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Corporate Office > PO BOX 877 | Trexlertown | PA | 18087 | sales@precisionratedoptics.com

Conflict Minerals Sourcing Policy

Minerals that originate from the Democratic Republic of the Congo (DRC) are sometimes mined and sold, "under the control of armed groups", to "finance conflict characterized by extreme levels of violence". Sometimes these minerals make their way into the supply chains of the products used around the world, including those in the electronics industry. As part of Precision Rated Optics' commitment to corporate responsibility and respecting human rights around the world, it is Precision Rated Optics' mission that that gold, tin, tungsten and tantalum in our products that do not directly or indirectly finance or benefit armed groups in the DRC or adjoining countries while continuing to support responsible mineral sourcing in the region.

As a manufacturer of products that contain gold, tin, tungsten and tantalum, Precision Rated Optics is committed to operating in a socially responsible way. It's Precision Rated Optics' policy to refrain from purchasing from any known conflict sources and we expect that our suppliers adhere to the same standards. We have notified all our suppliers of our policy on conflict minerals and have asked each supplier to provide us with a confirmation of their conflict-free status.

Precision Rated Optics also works diligently to educate suppliers, investors and customers on this issue through speaking engagements, workshops and stakeholder engagements.

The complexities of the metal supply chain pose many challenges. The mining of these minerals takes place long before a final product is assembled, making it difficult, if not impossible, to trace the minerals' origins. In addition, many of the minerals are smelted together with recycled metals and at that point, it is virtually impossible to trace the minerals to their source. Another challenge is the informal nature of the DRC's minerals economy. Tracing the source of these minerals — from mine through smelter to final product — is a complex challenge that we cannot address alone.

Precision Rated Optics expects our suppliers to have in place policies and due diligence measures that will enable us to reasonably assure that products and components supplied to us containing conflict minerals are DRC conflict free. Precision Rated Optics expects our suppliers to comply with the Electronic Industry Citizenship Coalition (EICC) Code of Conduct and conduct their business in alignment with Precision Rated Optics' supply chain responsibility expectations.

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In support of this policy, Precision Rated Optics will:

- Exercise due diligence with relevant suppliers consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and encourage our suppliers to do likewise with their suppliers.
- Provide, and expect our suppliers to cooperate in providing, due diligence information to confirm the tantalum, tin, tungsten, and gold in our supply-chain are "conflict free".
- Collaborate with our suppliers and others on industry-wide solutions to enable products that are DRC conflict free.