

## PENCOM CONFLICT MINERALS STATEMENT

On August 22, 2012, the U.S. Securities and Exchange Commission (SEC) issued a final rule on “conflict minerals,” pursuant to Dodd-Frank Section 1502. The rule describes the assessment and reporting requirements for companies whose products contain “conflict minerals.” These are the Tin, Tantalum, Tungsten and Gold (3TG) mined and/or smelted in the Eastern Democratic Republic of Congo (DRC) or its adjoining countries. However, as the nature of conflict is ever-changing, PENCOM examines its supply base to ensure responsible sourcing from all Conflict-Affected and High-Risk areas, as defined by the Organization for Economic Cooperation and Development (OECD).

In 2017, the Responsible Minerals Initiative (RMI) added cobalt as a dedicated focus area, allowing companies to exercise due diligence over cobalt supply chains in accordance with the OECD Due Diligence. RMI continued its efforts for transparency in supply chains, and in 2020 released the Mica Reporting Template to track 37 types of minerals that belong to the “mica group.”

PENCOM is in full support of both the U.S. Department of State’s and the RMI’s position, and the Global e-Sustainability Initiative statements on the use of these minerals in electronic products and will take all reasonable measures to continue to avoid procurement of these “conflict minerals.”

As part of this policy, PENCOM has adopted the RMI’s Conflict Minerals Reporting Template (CMRT) for 3TG and the Extended Minerals Reporting Template (EMRT) for Cobalt and MICA to collect information from our vendor supply base and their down-line contacts, which continues until the original mineral smelter is identified. With this information and corresponding verification, we can report that Pencom has exercised due diligence and has met regulatory obligations while keeping paramount the responsibility to human rights.

A CMRT and/or an EMRT will be issued to customers requiring this information. Customer requests shall be made through your Pencom account manager.

For additional information, please refer to the SEC, RMI, and OECD websites at:

<http://www.sec.gov/rules/final/2012/34-67716.pdf>

<http://www.responsiblemineralsinitiative.org/>

[https://www.oecd.org/content/dam/oecd/en/publications/reports/2018/02/oecd-due-diligence-guidance-for-responsible-business-conduct\\_c669bd57/15f5f4b3-en.pdf](https://www.oecd.org/content/dam/oecd/en/publications/reports/2018/02/oecd-due-diligence-guidance-for-responsible-business-conduct_c669bd57/15f5f4b3-en.pdf)



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