

to prevent the Democratic Republic of the Congo from being used in any way material to the smelter and refinery not conformant with responsibility mineral initiative. When implementing company policy concerning conflict minerals, ensure that all suppliers purchase minerals with a responsible practice, and respect for human rights and the environment of the areas to meet the requirements of social responsibility system.

## 2. Scope of application

Applicable to all raw materials purchasing and material investigation.

## 3. Definition

### 3.1 Definition of conflict minerals

#### 3.1.1

OECD

(DRC)

(Rwanda)

(Uganda)

(Burundi)

(Tanzania)

(Kenya)

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From conflict areas controlled by non-governmental military groups or militias in the Democratic Republic of the Congo, or as defined in the OECD process assessment of conflict-affected

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smelters and refineries used by materials suppliers are required to comply with OECD due diligence guidelines or RMI certification. Smelters and refineries that are not certified by RMI or do not meet the relevant requirements must be removed from the supply chain and subject to due diligence as required by the Organization for Economic Co-operation and Development (OECD).

Conflict minerals policy post at company website, URL: <http://www.tonlyele.com/channel.aspx?id=111>

3.3 Requirements for suppliers

3.3.1



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Archiving the final report of conflict-free product

4.1.6

Establish internal conflict minerals management organization chart and conduct internal training on conflict minerals

4.2

Purchasing department:

4.2.1

Communicate and implement the company's conflict minerals policy and requirements

4.2.2 SQA

Assist SQA in investigating whether the supplying materials containing conflict minerals and the source of conflict minerals

4.3

Research and Development Department (R&D):

4.3.1 BOM

Responsible for regularly updating and outputting BOM

4.3.2

Responsible for creating material's specifications

4.4

Engineering Management Department:

4.4.1

Publicize the company's management on conflict minerals

4.4.2 SQA

Assist in validating the raw material conflict mineral survey report finished by SQA

## 5. Workflow

5.1

Supplier conflict minerals survey:

5.1.1

SQA

According to the actual product demands, R&D department will release the required material specifications and other related requirements to the procurement department, and ask the procurement department to source the appropriate suppliers for sample approval. The

5.1.2

SQA RMI\_CMRT

The procurement department selects appropriate suppliers according to the specifications and quality requirements of the R&D department for the materials and requires suppliers to send samples for confirmation. Meanwhile, SQA releases the RMI\_CMRT questionnaire and the Social Responsibility Agreement to be signed by all subcontractors and suppliers and execute the conflict minerals survey of the materials.

5.1.3 SQA & RMI-CMRT (



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The Smelters shall undergo recertify to obtain permission, and get in touch with customers to determine whether to continue delivery during the process.

c)

Suspension of delivery or termination of business with the suppliers if the risk mitigation provided is not unfeasible or ineffective

d)

Delivered materials will be treated as rejected products

SQA

SQA confirms the risk mitigation measures submitted by the manufacturer and ensures that the manufacturers faithfully implement the measures and conduct due diligence survey.

5.4

SQA

Hold conflict mineral training to procurement, SQA, R&D, and other relevant departments at least once a year and keep training records

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