



Techtronic Industries

# Conflict Minerals Procurement Policy

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# Contents.

- 1. Overview** **1**
- 1.1 Introduction 1
- 1.2 Objective(s) 1
- 1.3 Applicability 1
  
- 2. Policy Requirements** **2**
- 2.1 Expectations 2
- 2.2 Requirements 2
- 2.3 Onboarding New and Existing Suppliers 3
- 2.4 Monitoring and Enforcement 3
- 2.5 Consequences of Non-Compliance 3

# 1. Overview.

## 1.1 Introduction

Techtronic Industries Company Limited and its majority-owned or -controlled subsidiaries and affiliates throughout the world (“TTI Group”) utilises a variety of materials to build the world-class products that we deliver to customers. Four materials – Tin, Tungsten, Tantalum, and Gold, are essential minerals (commonly referred to as “3TG”), which may at times be necessary for our products. While 3TG is often sourced from various parts of the world, a significant amount of 3TG is mined and transported from the Democratic Republic of Congo, or its adjoining countries including Angola, Burundi, Central Africa Republic, Republic of Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia (“the Covered Countries”), where violence and war have reigned for years. Armed groups often involve themselves somewhere in the mining or transportation process of 3TG to fund the conflicts they are involved in.

This Conflict Minerals Procurement Policy (“Policy”) reflects TTI Group, as a leading manufacturing company, is committed to ensure that any 3TG we source and ultimately use in our products does not come from the Covered Countries. To achieve this, TTI Group, its employees and suppliers must follow the standards set by this Policy.

## 1.2 Objective(s)

The objective of this Policy is twofold:

- Set out the rules, standards, and expectations that TTI Group and its suppliers must abide by to ensure that TTI Group sources 3TG from reputable sources free from conflict or other human rights violations
- Provide guidelines for TTI Group employees and suppliers to assist them in establishing procedures and actions for procurement of conflict-free 3TG

This Policy will help TTI Group meet international legal obligations, commitments to its customers and best practices related to conflict minerals sourcing including but not limited to the OECD Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High-Risk Areas

## 1.3 Applicability

This Policy applies to:

- TTI Group and all TTI Group employees
- All TTI Group suppliers at any point in the supply chain, including direct suppliers (“Suppliers”) and indirect suppliers selling to Suppliers

# 2. Policy Requirements and Content.

## 2.1 Expectations

Our position as a world-class manufacturer and our commitment to ethical business conduct shape our expectations regarding the procurement of 3TG.

- We will not knowingly tolerate, profit from, or otherwise contribute to any form of inhuman or degrading treatment related to or flowing from the procurement of 3TG. Inhuman or degrading treatment includes but is not limited to:
  - Torture
  - Compulsory labour
  - Child labour
  - Sexual violence
  - War crimes
- We will not knowingly engage in any direct or indirect support of armed groups through procurement of 3TG;
- We will not knowingly tolerate or support any public or private security forces which illegally control mines, transportation routes, or illegally tax intermediaries or other traders involved in the flow of 3TG downstream.

## 2.2 Requirements

To meet the above expectations and comply with legal obligations related to conflict minerals, we require TTI Group procurement personnel and all employees assisting procurement, as well as the Suppliers to adopt the following practices and conduct a Reasonable Country of Origin Inquiry (“RCOI”) to identify the source of 3TG.

### TTI Group Procurement

- Adopt an internationally recognized due diligence framework to:
  - Identify the circumstances surrounding the extraction, transport, handling, trading, processing, and smelting/refining of 3TG entering TTI Group’s products by requiring Suppliers to conduct RCOI;
  - Assess, prioritise, manage, and respond to identified risks;
  - Request Suppliers to conduct their own due diligence efforts to vet their suppliers and smelters they utilise.
- Inform Suppliers of this Policy and ensure Suppliers agree to this Policy, standard of procedure, and TTI Business Partner Code of Conduct via TTI Group website, our supply chain compliance platform and other appropriate ways of communication.

### TTI Group Suppliers

- Agree to the standards, values, and expectations set out in this Policy and in any supply agreement between TTI Group and Supplier;
- Agree and provide certification of understanding of the TTI Business Partner Code of Conduct and this Policy;
- Timely implement a due diligence framework mirroring the TTI Group supplier due diligence framework, and conduct RCOI to identify the extraction, transport, handling, trading, processing, and smelting/refining activities of upstream parties;
- Cooperate with TTI Group in due diligence process, provide accurate, complete and timely responses to TTI Group questionnaires and submit other compliance documentation requested by TTI Group;
- Take corrective actions at the request of TTI Group.

## **2.3 Onboarding New and Existing Suppliers**

TTI Group will communicate its commitment to sourcing conflict-free minerals by sending out this Policy and other related materials to new Suppliers. New Suppliers will be required to agree and abide by the terms of this Policy and other documentation related to meeting conflict minerals obligations as part of the onboarding process.

Existing Suppliers also will receive communications relating to TTI Group's commitment to sourcing conflict-free minerals, through receipt of this Policy and other related materials. Existing Suppliers will be required to agree and abide by the terms of this Policy and other documentation as a condition of continuing business.

Both new and existing Suppliers will be required to communicate TTI Group's expectations on sourcing conflict-free minerals to relevant personnel and will also adopt communications setting out their own expectations on conflict minerals sourcing, to their upstream suppliers.

## **2.4 Monitoring and Enforcement**

To ensure compliance with this Policy, TTI Group has established a monitoring and auditing programme. TTI Group and Suppliers that handle 3TG are subject to ongoing compliance reviews and monitoring and may be subject to internal and/or external audits, assessments or other reviews and checks – including by TTI Group's unrelated third-party auditors, attorneys and/or consultants.

## **2.5 Consequences of Non-Compliance**

Compliance with this Policy is a mandatory condition of doing business with TTI Group. For Suppliers, failure to comply with this Policy is a breach of contract. TTI Group, in its sole discretion, will take appropriate action against Suppliers in breach – including, but not limited to, implementing remediation plans, and suspension or immediate termination of business relationships.

