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# 1. Overview.

## 1.1 Introduction

Techtronic Industries Company Limited and its majority-owned or -controlled subsidiaries and affiliates throughout the world (“TTI Group”) may purchase products that utilizes Cobalt and Mica.

This Cobalt and Mica Procurement Policy (“Policy”) reflects TTI Group, as a leading manufacturing company, is committed to ensure that Cobalt and Mica ultimately used in our products do 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 Guidance<sup>1</sup> or otherwise utilize forced labour or unlawful child labour.

## 1.2 Applicability

This Cobalt and Mica Procurement 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.

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<sup>1</sup>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 and Content.

## 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 knowingly tolerate, profit from, or otherwise 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 knowingly engage in any direct or indirect support of armed groups through procurement of Cobalt and Mica;
- 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 Cobalt and Mica downstream.

## 2.2 Requirements

To meet the above expectations, 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 Cobalt and Mica by filling the following declaration or a document similar to the declaration. <https://www.responsiblemineralsinitiative.org/reporting-templates/emrt/>

### 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 Cobalt and Mica 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 responsibly sourcing Cobalt and Mica 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 Cobalt and Mica sourcing obligations as part of the onboarding process.

Existing Suppliers also will receive communications relating to TTI Group's commitment to responsibly sourcing Cobalt and Mica, 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 responsible sourcing of Cobalt and Mica to relevant personnel and will also adopt communications setting out their own expectations on Cobalt and Mica 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 Cobalt and Mica are subject to ongoing compliance reviews and monitoring and may be subject to internal and/or external audits, assessments or other compliance reviews/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.

