PennEngineering® - Environmental Letter of Explanation

April 2018

An important area of focus for PennEngineering® locations is the area of environmental responsibility. Insuring our manufacturing and support departments are cognizant of the impact we have on our environments we do business in. To accomplish this we adhere to key elements within ISO 14001 as well as local and country specific laws governing emissions, waste management and handling and our focus on the elimination of unnecessary waste and renewable resources.

The seven focus areas for PennEngineering are noted with brief explanations as follows:

**Carbon Neutral:**
PennEngineering is now focusing on carbon neutral practices in two methods. The first is in looking for power providers in our regions where alternative fuels are in use or being developed. The second is in the re-establishing of carbon use with purchases such as third party planting or the use of other green technology companies as suppliers to create a value stream that is focused on this endeavor.

**Corporate Environmental Statement:**
PennEngineering is concerned with insuring our manufacturing and support facilities have no negative on the environments where we conduct business. To meet a requirement we are constantly striving with benchmarking techniques and our EH&S personnel to have a focus on continuous improvement in this area in all facilities. Our company is diligent in the discharge of wastewater, emissions, chemical usage and handling as well as energy consumption and solid waste.

**Energy Consumption:**
All locations within PennEngineering work with local energy providers to ascertain areas of improvement and efficiency. It is the focus of each facility to consume minimal energy required to properly run our equipment and processes. In addition, our plants and supporting locations work to review our costs associated with energy use and consumption to develop new projects that focus on reduced consumption.

**Greenhouse Gas Emissions:**
By following constructs such as the RGGI, Regional Greenhouse Gas Initiative, and other key elements of emissions reductions PennEngineering’s manufacturing locations look to insure a positive outlook in constant and at the forefront of our manufacturing process controls. Through the work of ISO 14001 certifications and other local and regional initiatives this work for reducing emissions in all forms is a continuous process.

**Use of Renewable Energy:**
PennEngineering works at the local level through each location to review methods with our energy providers to develop methods of alternative energy use.
Waste Management:
As part of our waste management improvements PennEngineering works with direct customers to use returnable dunnage and containers to minimize the need for landfill. In addition, we work to maximize pack density as allowed by ISO 14001 standards to reduce the amount of cardboard and solid waste needed in the packaging of our products. All locations within PennEngineering have a focused initiative for recycling and deciphering specific waste streams to lessen the impact on landfills and insure we are working towards a constant reduction in this footprint.

Water Consumption:
PennEngineering works with local providers in all regions where we manufacture products to reduce our dependence on non-renewable and reclaimed water sources. Additionally, our plants work to gain efficiencies in the use of equipment where water is needed for cooling or for process such as plating. Through the work done with OEMs for our equipment and local municipalities as well as wanting to greatly reduce our dependence on natural resources, PennEngineering takes our stewardship of the environment and specifically water as resource into constant consideration.

Sincerely,
PennEngineering®
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Chris Marx
Chief Commercial Officer