

Responsible Mineral Supply Chain Management Policy

Xiamen HiTHIUM Energy Storage Technology Co., Ltd.

Xiamen Hithium Energy Storage Technology Co., Ltd. (Hereinafter referred to as "Hithium" or "Hithium Energy Storage") recognizes that there is a risk that mineral exploitation, trade, processing and export in conflict-affected and high-risk areas may have a significant negative impact, and that Hithium Energy Storage has the obligation to respect human rights and not contribute to conflict. Hithium Energy Storage promises to adopt the Guidelines for Responsible Mineral Supply Chain Management in China (hereinafter referred to as the Guidelines in China) issued by the China Chamber of Commerce for Import and Export of Minerals and Chemicals (CCCCMC). The Organization for Economic Cooperation and Development (OECD)'s Organization for Economic Cooperation and Development (OECD) Responsible Supply Chain Management Guidance for Minerals from Conflict-Affected and High-Risk Areas, Third Edition (OECD Guidance), broadly promotes the following Responsible Supply Chain Management Policy for Minerals from Conflict-Affected and High-Risk Areas, and include them in contracts and/or agreements with suppliers.

This policy provides a basic reference for conflict-sensitive procurement activities and supplier risk awareness throughout the process from mining to end users. Hithium Energy Storage undertakes not to engage in any activity that would contribute to the financing of the conflict and to comply with the relevant United Nations sanctions resolutions or, where applicable, domestic laws implementing such resolutions.

Relevant responsible minerals include tin, tungsten, tantalum, gold, lithium, copper, aluminium, mica and graphite, etc.

Serious infringements relating to the exploitation, transport, or trade of minerals:

1. Hithium Energy Storage will neither tolerate nor in any way benefit, help, assist or facilitate any party in the procurement or operation activities in the conflict-affected and high-risk areas:

- Any form of forced or compulsory labour. Forced or compulsory labour means any work or service which is extracted from any individual under the threat of punishment and which the individual has not offered voluntarily;
- Any form of torture, cruel, inhuman and degrading treatment;
- Worst forms of child labour;
- Other serious human rights violations and abuses, such as widespread sexual violence;
- War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

Managing the risk of serious violations

If Hithium Energy Storage has reasonable grounds to believe that there is a risk that an upstream supplier is purchasing from or associated with any party that commits a serious infringement as described in the preceding article, Hithium Energy Storage will immediately suspend or discontinue its cooperation with such supplier.

With regard to direct or indirect support to non-State armed groups:

Hithium Energy Storage will not tolerate any direct or indirect support to non-State armed groups through mineral exploitation, transportation, trade, processing or export. Providing "direct or indirect support" to a non-State armed group through mineral exploitation, transport, trade, processing, or export includes, but is not limited to, purchasing minerals from, making payments to, or otherwise providing logistical support or equipment to non-State armed groups or their affiliates. These armed groups or related parties are:

1. Illegal control of mining sites, or other control of transport routes, mineral trading points, and upstream actors in the supply chain; and/or:

2. Illegal taxation or extortion of money or minerals at the entrance to a mining site, along a transportation route, or at a mineral trading point; and/or Illegal taxation or extortion of middlemen, exporters, or international traders.

Management of the risk of providing direct or indirect support to non-State armed groups:

If Hithium Energy Storage has reason to believe that an upstream supplier procures from or has a relationship with any party that provides direct or indirect support to a non-State armed group, Hithium Energy Storage will immediately suspend or discontinue its cooperation with that supplier.

With regard to public or private security forces:

1. Hithium Energy Storage agrees to refrain from providing direct or indirect support to public or private security forces that illegally control mining sites, transportation routes and upstream actors in the supply chain, illegally tax or solicit money or minerals at the entrance of mining sites, along transportation routes or at mineral trading points, or illegally tax or extort intermediaries, exporters or international traders.
2. Hithium Energy recognizes that the role of public or private security forces at the mine site and/or its surroundings and/or along the haul road is solely to uphold the rule of law, including safeguarding human rights, protecting the safety of miners, equipment and facilities, and protecting the mine site or haul road from interference with legitimate mining and trade.
3. In the event that Hithium Energy Storage or any enterprise in the supply chain of Hithium Energy Storage has signed a contract with public or private security forces, Hithium Energy Storage undertakes or will stipulate that it will abide by the Voluntary Principles on Security and Human Rights in the process of cooperating with such security forces. In particular, Hithium Energy Storage will support or take measures to

- apply screening policies to ensure that individuals or security armed units known to have committed serious human rights violations are not recruited.
4. Hithium Energy Storage will support or take measures to cooperate with central or local governments, international organizations and civil society organizations to find feasible solutions to improve the transparency, proportionality and accountability of public safety armed security costs.
 5. Hithium Energy Storage will support or take steps to interact with local governments, international organizations and civil society organizations to avoid or minimize the negative impacts of the presence of armed public or private security forces on mining sites on vulnerable populations, in particular absentee workers in small workshops, where minerals in the supply chain are extracted by means of small workshops or small-scale mining. out of small workshops.

Risk management for public or private security forces:

If Hithium Energy Storage finds that such risks exist to a certain extent, it will immediately develop, adopt and implement a risk management plan for upstream suppliers and other stakeholders according to the specific position of the enterprise in the supply chain, so that the risks of providing direct or indirect support to public or private security forces described in the fifth paragraph can be contained or reduced. If the risk management plan fails to work for six months, Hithium Energy Storage will temporarily suspend or interrupt its cooperation with upstream suppliers.

Fraudulent misrepresentation regarding bribery and origin of minerals:

Hithium Energy Storage will not offer, promise, make or ask for any bribes, and will resist the temptation to offer bribes in order to conceal or falsify the origin of minerals and falsely report the taxes, fees and royalties payable to the government for mineral mining, trade, processing, transportation, export and other activities.

With regard to money-laundering:

If Hithium Energy Storage has reason to believe that there is a risk of money laundering arising from or in connection with the mining, trading, processing, transporting or exporting of minerals derived from illegal taxation or extortion at the entrance to the mine site, along the transportation route, or at the place where the upstream supplier minerals are traded, Hithium Energy Storage will support or take measures to contribute to the effective elimination of money laundering.

With respect to taxes, fees and royalties paid to the Government:

Hithium Energy Storage will ensure the payment to the government of all legitimate taxes, fees and royalties related to the mining, trade and export of minerals in conflict-affected and high-risk areas, and undertakes to disclose such payments in accordance with the principles of the Extractive Industries Transparency Initiative (EITI) based on the company's position in the supply chain.

Risk management of bribery and fraudulent misrepresentation of mineral origin, money laundering and payment of taxes, fees and royalties to governments:

According to the specific position of the enterprise in the supply chain, Hithium Energy Storage undertakes to cooperate with suppliers, central or local government agencies, international organizations, civil society and affected third parties as appropriate to improve or track performance with the aim of taking significant measures to prevent or reduce risks with negative impacts within a reasonable time span. If the risk reduction measures do not work, Hithium Energy Storage will temporarily suspend or interrupt its cooperation with upstream suppliers.

On land rights, emissions and small workshops:

1. Hithium Energy Storage does not participate in, tolerate, or benefit from the extraction of resources on lands without the free, prior and informed consent of local and indigenous peoples, including by those who hold legal title, lease, concession, or permit. Hithium Energy Storage does not participate in, tolerate, or benefit from mining operations that fail to respect and protect the culture and heritage of local and indigenous people, or that damage the traditional culture of local people.
2. Hithium Energy Storage does not participate in, tolerate, or benefit from the exploitation of resources on lands where legal ownership, leases, concessions, or licenses have been obtained illegally, or in violation of domestic law. Hithium Energy Storage ensures that significant adverse effects on the surrounding soil, air and water conditions are avoided, and serious violations of relevant local laws and regulations are avoided, including the manufacture, trade, use of chemicals and hazardous substances that are internationally banned due to high toxicity to organisms, environmental persistence, or potential irreversible ecological effects, or the release of arsenic and mercury.
3. Hithium Energy Storage promises to regularly assess and reduce the adverse effects of mining on soil, air and water. Take into account the conditions of surrounding soil, air and water resources, adopt pollution prevention methods and technologies with technical and financial feasibility and applicability, and try to avoid, reduce and control pollution; according to the requirements of relevant laws and regulations of the host country, monitor the main pollutants discharged by enterprises, keep abreast of the pollution situation of enterprises at any time, and clearly record and publicize the monitoring results; adopt emission control and reduction strategies.
4. Hithium Energy Storage agrees to ensure compliance with the applicable legal requirements for the management of chemicals and toxic substances, to avoid the manufacture, trade and use of chemicals and hazardous substances that are internationally banned due to their high toxicity to organisms, environmental persistence, or potential irreversible ecological effects, and to ensure that the disposal, storage and transportation of hazardous substances comply with relevant laws and regulations. Ensure that there are no leaks, spills, or other releases to the environment during the process.
5. Hithium Energy Storage prohibits the exploitation of resources in World Heritage sites or statutory protected areas, and thus poses a threat to the outstanding universal value of these heritage sites.
6. Specifically focused on the risks of forced labor, child labor, unsafe working conditions, uncontrolled use of hazardous chemicals and other significant environmental impacts associated with small workshops or small-scale miners, Hithium Energy Storage seeks to establish production relationships with small workshops or small-scale miners in the mining area.

Risk management on land rights, emissions and small workshops:

If Hithium Energy Storage has reasonable grounds to believe that such risks exist, Hithium Energy Storage will immediately develop, adopt and implement a risk management plan with suppliers and other stakeholders to prevent or mitigate the specific risks associated with land rights violations, significant adverse environmental impacts, or small workshops or small-scale miners, depending on the company's specific location in the supply chain.

On occupational health and safety:

Hithium Energy Storage will not profit from, assist, facilitate, purchase from, or be affiliated with any party that provides a life-threatening occupational environment for its direct and/or indirect employees and/or any person at its production site in the procurement or production.

Risk management for occupational health and safety:

If Hithium Energy Storage has reason to believe that an upstream supplier provides a life-threatening occupational environment, or purchases from or is associated with any party in such a situation, Hithium Energy Storage will immediately suspend or discontinue its cooperation with such supplier.

On child labour:

Hithium Energy Storage will not employ, benefit, assist or facilitate the employment of children below the minimum working age required by the laws or regulations of the host country, nor will it purchase from or be associated with any party in such circumstances when purchasing or operating.

If there is no relevant law or regulation in the host country, the minimum working age is 16.

Risk management on child labour:

If Hithium Energy Storage has reason to believe that the upstream supplier employs child labor as required by the laws or regulations of the host country, or purchases from or is related to any party in this situation, Hithium Energy Storage will temporarily suspend or suspend its cooperation with the upstream supplier.

Questions and suggestions regarding this policy should be directed to:
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