



# Responsible Minerals Sourcing Report

Fiscal Year 2023

Computers, Displays, Laptops, and Servers

Issue Date: 07/31/2024

Revision No. 7

This Report is available online at <https://acecomputers.com/company/sustainability/>

**Revision History:**

<b>Revision No.</b>	<b>Revision Date</b>	<b>Description</b>	<b>Sections Effected</b>	<b>Revised By</b>	<b>Approved By</b>
1	6/22/2020	Report initially created	All	DD	JS
2	7/14/2020	Added additional responses	EMS/CI	DD	JS
3	7/20/2021	Annual Review, updated 2020 Suppliers information, updated report formatting	All	LH	AR
4	8/10/2021	Added additional responses and information for server supplier Tyan	Supplier List & Summary	LH	AR
5	8/15/2022	Annual Review, updated 2021 Suppliers information	Supplier List, Summary, Follow-up Actions	LH	AR
6	8/08/2023	Annual Review, updated 2022 Suppliers information	Supplier List, Summary, Follow-up Actions	LH	AR
7	7/31/2024	Annual Review, updated 2023 Suppliers information	Supplier List, Summary, Follow-up Actions	MM/ND	AR

# Responsible Minerals Sourcing Report

FISCAL YEAR 2023

## INTRODUCTION

3TG Minerals (Tin, Tungsten, Tantalum, and Gold, aka “3TG minerals”) are commonly found in electronic products and have been determined to be necessary for product functionality and production. Unfortunately, the mining, trade, and sale of 3TG minerals have been used directly and indirectly to finance armed conflict and violence in the Democratic Republic of Congo and several adjoining countries (the “DRC Region”). While Ace Computers does not purchase 3TG minerals directly from mines, smelters, or refiners, 3TG minerals can be found and are used in components that Ace Computers purchases for utilization in critical technology solutions. Therefore, Ace Computers is committed to ensuring that 3TG minerals contained in our products are sourced with due respect for Human Rights, the need to avoid contributing to conflict, and the desire to support development through our supply chain practices. At the same time, Ace Computers does not ban the use of 3TG Minerals that originate in conflict- affected and high-risk areas when they are sourced in accordance with existing international standards. Avoiding the sourcing of all 3TG minerals from these areas would cause a de facto embargo with serious adverse impact on the living conditions of local populations. In order to meet our program goals, Ace Computers collaborates with suppliers, industry peers, and stakeholders. Ace Computers has implemented processes to perform our own RCOI (Reasonable Country of Origin) search and due diligence practices to evaluate smelters/refiners used within our supply chain.

Ace Computers Conflict Mineral Policy can be found online at:

<https://acecomputers.com/company/sustainability/>

## Conflict Mineral Review Procedure

Annually, Ace Computers will work with suppliers and stakeholders to obtain an exhaustive list of all smelters/refiners that are used in our supply chain. The list of smelters/refiners is compared against the list of independently verified smelters/refiners found to be responsibly sourcing 3TG minerals (i.e., Conflict Free Smelter Program). As necessary, Ace Computers will follow up with our suppliers in the event it has become apparent the use of a nonconformant smelter/refiner is being utilized.

The following procedure outlines the steps that will be taken by Ace Computers to evaluate our suppliers and the use of 3TG minerals within Ace Computers' Supply Chain;

1. Prepare list of applicable suppliers utilized for previous calendar year. This is done through the utilization of Ace Computers' ERP system.
2. Perform online searches of the United States Security and Exchange Commission (SEC) Form SD system for submittal of the Annual Form SD reporting.
  - a. *Note: Publicly traded companies are required to report to the SEC by the end of May of each calendar year.*
3. If a company is not required to report to the SEC or they have not yet done so, an online search of the supplier's public website for information as it relates to Conflict Minerals, for the most recent calendar year will be conducted.
4. If the company does not have any publicly available information Ace Computers' will send out ACE080 3TG Supplier Request Letter, requesting the information be shared.
5. The goal of search/inquiries as noted in # 2, 3, and 4 is to compile an exhaustive list of all smelters/refiners utilized by Ace Computers suppliers.
6. Ace Computers has chosen to use the most recent version of the Responsible Minerals Initiative (RMI) Conflict Minerals Reporting Template (CMRT) to document and review our smelters/refiners.
7. Once the most exhaustive list possible has been compiled, Ace Computers will then review the list of smelters/refiners against the RMI RMAP conformant smelters and refiners list.
8. If a smelter/refiner on the list is found to be nonconformant or does not currently participate in any third-party verification program, and they are located in a covered conflict region, Ace Computers will take action, working with the supplier to determine an appropriate corrective action.
  - a. *Note: All companies have their own unique set of process and challenges and as such the type of corrective actions may vary on a case-by-case basis, the details of the inquiries and proposed corrective actions will be noted in ACE081 Ace Computers Annual Responsible Sourcing Report.*
9. The results of Ace Computers RCOI and due diligence process will be summarized in ACE081 Ace Computers Annual Responsible Sourcing Report and will be publicly available via Ace Computers website.

## **Smelter/Refiner Participation in OECD-Aligned Third Party Mechanism Procedure**

The following procedure outlines the steps that will be taken by Ace Computers annually to evaluate which Ace Computers smelters/refiners participate in an OECD-aligned third party mechanism;

1. Ace Computers must complete the Conflict Mineral Review Procedure (outlined above) as the first step of Smelter/Refiner Participation in OECD-Aligned Third-Party Mechanism Procedure. This is performed annually.

2. Ace Computers will utilize the CMRT list of Smelters/Refiners, compiled during the Conflict Mineral Review Procedure, to identify all Smelters/Refiners that participate in the RMI (Responsible Minerals Initiative) conformant smelters/refiners program.
  - a. Note: The RMI (Responsible Minerals Initiative) list of conformant smelters/refiners is an OECD-aligned mechanism.
3. All Smelters/Refiners that are identified on the CMRT for Computers, Desktops, and Laptops are then compiled into the 4.10.2.3 Calculation Spreadsheet with the CID smelter identification number.
4. Each Smelter/Refiner CID number identified in step 3, is then verified through the RMI website Conformant Smelters List (<https://www.responsiblemineralsinitiative.org/facilities-lists/export-all-conformant/>). If the Smelters/Refiners are listed as a conformant Smelter/Refiner on the RMI website, then this is noted in the 4.10.2.3 Calculation Spreadsheet under columns D and E.
  - a. Note: Any Smelter/Refiner listed as Conformant also includes the Audit Cycle, Last Audit Date and link to each Smelter/Refiners company website for their Conflict Mineral Policy under the same link. (<https://www.responsiblemineralsinitiative.org/facilities-lists/export-all-conformant/>). A screen shot of this information is then saved into column E of the 4.10.2.3 Calculation Spreadsheet.
5. Once the information is compiled and verified for each Smelter/Refiner, then Ace Computers calculates the percentage of Smelter/Refiner that participate in an OECD-aligned third-party mechanism. This is calculated in the 4.10.2.3 Calculation Spreadsheet as the following:
  - a.  $\% \text{ of RMI Smelter/Refiners Conformant Participation} = (\text{Total amount of Smelter/Refiners Conformant to RMI}) / (\text{Total amount of Smelters/Refiners}) * 100$
6. The accuracy of submitted information and identification and assessment of risk are determined by steps 7-8 of the Conflict Minerals Review Procedure outlined above. Any actions taken as a result of Ace Computers review process including findings/conclusions are outlined in the Responsible Mineral Sourcing Report below, as noted in step 9 of the Conflict Minerals Review Procedure above.
7. Ace Computers relies on the RMI program to determine if smelters and refiners reported by our suppliers are conformant with audit standards. RMI's assurance standards are outlined on the Responsible Minerals Initiatives website and outline the steps taken to align with OECD standards (<https://www.responsiblemineralsinitiative.org/minerals-due-diligence/standards/>).

## Supplier List

Ace Computers supplier list is updated annually and includes suppliers utilized for computers, desktops, laptops, and servers that conform to the EPEAT Standard. All suppliers listed below have been reviewed through Ace Computers Conflict Materials Review Procedure for the most recently completed calendar year (2023).

Suppliers used for Computers, Desktops, Laptops, and Servers	
ADATA	Istar
Allied Telesis	Kingston
AMD	Micron
AsRock (3 <sup>rd</sup> Tier Data Supplier AcBel)	Nvidia
ASUSTek	PNY Tech
Chenbro	Sager (3 <sup>rd</sup> Tier Data Supplier Clevo)
Cooler Master	Samsung
Corsair	Seagate
Crucial (Owned by Micron)	SK Hynix (Through 2 <sup>nd</sup> Tier Data Supplier Kingston)
eVGA	Sohoo
Fractal Design	Solleron
GameMax (Owned by Sohoo)	Startech.com
Gigabyte	Supermicro
Intel	Western Digital
In-Win	

## Summary

Ace Computers has completed the Conflict Mineral Review Procedure, outlined above, for all 2023 suppliers and has compiled Ace Computers Conflict Minerals Reporting Template (CMRT) outlining all Smelters/Refiners utilized during 2023.

The results of Ace Computers review, are as follows:

- 343/363 (94.5%) Smelters/Refiners have been identified on the Responsible Minerals Initiative (RMI) website.
- 20/363 (5.5%) Smelters/Refiners are not currently listed on the RMI website.
  - Of the 5.5% of Smelters/Refiners not listed on the RMI website, 0% of these Smelters/Refiners are considered High-Risk.

*\*Note- High-Risk Smelters/Refiners include Smelters/Refiners found to be nonconformant or do not currently participate in any third-party verification program and are located in a covered conflict region.*

For all suppliers that are not required to file an annual Form SD Report with the SEC, Ace Computers has sent a Supplier Request Letter to obtain their most recent calendar year list of Smelters/Refiners. This is outlined in step four of the Conflict Minerals Review Procedure above. To help guide our suppliers on completing a full list of their smelters/refiners, Ace Computers also provides these suppliers with the

most recent RMI CMRT reporting template. The suppliers that were sent the Supplier Request Letter and summaries of their responses are outlined below.

<b>“Supplier Request Letter” Sent to List</b>	
ADATA	In-Win
Allied Telesis	Istar
ASUS	PNY Tech
Chenbro	Sager
Cooler Master	Sohoo
eVGA	Solleron
Fractal Design	Startech.com
Gamemax	Supermicro
Gigabyte	

**Allied Telesis** responded to our request and indicated that they had an outage, and they are working on their report. The report is still in progress. Once the completed CMRT is received by Ace Computers, any smelters/refiners not currently listed in Ace Computers CMRT will be added to the CMRT and the Responsible Minerals Sourcing Report will be updated accordingly.

**Cooler Master** responded to our request with their Conflict Minerals Policy. They continued to provide their Conflict Minerals Declaration. They did not provide a completed CMRT form; however, their Conflict Minerals Policy includes their supply chain due diligence process. Their supply chain due diligence process indicates that they require all suppliers to provide proof of origin, to establish their own supply chain due diligence mechanisms, and to use the CMRT and EMRT to assist in assessing the compliance of their supply chain. Cooler Master indicates that they perform regular assessment to identify potential conflict mineral risks and take actions to ensure their products and supply chain remain unaffected. In addition, they work with RMI to closely monitor conflict mineral issues and continuously improve their policies and due diligence procedures to align with international developments and standards. While Cooler Master was used as a vendor in 2023, Ace has already started to transition away from their products due to other reasons.

**EVGA** responded to our request and asked for a specific part number. We then asked for a company-wide CMRT and have not received a response since. If a completed CMRT is received by Ace Computers, any smelters/refiners not currently listed in Ace Computers CMRT will be added to the CMRT and the Responsible Minerals Sourcing Report will be updated accordingly. While EVGA had been used as a more prominent vendor historically, due to a change in their products and business, we have transitioned away from them in 2024 as we plan new product offerings.

**Fractal Design** responded to our request and needed more clarification on the CMRT. In contact with them and sending them more information on CMR templates. If a completed CMRT is received by Ace Computers, any smelters/refiners not currently listed in Ace Computers CMRT will be added to the CMRT and the Responsible Minerals Sourcing Report will be updated accordingly. Relative to the number of systems we ship out, Fractal Design accounts for an exceedingly small percentage and is therefore considered a low risk.

**In-Win** responded to our request and inquired about the part number. We stated the part number and then told that the part number is for chassis. Still awaiting a response about the CMRT based on the updated chassis. The report is still in progress. Once the completed CMRT is received by Ace Computers, any smelters/refiners not currently listed in Ace Computers CMRT will be added to the CMRT and the Responsible Minerals Sourcing Report will be updated accordingly.

**Sager** gave no response. **Clevo** was contacted instead because Clevo gets their supply from Sager, and we were able to get communication with Clevo. No CMRT provided for 2023. If a completed CMRT is received by Ace Computers, any smelters/refiners not currently listed in Ace Computers CMRT will be added to the CMRT and the Responsible Minerals Sourcing Report will be updated accordingly. Clevo responded to our request and indicated that their CMRT would take weeks to complete, in order to gather data from suppliers on models. They looked at the email too late for them to get this information back in time for our report. They also stated that in the future they would be happy to work with our team and provide a CMRT for models. No CMRT provided for 2023. During the 2023 fiscal year, Ace started to move away from Sager as a business partner and has transitioned to another laptop vendor.

**ADATA, ASUSTek, Chenbro, Gamemax, Gigabyte, Istar, PNYtech, Sohoo, Solleron, Startech, and Supermicro** all responded to our request with completed CMRTs for 2023. Their completed CMRT lists were used to compile Ace Computers CMRT for 2023.

Ace Computers has concluded that the following suppliers do not source from any high-risk Smelters/Refiners based on evidence provided by each supplier:

ADATA	Kingston
AMD	Micron
AsRock	Nvidia
ASUS	PNY Tech
Chenbro	Samsung
CoolerMaster	Seagate
Corsair	SK Hynix
Crucial	Sohoo
Gamemax	Solleron
Gigabyte	Startech.com
Intel	Supermicro
Istar	Western Digital

After a full investigation of Ace Computers suppliers using Ace Computers “Conflict Minerals Review Procedure” outlined above, Ace has compiled an exhaustive list of all smelters/refiners utilized by Ace Computers. Ace has determined that, to the best of our knowledge, Ace Computers supply chain does not source from any Smelters/Refiners that are considered High-Risk for Conflict Minerals.

Additionally, through further review of the computers, desktop, and laptop smelters/refiners utilizing the “Smelter/Refiner Participation in OECD-Aligned Third-Party Mechanism Procedure”, Ace Computers has concluded that **90.36%** of smelters/refiners are currently conformant through the RMI Conformant Smelter/Refiners List program.



## Follow-up Actions

### Allied Telesis

Allied Telesis responded to our request and indicated that they are dealing with an outage. Although Allied Telesis was unable to meet our reporting deadline, they are cooperating with our Conflict Mineral request. Once the completed CMRT is received by Ace Computers, any smelters/refiners not currently listed in Ace Computers CMRT will be added to the CMRT and the Responsible Minerals Sourcing Report will be updated accordingly. It should be noted that the Allied Telesis product has a very specific use and is not used in all systems. Additionally, we have located a secondary source for the same product type and are transitioning to the new vendor where possible.

### Cooler Master

Ace Computers has contacted Cooler Master urging the importance of a Conflict Minerals Policy and Responsible Minerals Sourcing in their supply chain to align with Ace Computers Conflict Mineral Policy. Cooler Master provided their Conflict Minerals Policy and Declaration which also outlines the due diligence measures they follow for 3TG Conflict Minerals. As opposed to last year, when we did not receive a declaration, this year shows Cooler Master is working to make progress toward our on-going guidance and requests. Ace will continue communications with Cooler Master stressing the importance of compiling an exhausted list of smelters/refiners to better document their due diligence process regarding Conflict Minerals.

### EVGA

EVGA responded to our request and asked for a specific part number. We then asked for a company-wide CMRT and have not received a response since. If a completed CMRT is received by Ace Computers, any smelters/refiners not currently listed in Ace Computers CMRT will be added to the CMRT and the Responsible Minerals Sourcing Report will be updated accordingly.

### Fractal Design

Fractal Design responded to our request and needed more clarification on the CMRT. We were in contact with them and sent them more information on CMRT templates. If a completed CMRT is received by Ace Computers, any smelters/refiners not currently listed in Ace Computers CMRT will be added to the CMRT and the Responsible Minerals Sourcing Report will be updated accordingly.

### In-Win

In-Win responded to our request and inquired about the part number. We stated the part number and then told that the part number is for chassis. Still awaiting a response about the CMRT based on the updated chassis. The report is still in progress. Once the completed CMRT is received by Ace Computers, any smelters/refiners not currently listed in Ace Computers CMRT will be added to the CMRT and the Responsible Minerals Sourcing Report will be updated accordingly.

### Sager

Sager did not respond to any of our requests. We did not receive a CMRT from them but will continue to reach out and ask for the report. Ace will continue communications with Sager stressing the importance of compiling an exhausted list of smelters/refiners to better document their due diligence process regarding Conflict Minerals. **Clevo** sources Sager products, we reached out to them for assistance in the

supply chain. Clevo responded to our request and indicated that their CMRT would take weeks to complete, in order to gather data from suppliers on models. They looked at the email too late for them to get this information back in time for our report. They also stated that in the future they would be happy to work with our team and provide a CMRT for models. No CMRT provided for 2023. Once the completed CMRT is received by Ace Computers, any smelters/refiners not currently listed in Ace Computers CMRT will be added to the CMRT and the Responsible Minerals Sourcing Report will be updated accordingly.

## **Previous 2022 Follow-up Actions**

Ace computers 2022 Conflict Minerals Report identified follow-up actions for four companies, including Allied Telesis, Asrock, Cooler Master and Sollerion. This section will outline the updates regarding the previous follow up actions from 2022.

### **Allied Telesis**

Allied Telesis never forwarded their documentation for 2022, despite having confirmed that they would. For 2023 Allied Telesis responded to our request and indicated they had an outage and are working on completing their report. Although Allied Telesis was unable to meet our reporting deadline in 2023, they are cooperating with our Conflict Mineral request. Once the completed CMRT is received by Ace Computers, any smelters/refiners not currently listed in Ace Computers CMRT will be added to the CMRT and the Responsible Minerals Sourcing Report will be updated accordingly. We will calendar a date in 2024 to confirm receipt of the 2023 data.

### **ASROCK**

While ASROCK did not forward their information for 2022. However, they did send their CMRT in April of 2023. We did not have to send a request letter and received their CMRT early.

### **Cooler Master**

Ace Computers has contacted Cooler Master urging the importance of a Conflict Minerals Policy and Responsible Minerals Sourcing in their supply chain to align with Ace Computers Conflict Mineral Policy. Cooler Master provided their Conflict Minerals Policy which also outlines the due diligence measures they follow for 3TG Conflict Minerals. Ace will continue communications with Cooler Master stressing the importance of compiling an exhaustive list of smelters/refiners to better document their due diligence process regarding Conflict Minerals.

### **Sollerion**

Sollerion was able to respond to our request with a CMRT for the reporting year 2023. This is a step forward from their partial report of 2022.