



August 7, 2024

Dear Valued Customer,

PEI-Genesis is committed to support responsible sourcing practices. We share the same expectation with all our stakeholders. In 2012, the US Securities and Exchange Commission (SEC) issued rules implementing the 'conflict minerals' disclosure requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank). As a Value-Add Distributor, PEI does not manufacture any products relieving us from Conflict Minerals reporting obligations. We recognize that suppliers will provide an important link in the due diligence and reporting efforts of our customers. PEI's approach is to promote the traceability and transparency of supply chains and move towards a conflict-free global supply chain.

### **Due Diligence**

We currently focus our compliance efforts in the following areas:

- Conducting a reasonable country of origin inquiry with our global supply base as part of our conflict minerals due diligence process
- PEI requests suppliers to identify products in their supply chain that contain conflict minerals and validate the country of origin of these minerals
- Including a contractual clause related to conflict minerals in PEI's Term and Conditions of Purchase
- Requiring, in accordance with our Supplier Standards of Business Conduct, our suppliers to comply with any applicable laws and regulations regarding conflict mineral and assist us in meeting our obligations under laws and regulations.

### **Disclaimer**

PEI-Genesis does not purchase minerals directly from mines, smelters, or refiners. Given the fact PEI-Genesis is layers removed from upstream stakeholders, it is difficult to effectively influence their purchasing behaviors, 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 our connector manufacturer'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 with Manufacturer**

PEI Genesis no longer aggregates the CMRT data received from our connector manufacturer partners into a single CMRT report issued from PEI-Genesis. PEI will campaign on a yearly basis to obtain the latest manufacturer's CMRT report. These yearly campaigns provide direction to the manufacturer's CMRT for our customers who enquire about CMRT data for products distributed by PEI-Genesis.

Thank you,

Dore Rajski

Quality Manager