

Conflict Mineral Announcement

Conflict minerals are minerals mined in conditions of armed conflict and human rights abuses, notably in the eastern provinces of Democratic Republic of the Congo and neighboring countries.

The most commonly mined minerals are cassiterite, wolframite, coltan, and gold, which are extracted from the Eastern Congo. Minerals mined in Eastern Congo pass through the hands of numerous middlemen as they are shipped out of Congo, through neighboring countries such as Uganda or Burundi, to East Asian processing plants. Because of this, the US Conflict Minerals Law applies to materials originating (or claimed to originate) from the DRC as well as the nine adjoining countries: Republic of the Congo, South Sudan, Uganda, Rwanda, Burundi, Tanzania, Zambia, Angola, and Central African Republic.

A recent study conducted by IPIS indicates that armed groups are present at more than 50% of mining sites. At many sites, armed groups illegally tax, extort, and coerce civilians to work. Miners, including children, work up to 48 hour shifts amidst and tunnel collapses that kill many people.

TCT is a worldwide well-known mobile manufacturer. We hold a zero-tolerance attitude towards any activities that impedes the legitimate rights and interests of human rights. That is the reason why the Company has been devoted to the due diligence program by OECD and RMI, upon our supply chain to find out whether the metals contained in our products are sourced from nine covered countries as well as conflict-affected and High-Risk Areas (CAHRA). This has been involved in the development of TCT's core strategy, and has become an important power in TCT's sustainable development.

As minerals like tantalum, Tin, gold and tungsten are essential in the manufacture of electronic products, such as mobile phones, digital camera, laptops, game machine and MP3 players. At the same time most minerals mined in Congo, it's a huge challenge for electronic products to refuse to use these conflict minerals. However, TCT believes that with the support of all relevant stakeholders, including cooperative partners, employees, clients and the society, we can have a significant role in prohibiting the use of conflict minerals.

TCT hopes all suppliers join us actively, and positively coordinate with TCT to finish the questionnaire of Responsible Minerals Initiative.

Based on the policy above, we require our suppliers to sign the Declaration: Not use conflict minerals, and conduct Conflict Mineral surveys to our relevant suppliers by using latest RMI_CMRT template in product level. What's more, suppliers are required to update the report annually or there's any change. All the applicable smelter information received from our suppliers will be reported in our RMI_CMRT report. The reports collected in recent year is 6.31 version.

Summarized all the information we received during the declaration period, all the conflict minerals in our supplier chain are from the smelters or refineries which meet the RMAP audit protocols. But we have process and rules if the supplier uses or purchases metals sourcing from smelters or refineries which not in the active/conformant list.

1. Remove the smelters or refineries from their supply chain, or;
2. Provide improvement plan verified by TCT to replace or push the Smelter or Refiner to validate conformance with RMAP standards.



TCL Communication Technology Holdings Ltd.

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