

Conflict Minerals and Extended Minerals Sourcing Policy Statement

Background

In USA, a law was passed in 2010 that prohibits the usage of what is referred to as “Conflict Minerals”. These are high value minerals that may be mined in regions known to use child slave labor or to support illegal war Lords and their Armies, specifically the **Democratic Republic of Congo (DRC)** & adjoining countries in Africa. Conflict Minerals which are extracted from DRC and passed through a variety of intermediaries before being purchased by Multinational Electronic Companies. These minerals are essential in the manufacturing variety of devices including Consumer Electronics such as mobile phones, laptops, and MP3 players etc.,

The Law

On August 22, 2012, the United States Securities and Exchange Commission (SEC) adopted the Conflict Minerals rule pursuant to “**Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act**”, requiring all publicly traded companies to disclose the use of Conflict Minerals. The term “**Conflict Minerals**” which refers to **(known as ‘3TG’ – Tin, Tungsten, Tantalum & Gold)** which is necessary to the functionality or production of their products manufactured or contracted to be manufactured. Regardless of where they are sourced, processed or sold, the intent of the requirements is to end violent conflict by not sourcing the conflict minerals from the Democratic Republic of the Congo (DRC) or the adjoining countries which directly or indirectly finance or benefit armed groups.

Cobalt and Conflict Minerals - 3TG and C

In addition to the long-time focus on 3TG, Human Rights Commission have been concerned with cobalt mining in the Democratic Republic of Congo (DRC). Later Cobalt was added on December 21, 2018 as the upstream cobalt supply chain is known to potentially involve serious violations of human rights.

Currently, the areas of consumption and application of Cobalt are mainly battery materials, super heat-resistant alloys for air-craft engine parts and in alloys with corrosion/wear resistant uses, tool steels, hard alloys, magnetic materials. Cobalt in the form of compounds is mainly used as catalysts, desiccants, reagents, pigments, and dyes.

Responsible procurement of Minerals

Suppliers shall:

- Comply with applicable laws regarding procurement of responsible minerals and proceed with due diligence for conflict-affected and high risks mineral, such as Tungsten, Tantalum, Tin, and Gold.
- Verify and inform Talema Group whether the minerals included in the materials or component parts are conflict-affected or high-risk minerals.
- Design and implement a strategy to respond to identified risks.
- Refrain from sourcing from illegal channels and commit to promoting a responsible supply process.

Responsible procurement of Cobalt

Based on the guidelines of the OECD (**The Organisation for Economic Co-operation and Development**), suppliers shall specifically:

- Develop an appropriate management system to conduct due diligence in the supply-chain to determine whether cobalt originates from Conflict-Affected or High-Risk Areas (**CAHRA**).
- Develop due diligence policies and require tier-one suppliers to
 - (i) adopt corresponding due diligence policies and
 - (ii) request the same from their suppliers down to the level of extraction of Cobalt.
- Identify the risks by mapping the supply-chain and take appropriate steps to mitigate them-Participate in and complete third-party verifications or audits at owned facilities at the request of Talema Group
- Report on supply-chain due diligence.

We the Talema Group expect our suppliers to be transparent and responsibly source from the DRC, adjoining countries, and CAHRAs, in order to avoid De Facto Embargoes.

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Talema's Commitment

Talema Group intended to comply with the requirements of the SEC's Cobalt & Conflict Minerals rule and expect our suppliers to do the same. Therefore, we are committed to:

- Not buying products and materials containing Conflict Minerals directly from Conflict Mines
- Asking our suppliers to work towards ensuring that any Conflict Minerals contained in the products and materials supplied to Talema originate from Conflict Free Sources
- Contributing to conflict-free trade by encouraging our suppliers not to discriminate against legitimate sources of Conflict Minerals In addition, we are committed to engaging with our customers regarding their disclosure obligations.

Talema's Measures

Working towards these commitments, we have taken a number of steps that include:

We will be involved in supply chain and continue to work with all our suppliers to ensure that we are able to identify the use of Cobalt & Conflict Minerals in our supply chain, and grateful to pass the information to the customers about the Conflict Minerals status of the parts we manufacture and probably involved in someone's due-diligence by keeping updated the Talema Supplier Code of Conduct and our purchasing terms and conditions to reflect this policy.

Statement on use of Conflict Minerals and Cobalt

In an effort to eliminate the impact of our supply chain on conflict minerals, Talema Group has begun collecting smelter information on Cobalt in addition to the **Conflict Minerals under Section 1502 of HR 4173**. We are actively working with our suppliers to understand or establish their systems for sourcing of raw materials, including any cobalt related minerals which may be used in Talema Group products.

Declaration

We the Talema Group hereby declare that our products have no substances mentioned in **paragraph (e)(4) of Section 1502, Dodd Frank Wall Street Reform Consumer Protection Act (2010)** - Conflict Minerals & Cobalt originating in Democratic Republic of Congo (DRC) and its adjoining countries in Africa. No material used in the construction of our products have been manufactured using minerals from Conflict Regions.

Templates released by RMI (Responsible Minerals Initiative)

Responsible Minerals Initiative (RMI) recently announced their intention to phase out the **Cobalt Reporting Template (CRT)** and **Mica Reporting Template (MRT)** by the end of March 2022. As an alternative to using the respective templates for the various minerals included within the software, the **RMI and the IPC 1755 Standards Committee** published the **Extended Minerals Reporting Template (EMRT)** in October 2021. CRT and MRT are being merged into the EMRT in order that exploration companies can gather information on Cobalt and Mica as part of the due diligence process. As a result of the discontinuation of the CRT and MRT, manufacturers will be forced to switch over to the EMRT instead.

Latest version of various Templates released by RMI:

The latest version of CMRT released on **Apr 26, 2024** which can be downloaded through below link:

RMI_CMRT v. 6.4: <http://www.responsiblemineralsinitiative.org/reporting-templates/cmrt/>

The latest version of EMRT released on **Apr 26, 2024** which can be downloaded through below link:

RMI_EMRT v. 1.3: <https://www.responsiblemineralsinitiative.org/reporting-templates/emrt/>

Legal Insight

Talema Group reserve the right to amend this statement at anytime based on subsequent developments or information.

Contact

Any queries regarding this Conflict Minerals & Cobalt Sourcing Policy Statement can be directed to:

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