all employees. Potential emergency situations and events are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures including: emergency reporting, employee

notification and evaluation procedures, employee training and drills mentioned above,

appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment and property.

- (2) Sufficient fire extinguishers and/or fire hoses, visible and accessible to employees, in good working order and well-stocked general first-aid medical supplies are to be located on each floor and in each area of any facility. These equipment and supplies are to be inspected, replenished and restocked on a regular basis or as necessary. Selected individuals are to be trained in the proper use of the equipment and supplies.

v) Ventilation and Lighting

- (1) Work areas are to be properly ventilated with windows and fans. During periods of hot temperatures, sufficient fans are to be provided for the well-being of the employees. During periods of cold temperatures, sufficient heating without risk to safety is to be provided.
- (2) In all work areas where painting, lacquering, spraying or sanding is done or where chemicals or solvents are used, adequate and proper ventilation and good air circulation are to be provided to the employees.
- (3) Adequate lighting and workspace are to be provided for the well-being of the employees.

vi) Safety Protection Gear

- (1) Employees performing tasks involving painting, lacquering, spraying or sanding must be required to wear facemasks and other types of protective clothing, all provided at no cost to the employees.
- (2) In areas where the work may pose other physical dangers, as relevant or appropriate, employees are required to wear eye protection (e.g. safety goggles), earplugs, hard hats, protective shoes and other types of protective clothing, all provided at no cost to the employees.

vii) Machinery and Equipment – Machinery and equipment used by employees is all in a good state of maintenance and repair, free from material defects and in good operating condition and suitable for the purposes for which they are used. All such machinery and equipment is equipped with operational safety devices and is inspected and serviced on a regular basis.

viii) Handling, Storage and Disposal of Hazardous Materials – Employees are provided with adequate information to handle hazardous materials. All hazardous and flammable materials are properly labeled, stored in a safe and secure manner, and disposed of in accordance with applicable laws.

ix) Sanitation – Adequate and clean toilet and hand-washing facilities are to be provided.

x) Drinking Water – Safe, potable, drinking water is to be provided at all times. There are to be no restrictions on the reasonable access to and normal consumption of water during all hours at which employees are present.

xi) Illegal Drugs/Alcohol – The use, possession, distribution, and/or sale of illegal drugs or controlled substances shall be prohibited, and Suppliers, Factories and their respective owners, directors, employees, contractors and agents must not engage in any work for or on behalf of ELEMENT SOLUTIONS, or in any fashion represent, or make any representations



on behalf of ELEMENT SOLUTIONS, while under the influence of illegal drugs or alcohol.

- xii) Freedom of Movement – During non-working hours, employees shall be free to go outside facility grounds subject to reasonable limitations imposed for the employees' safety.

- xiii) Physically Demanding Work – Employee exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks is to be identified, evaluated and controlled.

- xiv) Machine Safeguarding – Production and other machinery shall be evaluated for safety hazards by the Factories. Physical guards, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard to employees.

Assessment Recommendations

Suppliers and Factories should:

- Perform a “walk-through” of the facility looking for potential health and safety hazards and controls including clear emergency egress (aisles, exit doors, exit signage, etc.); use of protective equipment; machine guarding; isolation of energized electrical wiring and equipment; chemical labeling and storage; sanitation; lifting devices and use of proper lifting techniques; lighting; proper use of powered vehicles, etc.
- Verify that employees are not only provided training and education on potential health and safety hazards and controls but demonstrate knowledge of safe practices for assigned work tasks (i.e. handling hazardous chemicals or substances, operating machinery)

Examples of Actual or Potential Noncompliance

- Blocked, locked, or no emergency exits, including those exits not capable of being opened
- Immediate fire hazards – (e.g. frayed electrical wiring, open flames, flammable vapors, etc.)
- Inadequate fire extinguishers or firefighting equipment
- Blocked aisles and passageways
- Emergency exit doors that open inward
- Insufficient width of fire exits and evacuation routes
- No evacuation plan or signage
- No emergency evacuation drills
- Missing exit signs
- Insufficient or no emergency lighting
- No fire alarm system or public address system
- Structurally unsafe building
- Inadequate or missing machine guards
- Lack of personal protective equipment or improper use
- Unsafe worker exposure to hazardous chemicals or substances
- Hazardous chemicals or substances that are without proper labels and datasheets
- Missing handrails in stairwells
- Missing guardrails on elevated walkways or platforms
- Poor or inadequate ventilation, lighting, and temperature controls
- Missing or inadequate first aid supplies or other provisions for emergency care
- Unsanitary or insufficient toilets, handwashing or canteen areas
- Insufficient living and working quarters
- Routine building and machine maintenance not performed
- No drinkable water
- Workers without hearing protection in exceptionally high noise areas
- Repetitive lifting of unusually heavy objects or work requiring extremely awkward postures
- Unstable or makeshift scaffolding

- Trash and rubbish accumulation or other signs of grossly inadequate housekeeping
- Unrestrained or unsecured compressed gas cylinders
- Electrical hazards (e.g., bare wires, exposed electrical panels, ungrounded equipment, overloaded circuits)
- Uncontrolled confined spaces (e.g., tanks, pits, vaults, manholes) where there could be potentially hazardous atmospheres, insufficient oxygen levels, etc.
- Inadequate safety in construction areas (exposure to moving vehicles and equipment, falling objects, falls from heights, electrical hazards, etc.)

Examples of Good Management Practices

- A management system has been implemented to identify and control potential hazards and to strive for continuous improvement
- A health and safety manager has been appointed to oversee compliance
- Employees are involved in safety programs and management leadership is evident
- Health and safety education is provided during initial orientation and on an ongoing basis
- Workplace incidents are reported and investigated and action taken to minimize the potential for future occurrence
- Formal and informal management self-assessments are completed on a routine basis
- Health and safety trends (example: incidents, employee perceptions, regulatory deficiencies, etc.) are monitored and properly addressed
- New equipment, processes and facilities are reviewed for potential health and safety risks prior to initiation
- Contractor firm selection and safety performance are monitored
- Emergency evacuation drills are conducted regularly
- Emergency response capabilities are appropriate to the risk
- Health and safety professionals are consulted for guidance and evaluation

5) Housing/Meals/Services

In the event that housing and meals are provided as a part of the employment agreement or arrangement between the Supplier and Factory and its employees:

- a) All housing and sanitation conditions provided to employees must comply with applicable law.
- b) All housing facilities must be physically separate from any factory with which the employees are related.
- c) Suppliers and Factories must also ensure the following, at a minimum:
 - i) Housing – The same minimum requirements regarding health and safety of employees as stated in Section 4 above shall apply to their living quarters.
 - (1) Each employee is to be provided with his or her own bed and clean bedding at no cost.
 - (2) Living quarters are to be segregated by gender. Such quarters are to be maintained to be clean and safe, provided with appropriate emergency egress, hot water for bathing and showering, adequate heat and ventilation, and reasonable personal space along with reasonable entry and exit privileges.
 - (3) Sufficient and clean toilet and washing facilities, with hot and cold running potable water, segregated by gender are to be provided.
 - (4) Residents are free to come and go during their off-hours under reasonable limitations imposed for their safety and comfort; provided, however, reasonable rules, regulations and curfews may be established as necessary for the safety and comfort of the residents;

provided, such rules, regulations and curfews do not impinge on the employees' civil rights.

- ii) Meals – A minimum of three meals that meet or exceed the basic nutritional standards per day are to be provided without cost or at a minimal subsidized cost to all employees.
- iii) Services – In the event that certain services are provided to the employees, such as a commissary, these are to be provided at cost or at no more than the local market price for the same or similar products.

Assessment Recommendations

Suppliers and Factories should:

- Visit the living areas (example: dormitories) looking for potential health and safety hazards and controls such as adequate space per person, emergency egress (aisles, exit doors, exit signage, etc.), ventilation, lighting, sanitary toilet facilities segregated by gender, drinking water, emergency medical care, proper electrical enclosure, control of open flames, proper maintenance of cooking and other equipment, lack of portable space heaters, and clean food preparation.

Examples of Actual or Potential Noncompliance

- Blocked, locked, or no emergency exits, including those exits not capable of being opened
- Immediate fire hazards – (e.g. frayed electrical wiring, open flames, flammable vapors, etc.)
- Inadequate fire extinguishers or firefighting equipment
- Blocked aisles and passageways
- Emergency exit doors that open inward
- Insufficient width of fire exits and evacuation routes
- No evacuation plan or signage
- No emergency evacuation drills
- Missing exit signs
- Insufficient or no emergency lighting
- No fire alarm system or public address system
- Structurally unsafe building

Examples of Good Management Practices

- A health and safety manager has been appointed to oversee compliance
- Employees are involved in safety programs and management leadership is evident
- Health and safety education is provided during initial orientation and on an ongoing basis
- Formal and informal management self-assessments are completed on a routine basis
- Emergency evacuation drills are conducted regularly
- Emergency response capabilities are appropriate to the risk
- Health and safety professionals are consulted for guidance and evaluation

6) Environmental Protection

- a) At a minimum, Suppliers and Factories are to comply with all applicable laws in relation to, or in connection with, environmental protection. In the absence of such laws, Suppliers and Factories are to take responsible actions to adopt procedures to ensure the proper protection of the environment.
- b) Suppliers and Factories shall have an implemented environmental management system (EMS).
- c) Suppliers and Factories shall have an implemented environmental emergency plan (EEP).
- d) Suppliers and Factories shall meet or exceed the following:
 - i) All hazardous materials and chemicals must be disposed of in accordance with applicable

law and must meet or exceed all wastewater treatment and recycling requirements.

- ii) The use of resources and generation of waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, material substitution, conservation recycling and re-using materials. Certain polluting manufacturing processes are not to be performed except in accordance with applicable law and in any event, not without adequate wastewater treatment equipment and facilities.
- iii) Suppliers and Factories shall not use any ozone-depleting chemicals or chemicals that may cause short or long term health risks to employees or the general population and/or damage to the environment.
- iv) Factories are to install the appropriate equipment to detect and contain spills of hazardous or polluting materials and shall promptly notify the appropriate authorities and promptly take remedial action in the event of a spill. All chemicals and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.
- v) Factories shall implement a systematic approach to prevent contamination of storm water runoff. Factories shall prevent illegal discharges and spills from entering storm drains.
- vi) Energy consumption and greenhouse gas emissions are to be tracked and documented, at the Factory and/or Supplier level. Factories are to look for cost-effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.
- vii) All required environmental permits (e.g. discharge monitoring), approvals and registrations are to be obtained, maintained and kept current and their operational and reporting requirements are to be followed.
- viii) Factories shall implement a systematic approach to identify, manage, reduce and responsibly dispose of or recycle solid waste (non-hazardous). Wastewater generated from operations, industrial processes and sanitation facilities are to be characterized, monitored, controlled and treated as required prior to discharge or disposal. In addition, measures should be implemented to reduce generation of wastewater. Factories should conduct routine monitoring of the performance of its wastewater treatment systems.
- ix) Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, routinely monitored, controlled and treated as required prior to discharge. Factories shall conduct routine monitoring of the performance of its air emission control systems.
- x) Suppliers and Factories are to adhere to all applicable laws, regulations and ELEMENT SOLUTIONS requirements regarding prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.

Assessment Recommendations

Suppliers and Factories should:

- Check the process or procedure by which each Factory identifies applicable environmental laws, regulations, and standards
- With knowledge of applicable international, country and local environmental laws, regulations, and standards, review records for required permits, certifications, compliance to law, required environmental reporting, and compliance with ELEMENT SOLUTIONS design and product specifications, and contract documents

- Look for signs or evidence of current activities or processes that would be in violation of the applicable environmental laws, regulations, and standards, or ELEMENT SOLUTIONS requirements

Examples of Actual or Potential Noncompliance

- Supplier or Factory does not have a process to identify applicable laws, regulations, and standards.
- Supplier or Factory does not have appropriate records documenting compliance to the law, such as required environmental monitoring and reporting, required and appropriate environmental permits, etc.
- Supplier or Factory has received environmental violations. (If the violations are minor and they are closed, they would not represent an issue. However, if they are significant, not closed, and/or indicate a pattern of environmental mismanagement, this is an indicator of noncompliance)
- Supplier or Factory cannot demonstrate that it is meeting ELEMENT SOLUTIONS' environmental requirements per design and product specifications, and contract documents
- Supplier's or Factory's chemical and waste management/pollution control systems and processes do not comply with applicable environmental laws, regulations, and standards. Examples: – unlawful disposal of chemicals or waste –uncontrolled air emissions –discharging untreated wastewater –lack of adequate wastewater treatment –chemicals are not being properly used, managed, stored and disposed of –hazardous and combustible materials and waste are not clearly marked and/or properly stored in containers segregated from the work areas or are stored in areas that are incompatible with the materials and waste stored –improper offsite shipment of chemicals or waste –use of banned substances
- Employees who manage, use, or store hazardous materials and waste are not adequately trained on proper handling, use and storage and on emergency procedures –complete, up to date information on the hazardous materials/chemicals/waste is not being maintained or made available

Examples of Good Management Practices

- Supplier or Factory has a complete and effective environmental management system (written policies, processes, and requirements for environmental protection and pollution prevention/source reduction) that is in accordance with laws, regulations, and standards
- Supplier or Factory conducts periodic environmental audits to confirm that its operations are environmentally responsible and are conducted in accordance with laws, regulations, and standards
- Supplier's or Factory's staff and contractors have the necessary skills and training so they are familiar with the Supplier's or Factory's environmental management system and their role in meeting environmental requirements. Supplier or Factory is proactive with respect to environmental protection and employees are encouraged and comfortable with raising issues of environmental concern without fear of retaliation
- Supplier or Factory has obtained certification to the ISO 14001 environmental management system standard. Supplier or Factory has programs for the efficient use and conservation of energy
- Supplier or Factory has programs for the efficient use and conservation of water
- Supplier or Factory has programs for the efficient use of materials, including waste reduction, material reuse, and recycling.

7) Ethics

- a) The highest standards of integrity are to be upheld in all business transactions entered into by a Supplier or Factory. Suppliers and Factories shall have a zero-tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement. All business dealings should be transparently performed and accurately reflected on Supplier's or Factory's business books and records. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.
- b) Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given or accepted by a Supplier or Factory. This prohibition covers promising, offering,



authorizing, giving or accepting anything of value, either directly or indirectly through a third party to obtain or retain business, direct business to any person, or otherwise gain an improper advantage.

- c) Information regarding Supplier's labor, health and safety, environmental practices, business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.
- d) Intellectual property rights are to be respected; transfer of technology and know-how is to be done in a manner that protects intellectual property rights; and, customer information is to be safeguarded.
- e) Standards of fair business, advertising and competition are to be upheld. Appropriate means to safeguard ELEMENT SOLUTIONS information must be available.
- f) Programs that ensure the confidentiality, anonymity and protection of Supplier or Factory employee whistleblowers¹ are to be maintained, unless prohibited by law. Suppliers and Factories should have a communication process for their personnel to be able to raise any concerns without fear of retaliation. This process must be communicated to employees.
- g) Suppliers and Factories are to commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including Suppliers, customers, consumers and employees. Suppliers are to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted and shared.

Examples of Good Management Practices

- Suppliers and Factories follows written policies and guidelines on conflicts of interest, giving and receiving of gifts, business trips, hospitality, entertainment, use of agents, and facilitation payments that are in accordance with law.
- Suppliers and Factories comply with all anticorruption laws and regulations
- Suppliers and Factories have good accounting policies, procedures, and record keeping
- Suppliers and Factories conduct periodic financial audits to confirm that accounts are in order
- Supplier and Factory staff and contractors are educated so they are aware of their ethical and legal requirements and Supplier's standards
- Suppliers and Factories have created clear communications channels so that employees are comfortable with reporting violations or issues of concern and that encourage reporting
- Suppliers and Factories have and follow policies that prohibit retaliation for employee reporting

8) Management System

Suppliers and Factories shall adopt or establish a management system whose scope is related to the content of this Supplier Code of Conduct. The management system shall be designed to ensure: (A) compliance with applicable laws, regulations and ELEMENT SOLUTIONS requirements related to Supplier's and Factory's operations and products; (B) conformance with this Supplier Code of Conduct; and (C) identification and mitigation of operational risks related to this Supplier Code of Conduct. It should also facilitate continual improvement.

The management system should contain the following elements:

- a) Company Commitment - A corporate social and environmental responsibility policy statements affirming Supplier's and Factory's commitment to compliance and continual improvement,

¹ Whistleblower definition: Any person who makes a disclosure about improper conduct by an employee or officer of a company, or by a public official or official body.



endorsed by executive management and posted in the Supplier's facilities and the Factories in the applicable local language.

- b) Management Accountability and Responsibility – The Supplier and Factory clearly identifies senior executive and company representative(s) responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management system on a regular basis.
- c) Legal and Customer Requirements – Suppliers and Factories have a process to identify, monitor and understand applicable laws, regulations and ELEMENT SOLUTIONS requirements, including requirements of this Supplier Code of Conduct.
- d) Risk Assessment and Risk Management – Suppliers and Factories have a process to identify the legal compliance, environmental, health and safety² and labor practice and ethics risks associated with Supplier's and Factory's operations. Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.
- e) Improvement Objectives – Suppliers and Factories have written performance objectives, targets and implementation plans to improve Supplier's and Factory's social and environmental performance, including a periodic assessment of Supplier's performance in achieving those objectives.
- f) Training – Suppliers and Factories have programs for training managers and employees to implement Supplier's and Factory's policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements.
- g) Communication – Suppliers and Factories have a process for communicating clear and accurate information about Supplier's and Factory's policies, practices, expectations and performance to workers, suppliers and customers.
- h) Worker Feedback and Participation – Suppliers and Factories have an ongoing process to assess employee's understanding of and obtain feedback on practices and conditions covered by this Supplier Code of Conduct and to foster continuous improvement.
- i) Audits and Assessments – Suppliers and Factories perform periodic self-evaluations to ensure conformity to legal and regulatory requirements the content of this Supplier Code of Conduct and ELEMENT SOLUTIONS contractual requirements related to the social and environmental responsibility.
- j) Corrective Action Process – Suppliers and Factories have a process for timely correction of deficiencies identified by internal or external assessments, inspectors, investigations and reviews.
- k) Documentation and Records – Suppliers and Factories create and maintain documents and records to ensure regulatory compliance and conformity to Supplier and Factory requirements along with appropriate confidentiality to protect privacy.
- l) Supplier Responsibility – Suppliers and Factories have a process to communicate these Code of Conduct requirements to Supplier's and Factory's vendors sub tier suppliers and to monitor Supplier's vendors' and sub tier Supplier's compliance to this Supplier Code of Conduct.

² Areas to be included in a risk assessment for environmental health and safety are production areas, warehouse and storage facilities, plant/facilities support equipment, laboratories and test areas, sanitation facilities (bathrooms), kitchen/cafeteria and worker housing/dormitories.

9) Sub-contracting

- a) Factories agree to perform all final manufacturing and assembly operations to produce products, and that they will not subcontract the complete or substantially all the manufacturing or assembly of the products unless Factory obtains prior written approval from ELEMENT SOLUTIONS.
- b) Suppliers and Factories are responsible for notifying ELEMENT SOLUTIONS of any plans for change of manufacturing locations.
- c) The subcontracting of any work if permitted by ELEMENT SOLUTIONS shall not relieve Suppliers and Factories from obligations hereunder, including, but not limited to, the obligation to require the companies providing goods and services to Suppliers and Factories to comply with this Supplier Code of Conduct.

10) Export & Embargo Compliance

ELEMENT SOLUTIONS is committed to conducting its business ethically and in compliance with the laws and regulations of the U.S. and other countries that administer export, economic sanctions, anti-boycott, and import laws and regulations. These laws and regulations impose strict requirements on the export of goods, technology and software, the import and reexport of U.S.- or other country-origin goods and technology (and the direct product thereof) from destinations outside the US, and releases of technology and software to non-US nationals located in the United States or other countries. ELEMENT SOLUTIONS policy requires that employees and others working on its behalf, such as Suppliers and Factories, carefully adhere to these requirements.

a) United States Sanctioned Embargoes

- i) Due to U.S. economic sanctions, ELEMENT SOLUTIONS, and its Suppliers and Factories, must exercise caution when entering into transactions relating to the purchase or sale of products or technology with companies in any embargoed country, companies or individuals based in embargoed countries (regardless of ship-to address), governments of embargoed countries (regardless of ship-to address), nationals of embargoed countries (regardless of ship-to address), or other individuals or entities otherwise identified on U.S. Government and other country prohibited lists.
- ii) The list of sanctioned countries is subject to change. For the most current information on U.S. embargoed and sanctioned countries, please see the U.S. Export Administration Regulations and Treasury Department regulations at <http://www.treas.gov/offices/enforcement/ofac/>
- iii) If a Supplier or Factory plans to purchase any products or raw materials from a US-sanctioned country and such items are to be used to fulfill a ELEMENT SOLUTIONS order, please contact ELEMENT SOLUTIONS before making any such purchases.

b) Export Controls

Numerous countries where ELEMENT SOLUTIONS operates impose export controls on transfers of certain goods, software and technology. For example, the U.S. Department of Commerce, Bureau of Industry and Security (“BIS”) is the primary regulatory and licensing agency for dual use exports (commercial items which could have military applications) that are subject to U.S. jurisdiction.



Restrictions and license requirements may apply depending upon the product, end use, end user and/or destination country. Please contact ELEMENT SOLUTIONS for guidance on applicable export control restrictions and requirements.

c) Anti-Boycott Regulations

- a. The United States Anti-Boycott Law prohibits any action by a U.S. person that is linked to U.S. commerce and that supports a boycott that is not approved by the U.S., such as the Arab boycott of Israel. A U.S. person is defined to include not only U.S. nationals and companies, but also overseas business owned or controlled by U.S. nationals and companies.
- b. The U.S. Department of Commerce BXA anti-boycott regulations prohibit the following actions: (a) Refusal to do business with or in a boycotted country; (b) Agreeing to refuse to business with or in a boycotted country; (c) Furnishing information about race, religion, sex or national origin; (d) Refusing employment or discriminating against an individual on the basis of race, religion, sex, or national origin; (e) Furnishing information about business relationships with boycotted countries or persons known or believed to be blacklisted; and (f) Implementing letters of credit containing prohibited conditions or requirements.

12) Specialty Designated Nationals List and Denied Persons List

The U.S. Department of Commerce publishes the Denied Persons List and the Treasury Department publishes the Specially Designated Nationals List and both periodically update them. Persons, corporations or entities on either list are not allowed to participate in any transaction involving ELEMENT SOLUTIONS. This includes Supplier's sub-tier vendors and Suppliers and Factories should ensure that its sub-tiers vendors are not on the Specially Designated Nationals List. Any transaction involving ELEMENT SOLUTIONS, either directly or indirectly, must be screened against these lists. For the most current Denied Persons List and Specially Designated Nationals List, please refer to: <https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>.

13) Conflict Minerals

- a) No 3TG minerals from the Conflict Region

ELEMENT SOLUTIONS believes it is essential to establish validated, conflict-free sources of 3TG minerals so that these minerals can be procured in a way that contributes to economic growth and development, rather than to conflict. ELEMENT SOLUTIONS engages in rigorous due diligence efforts designated to verify – whenever possible – the source of tin, tungsten, tantalum or gold ("3TG minerals") used in its supply chain and is committed not to purchase 3TG minerals and other materials from any Supplier involved in unethical practices, especially suppliers obtaining 3TG minerals or other metals/minerals mined in conditions of armed conflict and human rights abuses.

Suppliers and Factories should not knowingly procure 3TG minerals from facilities from the Democratic Republic of the Congo (DRC) and surrounding countries, which consist of Angola, Burundi, Central African Republic, Rwanda, South Soudan, Tanzania, Uganda and Zambia ("Conflict Region") that are not certified as "conflict free." Suppliers and Factories must conduct a reasonable country of origin inquiry, and where appropriate, additional due diligence to determine if any 3TG minerals originated from any country in the Conflict Region and identify all the smelters in its supply chain that supply such 3TG minerals and, when requested, provide ELEMENT SOLUTIONS with confirmation of the source of the 3TG Materials used in the processes and ultimately present in ELEMENT SOLUTIONS products.



b) Conflict Minerals Policy

ELEMENT SOLUTIONS has adopted a Conflict Minerals Policy (see under Governance Documents) with the intent of preventing purchase of 3TG minerals from its supply chain that originate in the Conflict Region. Suppliers hereby acknowledge having read and understood the Conflict Minerals Policy, and agree that they and any of their respective representatives will fully comply with this policy and all applicable conflict minerals rules.

c) Conflict Minerals Annual Due Diligence

In support of PSP's Conflict Minerals Policy, ELEMENT SOLUTIONS has put in place an annual due diligence process. In January of each year, ELEMENT SOLUTIONS requires all Suppliers to provide: (A) a signed copy of a Conflict Minerals Certification and Agreement whereby suppliers must (i) agree not to sell one or more 3TG minerals originating from the Conflict Region throughout the duration of their business relationships with ELEMENT SOLUTIONS, (ii) trace the origin of any 3TG minerals sold to ELEMENT SOLUTIONS, (iii) provide documentation to the effect that such 3TG minerals were not sourced from any country in the Conflict Region, and (iv) confirm that any smelters or refiners identified in the suppliers' supply chains appear on publicly available lists of smelters and refiners assessed by reputable third parties as not having sourced 3TG minerals from the Conflict Region, and (B) a completed copy of the *Electronic Industry Citizen's Coalition's* (EICC) Conflict Minerals Reporting Template (Reporting Questionnaire) as proof of being a "conflict free" company.

ELEMENT SOLUTIONS' ultimate goal is to provide complete transparency of its supply chain to its customers. Suppliers acknowledge and accept that PSP will rely on the Certification and Agreement and Reporting Questionnaire in the conduct of its business, including reporting compliance with applicable laws. If Suppliers cannot demonstrate sufficient supporting documentation that their supply channel are conflict free, Supplier may be suspended until such time that material improvement is made and/or appropriate documentation requested by and satisfactory to ELEMENT SOLUTIONS is provided.

Suppliers shall immediately advise ELEMENT SOLUTIONS in writing if Suppliers learn of, have reason to know of, or suspects any violation of the Conflict Minerals Policy or any applicable conflict minerals rules involving ELEMENT SOLUTIONS, any of ELEMENT SOLUTIONS' affiliated companies, or the actions of Supplier or its Representatives in connection with the supply of products to ELEMENT SOLUTIONS.

14) Customs-Trade Partnership against Terrorism (C-TPAT)

a) ELEMENT SOLUTIONS supports the U.S. Department of Homeland Security, U.S. Customs & Border Protection in their efforts to tighten security and is a member of the Customs-Trade Partnership Against Terrorism (C-TPAT). Suppliers and Factories shall meet or exceed the following:

- i) Adhere to security standards based on the C-TPAT guidelines to overcome potential threats posed by terrorism and smuggling activities to safeguard the supply chain.
- ii) Comply with ELEMENT SOLUTIONS' security recommendations resulting from any third-party audit firm or properly designated security representative of ELEMENT SOLUTIONS.

b) Suppliers and Factories must develop, implement and follow standard written security procedures, which address the following:

- i) Physical Security of Facilities:
 - (1) All buildings should be constructed of materials that prevent intrusion.
 - (2) Doors, windows, gates and fences should have adequate locks.
 - (3) International, domestic, high-value and dangerous goods shall be separated and marked and kept in fenced areas.
 - (4) Adequate lighting inside and outside, including parking areas, must be provided.
 - (5) Parking areas for private vehicles must be separate from the shipping, loading dock and cargo areas.
 - (6) Communications systems that allow contact to internal security personnel and local law enforcement police must be reasonably available.
 - (7) Where necessary, perimeter fences have been installed. To the extent practicable, alarm systems and video surveillance cameras are utilized to monitor the Factory and prevent unauthorized access to cargo handling and storage areas.

- ii) Access Controls for Facilities:
 - (1) Access to the shipping, loading dock and cargo areas shall be limited to authorized persons.
 - (2) Positive identification, recording and tracking of all employees, visitors and sub-suppliers shall be required.
 - (3) A standard procedure to challenge access of unauthorized/unidentified persons.

- iii) Procedural Security for Facilities:
 - (1) A security officer shall supervise the introduction and removal of cargo.
 - (2) The proper marking, weighing, counting and documenting of inventory and products. A system is in place to protect against un-manifested material being introduced into the Supplier's and/or Factory's supply chain.
 - (3) The affixing, replacing, recording, tracking and verifying seals on containers, trailers and railcars. All seals must meet or exceed the current PAS ISO 17712 standards for high security seals.
 - (4) The detecting and reporting of shortages and overages of inventory and products.
 - (5) The tracking of the timeliness and movement of incoming and outgoing inventory and products.
 - (6) Empty and full containers shall be stored in a manner to prevent unauthorized access.
 - (7) Procedures must be in place to verify the physical security of a container prior to stuffing. A seven-point inspection process should be used to for all containers that inspects the front wall, left side, right side, floor, ceiling/roof, inside/outside doors and outside/undercarriage.
 - (8) Notification of relevant customs authorities and other law enforcement agencies in cases where illegal activities are suspected or detected.



- iv) Personnel Security – Implement employment screening procedures including periodic background checks and application verification, to the extent permitted by applicable law.
- v) Education and Training Awareness – A security awareness program for employees that includes, recognizing and addressing security awareness, internal conspiracies, threats to maintaining product and cargo integrity and unauthorized access.
- vi) IT Security – Automated systems that use assigned accounts that require a periodic change of password. IT security policies, procedures and standards are put in place and provided to employees in the form of training. A system is in place to identify the abuse of IT including improper access, tampering or the altering of business data. All employees that violate these IT systems are subject to appropriate disciplinary action.

15) Penalties for Non-Compliance

ELEMENT SOLUTIONS reserves the right to terminate its business relationship with any Supplier or Factory who violates this Code of Conduct or if any of its employees, agents or subcontractors violate this Code of Conduct. ELEMENT SOLUTIONS reserves the right to terminate its business relationship with Suppliers or Factories who fail to provide written confirmation to ELEMENT SOLUTIONS, upon request by ELEMENT SOLUTIONS, that they have a program in place to monitor their suppliers and subcontractors for compliance with this Code of Conduct. ELEMENT SOLUTIONS reserves the right to require Suppliers or Factories to certify and acknowledge receipt and understanding of this Code of Conduct, as frequently as ELEMENT SOLUTIONS may determine in its sole discretion.

16) Reporting Violations

Suppliers who become aware of any unlawful or unethical situation must immediately notify ELEMENT SOLUTIONS and communicate any information regarding the incident or situation. Information that Suppliers provide to ELEMENT SOLUTIONS must be accurate to the best of the Suppliers' knowledge, and ELEMENT SOLUTIONS expects that Suppliers will assist ELEMENT SOLUTIONS with any investigations of an incident or situation that is reported.