



January 18, 2018

To our Stakeholders:

Engineered Materials Solutions LLC is pleased to submit its second annual communications on progress. Our 2018 COP defines our continued support of the Ten Principles of the United Nations Global Compact in the area of Human Rights, Labor, Environment and Anti-Corruption. With this communication, we vow to renew our support and will continue to adhere to and promote all of its principles.

As a member of the Global Compact since 2015, Engineered Materials Solutions prides itself on sharing the same value system with the principles of the UN Global Compact in all our practices. In this annual Communications on Progress, we renew our pledge to continually improve by utilizing the principles of the Global Compact into our business strategy, culture, and daily operations. The ten principles covering human rights, environmental and labor issues, as well as combating corruption, continue to be of relevance to us in our operations around the world, and we strive to continuously improve our performance.

We also commit to sharing this information with our stakeholders using our primary channels of communication and look forward to reaching the goals and sharing the success of the UN Global Compact over the coming year.

Paul Duffy

Chief Operating Officer

Engineered Materials Solutions believes that respecting Human Rights is of the utmost importance. We support the Universal Declaration of Human Rights and all it represents. No person employed by EMS will be subject to their rights and freedoms, such as race, color, sex, language, religion, political or other opinion, national or social origin, property, birth or other status, being affected in a negative manner or used to withhold any liberties each and every person is entitled to. It is the policy of Engineered Materials Solutions LLC to maintain a working environment that encourages mutual respect, promotes civil relationships and is free from harassment and violence. We have had zero cases of business ethics issues, including conflicts of interest issues.

Our Policy regarding Human Rights is as follows:

Engineered Materials Solutions respects and supports the observance of internationally recognized human rights. Furthermore, the following shall apply:

1. Child Labor

EMS refrains from resorting to child labor. As a general rule, all persons under the age of 15 (or – depending on the national legislation – under 14) shall be deemed as a “child” or persons under the age for compulsory education as applicable in the respective country, whichever is the highest. Any employees under the age of 18 will not be deployed by the Business Partner for the execution of any hazardous work.

2. Forced Labor

Any form of forced or compulsory labor as well as involuntary prison labor in violation of human rights is strictly forbidden.

3. Principle of Non-Discrimination

EMS shall refrain from any kind of discrimination. No one may be discriminated against, preferred or marginalized on the basis of race, color, nationality, descent, religion, social origin, gender, age, physical characteristics or appearance, the sexual orientation, membership in unions, political affiliation, health conditions or possible parenthood or other personal characteristics.

4. Freedom of Association

EMS shall observe the fundamental right of freedom of association and the right of collecting bargaining agreement within the scope of the national law

We have increased the safety training program by establishing mandatory monthly training sessions for production staff. A schedule of training sessions was established and completed. In addition, we have augmented the training for new employees. EMS has an electronic suggestion box in place and all items are reviewed by management daily. Human Resources Department has the responsibility for maintaining Human Rights policies within the company.

EMS has taken steps in 2017 to thoroughly inform our employees on the importance of a safe and moral working environment, by increased training and discussions. We have a zero tolerance approach to those who do not embrace these standards. We are happy to inform the UN Global Compact that during 2017, we do not have any instances that exhibit investigations, legal cases, rulings or fines.

It is the policy of Engineered Materials Solutions to be 100% compliant with all local governmental labor laws. We are pleased to inform UN Global Compact that there have been zero cases of labor issues, including child labor, pay and overtime. Additionally, we offer a program to promote a healthy lifestyle for our employees. This includes full healthcare benefits, wellness activities and healthy food options in our facilities. EMS encourages employees to take advantage of these opportunities through financial and other incentives. We believe that a safe and healthy working environment which abides by all local and national regulations, follows examples such as ILO Core Conventions, is the foundation of a respectful and productive work environment.

The policy on Working Conditions is as follows:

Occupational Safety and Health

Occupational accidents and diseases shall be prevented. We expect to ensure a safe and healthy working environment and to take adequate measures in order to avoid accidents and injuries to health which might materialize in connection with the activity and to contain any risks. All applicable industrial safety standards shall be complied with. EMS will set up and operate an adequate occupational health and safety management system.

2. Product Safety

All products and services provided by EMS will comply with the mandatory standards of quality and safety in accordance with the applicable laws and other regulations.

3. Working Hours

The applicable national laws and regulations or the relevant ILO conventions regarding the maximum working hours must be complied with.

4. Fair Treatment

We expect to ensure a fair treatment of his employees, without any sexual harassment, sexual abuse, corporal punishment or torture, mental or physical coercion or verbal abuse of employees, or the threat of any such treatment and we expect an adequate compensation of the employees, ensuring the compliance with applicable national minimum wage laws.

Engineered Materials Solutions LLC currently abides by all local and national regulations regarding labor issues. It is our policy to offer professions and trades in a workplace that follows the law. Our Human Resources Department has an open door policy and welcomes feedback from our employees. We also have a suggestion box in place and an online resource for our staff to address concerns or questions, or to offer suggestions to improve upon current standards. EMS provides a full benefits package to all employees including, healthcare, dental care, life insurance, paid time off, and retirement plans.

EMS offers an open door policy to all of our employees, in addition to outlets that allow discretion such as a Suggestion Box. Any items submitted are reviewed by Management and Human Resources Department during bi-weekly HR meetings. Currently there are no issues. In the event an issue would be addressed and our employee was not satisfied with their response, we would encourage them to contact Massachusetts Commission against Discrimination (MCAD), who then would in turn contact us about rectifying said issue.

EMS is committed to protecting and preserving the environment by implementing and enforcing policies and procedures that promote internal green initiatives along with sustainable purchasing from suppliers who demonstrate social responsibility.

EMS actively engages in a number of measures and procedures to minimize environmental effects and where possible use low impact products and focus on reclaiming or minimizing waste. EMS purchasing department employs the following tactics;

- * Purchase raw materials from suppliers who utilize 30-100% recycled scrap metal.
- * Purchase packaging and shipping materials from local suppliers who utilize 30-100% recycled materials.
- * Purchase conflict minerals only from suppliers who are 100% compliant to Conflict Minerals Reporting Legislation and standards.
- * EMS is 100% compliant to the Conflict Minerals Reporting legislation and provides CMRT reports when requested using the standard.
- * Incorporate environmental management in supplier assessments.
- * Reducing amount of waste sent to landfills via recycling of all incoming packaging - cardboard, plastics, composites and wooden containers.
- * Wash, reuse, and recycle the employee safety protection equipment such as fabric armguards and gloves & uniforms, and floor mats.
- * Provide all office and floor areas receptacles to sort all office paper, periodicals, catalogs and mail for recycling.
- * Provide all office and floor areas receptacles to recycle various types of electronics hazardous waste including batteries, computers, etc.
- * Proper filtering, disposal and/or recycling of machine oils and other lubricants.
- * Recycling of all scrap materials.
- * Recycling of packaging materials.

Our Policy is as follows:

We expect to observe environmental and climate protection with regard to applicable international standards and legal provisions, to minimize environmental pollution, and to achieve continuous improvement in terms of environmental and climate protection. This includes preventing emissions and waste as well as taking steps to enhance resource efficiency. For such purpose an appropriate environmental management system is set up and operated.

Engineered Materials Solutions also continues to implement energy saving technologies in all of our facilities in an effort to minimize our environmental impact. We have installed LED lighting throughout most of our manufacturing areas to reduce energy consumption to help the environment.

EMS is 100% compliant to the Conflict Minerals Reporting legislation and provides CMRT reports when requested using the standard. EMS Key suppliers are 100% compliant to conflict minerals reporting

procedures and satisfy EMS requirements that if a Conflict Mineral must be purchased that it's only purchased from a compliant supplier as evidenced by their own CMRT report. Additionally, 90% of EMS Key suppliers are ISO 14001 certified. Environmental performance is monitored on an ongoing basis by our Environmental Safety Director.

A third party audit is performed annually to assess our accounting records. During this audit, topics such as corruption and bribery are addressed. Additionally, Engineered Materials Solutions LLC currently has in place, as part of its Corporate Policy, the following statements regarding Corruption, Bribery and Extortion:

* Gifts and Entertainment

Except in connection with and specifically pursuant to programs officially authorized by management, employees may not accept, directly or indirectly, any money, objects or value or premiums from any person or company that has or is doing or seeking business with the company.

* Conflicts of Interest

No employee should use his or her position with the company or information acquired during employment in a manner that may create a conflict, or the appearance of a conflict, between the employee's personal interests and those of the company. No employee shall be affiliated with any buyer, purchasing agent, or provider of goods or services to the company without written authorization by the company.

A code of ethics is discussed during every new employee orientation, in addition to the written policies that are delivered to each new hire. Engineered Materials Solutions also offers a suggestion box and open door policy for those employees who would like to report instances that counter our efforts. There are currently zero ethics issues.

EMS offers an open door policy to all of our employees, in addition to outlets that allow discretion such as a Suggestion Box. Any items submitted are reviewed by our Management and Human Resources Department during bi-weekly HR meetings. Currently there are no issues.