



PEI-Genesis, Inc.
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Subject: Renova Group Smelters

On April 6, 2018, the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC) imposed U.S. Economic Sanctions against a major shareholder of the entity known as Renova Group. Renova Group is also known as Joint-Stock Company Renova Group of Companies and JSC Renova Group of Companies.

Renova Group appears to be at least the owner of two smelters that are monitored under the current Conflict Minerals initiatives, they are;

- CID000927 - JSC Ekaterinburg Non-Ferrous Metal Processing Plant
- CID002290 – SAFINA A.S.

PEI-Genesis is a value added distributor. We are not a manufacturer, therefore we do not purchase any of the conflict minerals (gold, tin, tungsten, and tantalum) for production and we do not deal directly with any smelters. We liaise with our manufacturers and ask them to provide us their CM report twice a year for which we combine that information to produce our own report as shown on our website.

With that said, as soon as we became aware of the sanctions, we worked to identify the manufacturers who utilize one or both of these smelters within our supply chain. Consequently we have asked these manufacturers to have the two smelters removed from their supply chain.

Given that these smelters were previously approved and being utilized prior to the sanction date of April 6, 2018, we have to report them in our CM report for the running year. However, be assured that all our manufacturers are working diligently to be in compliance with the law. We also have had confirmation from each of the affected manufacturers that they are actively working with their supply chain to cease sourcing from these two entities and to resolve this issue as soon as possible.

Regards,

Glenn Accardi
Materials Analyst

Product compliance assessments are based on information received from our suppliers. It is not our standard practice to perform confirmatory analysis on supplied materials, nor assume liability beyond supplied product cost, for any errors or omissions attributed to our supplier base.