

Dear Valued Customer,

Commitment

PennEngineering is committed to support responsible sourcing practices. We share the same expectation with all our stakeholders. PennEngineering's Responsible Minerals' program aligns to the [OECD Due Diligence Guidance](#); as such, we aim to proactively identify risks and progressively eliminate those with concern to our supply chain. Client Name_ conducts risk mitigation and due diligence appropriate to the nature of the risks as it pertains to our products, suppliers, or services.

Due Diligence

In alignment with Step 2 and 3 of the OECD Diligence Guidance, PennEngineering continuously surveys its direct suppliers to verify the presence of [Smelters of Interest](#) (e.g. smelters or refiners that have shown *red flag* risks as per OECD Due Diligence Guidance).

The goal of the risk-based due diligence approach described above is to:

1. Educate the supply chain of current risks and concerns.
2. Support informed purchasing behaviours throughout the supply chain.
3. Encourage suppliers to perform similar due diligence activities on their end.

Disclaimer

PennEngineering does not purchase minerals directly from mines, smelters, or refiners. Given the fact The PennEngineering is layers removed from upstream stakeholders, it is difficult to effectively influence their purchasing behaviours, especially within a short period of time.

Declarations (CMRTs) look retrospectively at procurement; so, at the time a CMRT is provided, material from smelters may already be part of the company's supply chain and products. Therefore, actions requesting immediate removal (stopping the use of material from a smelter) of a smelter of concern cannot always be fulfilled.

Due Diligence Partner

We partner with a third-party company, [Assent](#) to assist in our survey and compliance endeavors. Assent's Conflict Minerals due diligence program actively identifies and manages supply chain risks. It also helps gather, store, and validate conflict mineral data while streamlining supply chain communications with stakeholders in accordance with the OECD Due Diligence Guidance.

For additional information, please see our Conflict Mineral Policy Statement at www.pemnet.com or contact us directly.

Thank you,

Rocky

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