

Contents.

- 1. Overview** **3**
- 1.1 Introduction 3
- 1.2 Applicability 3

- 2. Policy Requirements** **4**
- 2.1 Expectations 4
- 2.2 Requirements 4
- 2.3 Monitoring and Enforcement 4
- 2.4 Consequences of Non-Compliance 4

1. Overview ●

1.1 Introduction

Techtronic Industries Company Limited (“TTI” or “the Company”) may purchase products that utilizes Cobalt and Mica. Recent reports have highlighted concerns over unsafe working conditions and child labor in artisanal Cobalt and Mica mining.

As a leading manufacturing company we want to ensure that Cobalt and Mica ultimately used in our products does not come from mines sources and / or smelters who source Cobalt and Mica from a conflict affected and high risk area as defined by the OECD Due Diligence Guidance¹.

1.2 Applicability

This Cobalt and Mica Procurement policy applies to:

- TTI, all its subsidiaries, including subsidiaries, joint-ventures, and other related entities in which TTI owns fifty (50) percent or more interest, (collectively referred to as “TTI”) and all of their employees.
- All TTI Suppliers, including indirect suppliers selling to TTI suppliers at any point in the supply chain

¹ Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-affected and High-risk Areas defines “Due Diligence” as “an on-going, proactive and reactive process through which companies can ensure that they respect human rights and do not contribute to conflict”. More information is available at <http://www.responsiblemineralsinitiative.org/emerging-risks/conflict-affected-and-high-risk-areas/>.

2. Policy Requirements ●

2.1 Expectations

Our position as a manufacturer and our commitment to ethical business conduct shape our expectations regarding the procurement of Cobalt and Mica.

- We will not tolerate, profit from, or otherwise knowingly contribute to any form of inhuman or degrading treatment related to or flowing from the procurement of Cobalt and Mica. Inhuman or degrading treatment includes but is not limited to:
 - Torture
 - Compulsory labour
 - Child labour
 - Sexual violence
 - War crimes
- We will not engage in any direct or indirect support of armed groups through procurement of Cobalt and Mica;
- We will not 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 Cobalt and Mica downstream.

2.2 Requirements

To meet the above expectations, we would require TTI Procurement personnel and all employees assisting Procurement in their endeavours, as well as the suppliers that TTI engages, to adopt the following practices and conduct a reasonable country of origin inquiry (RCOI) to identify the source of Cobalt and Mica by filling a declaration as or similar to the attached. <https://www.responsiblemineralsinitiative.org/reporting-templates/emrt/>

TTI Procurement

- Adopt an internationally recognized due diligence framework to:
 - Identify the circumstances surrounding the extraction, transport, handling, trading, processing, and smelting/refining of Cobalt and Mica entering TTI's products by requiring TTI suppliers to conduct RCOI;
 - Assess, prioritise, manage, and respond to identified risks;
 - Learn more about due diligence efforts taken by suppliers to vet suppliers and smelters they utilise.
- Inform suppliers of our policy and get them to agree to our policy, standards, and Business Partner Code of Conduct via our supply chain compliance platform and other appropriate ways of communication.

TTI Suppliers

- Agree to the standards, values, and expectations set out in this policy and in any supplier contract negotiated between TTI and supplier;
- Agree and provide certification of understanding of the TTI Business Partner Code of Conduct;
- Agree to take steps to implement a due diligence framework mirroring the TTI 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 in due diligence process and provide accurate, complete and timely responses to TTI questionnaires and other compliance documentation used by the Company to learn more about the supply chain

2.3 Monitoring and Enforcement

To ensure compliance with this policy, TTI will establish a monitoring and auditing programme. All TTI entities and their suppliers that handle Cobalt and Mica are subject to ongoing compliance monitoring and may be subject to an audit. TTI will monitor and report on the status of the implementation of this policy through periodic reports.

2.4 Consequences of Non-Compliance

Compliance with this policy is a mandatory condition of doing business with TTI. For suppliers, failure to comply with this policy qualifies as a breach of contract entered into with TTI. TTI will take an appropriate action against the supplier in question that may include a remediation plan or, in egregious cases or repeated non-compliance, the termination of business relationship with the said supplier.

