

Supplier Code of Conduct

Farasis Energy (Ganzhou) Co., Ltd. (hereinafter, "Farasis Energy") has always been committed to promoting honest business practices and social responsibility in our supply chain, demanding high standards of business ethics and integrity in all our business transactions.

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To accomplish this goal, Farasis Energy formulates the Supplier Code of Conduct (SCoC), which is intended to reaffirm the commitment of integrity and moral standards and explain to all suppliers the impact of these standards when they conduct business with Farasis Energy. Farasis Energy cherishes the partnership with all suppliers and requires all suppliers to comply with at least the following standards:

SCoC

A. Labor

Suppliers are committed to upholding the human rights of their employees, and treating them with dignity and respect in accordance with the internationally recognized standards. Employees include temporary worker, immigrant, apprentice, contract worker, direct employee, and any other type of employees.

The labor standards are as below

1) Child Labor and Underage Labor

[Red Line 1] Suppliers shall not employ or use child labor, and shall not employ any person below the minimum legal age for employment. In China, a "child" refers to any person under the age of 16; in other countries, a "child" refers to any person under the age of 15. Where national or local laws and regulations specify a higher compulsory education age or a higher minimum legal age for employment, the higher standard shall prevail. "Child labor" refers to work performed by children or adolescents, except in cases acceptable under the International Labour Organization (ILO) Minimum Age Convention (C1973).

If a supplier discovers the employment or use of child labor, it must immediately take remedial measures. These measures shall primarily consider the best interests of the child and be designed to safeguard them. The supplier shall provide, support, and/or establish policies and programs to help identify any child engaged in child labor.

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Suppliers shall ensure that employees under the age of 18 do not perform any hazardous work. In this context, "hazardous work" means work that exposes employees to underground, underwater, high-altitude and restricted spaces, hazardous machinery, apparatus and tools, or the handling or transport of heavy objects, exposure to hazardous substances, agents, processes, temperatures, noise or vibration, and other improper conditions such as long working hours or night work .

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2) Forced Labor

[Red Line 2] Forced labor is strictly prohibited. Suppliers shall not use forced labor, compulsory labor, prison labor, debt bondage, slavery or human trafficking, nor engage in physical or verbal abuse, sexual violence, or similar practices. Suppliers must ensure that the employment relationship between workers and the company is based on free choice and free from coercion.

Workers have the right to resign or terminate their employment relationship after providing reasonable notice. Employees may leave on their own after the expiry of such reasonable notice. All employment relationships must be voluntary. Suppliers shall sign an employment contract with each employee that includes a contractual notice period.

Suppliers shall not require employees to pay deposits, withhold wages, impose debts on employees, or require them to surrender any identity documents or similar papers as a condition of employment or for the retention of wages.

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3) Working Hours

Working hours shall not exceed the maximum limit set by local law. Furthermore, unless in emergency or unusual situations, a workweek should not be more than 60 hours per week, including overtime. Employees shall have at least one day off every seven days.

4) Wages and Benefits

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. Deductions from wages as a disciplinary measure shall not be permitted.

5) Discrimination and Harassment

The supplier shall prohibit direct or indirect discrimination based on the following and ensure equal opportunity and fair treatment in employment and work: race, color, age, gender, sexual orientation, caste, disability, pregnancy, language, religion, political belief, association membership, marital and childbearing status, national or social origin, social status, property, descent or other circumstances. In addition, employees or prospective employees shall not be forced to undergo discriminatory medical examinations.

The supplier shall completely prohibit any harassment or abusive behavior, including emotional abuse, sexual harassment, discriminatory gestures, sexual, coercive, threatening,

The health and safety standards are as below

1) Occupational Safety

[Red Line 3] It is strictly prohibited to expose employees, contractors, partners, or any other individuals who may be affected by its activities to work environments that could immediately lead to death, severe physical injury, or serious health damage. Hazards in the work environment must be fully identified, and effective control measures must be established to eliminate any work conditions that may pose an immediate risk of death, severe physical injury, or serious health damage. Employees have the right to refuse unsafe work and to report unhealthy working conditions.

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Potential safety hazards that employees may encounter (e.g., electrical and other energy sources, fire, vehicle and falling danger) should be controlled through proper design, engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tagout), and ongoing safety training. If the hazard cannot be effectively controlled by the above means, employees shall be encouraged to raise their safety concerns by providing them with appropriate and well-maintained personal protective equipment and educational information on the risks that may result from the above hazards.

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2) Emergency Preparedness

Emergency situations and incidents shall be identified and assessed, and their impact minimized by implementing emergency plans and response procedures, including: emergency report, employee notification and evacuation procedures, employee training and exercise, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans. Such plans and procedures shall minimize hazards to life, the environment and property.

3) Occupational Injury and Illness

Procedures and systems shall be in place to prevent, manage, track and report occupational injury and illness, including the following provisions: encourage employees to report; classify and record injury and illness cases; provide necessary medical treatment; investigate cases

C. Environment

Suppliers shall recognize that environmental responsibility is integral to producing world class products. In manufacturing operations, suppliers shall minimize adverse effects on the community, environment and natural resources and safeguard the health and safety of the public.

The environmental standards are as below

1) Environmental Permit and Report

All required environmental permits (e.g. discharge monitoring), approvals and registrations shall be obtained, maintained and renewed and suppliers shall obey their operating and reporting requirements.

2) Pollution Prevention and Resource Conservation

The suppliers shall reduce and eliminate all kinds of resource consumption and pollution (including water and energy) from the source or through practice, such as improving the production, maintenance and installation technology, alternating materials, saving resources, recycling and reusing materials. And systematically enhancing resource efficiency, gradually establishing clear performance targets to drive continuous improvement.

3) Hazardous Substances

Chemicals and other materials posing a hazard if released to the environment shall be identified and managed to ensure their safe handling, transportation, storage, use, recycle or reuse and disposal. The products that suppliers provide shall comply with local and international general environmental standards, regulations and directives, such as REACH and RoHS. Make time-bound commitments to replace or phase out hazardous substances to the extent possible, collaborate with industry associations or invest in R&D resources/budgets to gradually replace or phase out such substances, and transparently report progress toward achieving these goals.

REACH RoHS

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4) Wastewater and Solid Waste

Suppliers shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous). Wastewater generated from operations, industrial processes and sanitation facilities shall be characterized, monitored,

controlled and treated as required prior to discharge or disposal. In addition, measures should be implemented to reduce generation of wastewater. Suppliers shall conduct routine monitoring of the performance of its wastewater treatment systems.

5) Exhaust Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations shall be characterized, routinely monitored, controlled and treated as required prior to discharge. Suppliers shall conduct routine monitoring of the performance of its exhaust emission control systems.

6) Material Restrictions

Suppliers shall adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal. Minimize the negative impact of raw materials on sustainability; where feasible, collaborate with external stakeholders to develop best practices for sustainable raw materials, increase the proportion of third-party certified materials, raise the utilization rate of recycled materials, and avoid sourcing from globally or nationally critical biodiversity areas.

7) Storm Water Management

Suppliers shall implement a systematic approach to prevent contamination of storm water runoff. Suppliers shall prevent illegal discharges and spills from entering storm drains.

8) Energy Consumption and Greenhouse Gas Emissions

Energy consumption and greenhouse gas emissions shall be tracked and documented, at the facility and/or corporate level. Suppliers shall seek cost-effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

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09) Soil Management

Suppliers' construction land shall conform to territorial spatial planning, annual land use plans, and land use control regulations, as well as requirements for resource conservation and ecological environment protection. Suppliers shall strictly implement construction land use standards and refrain from engaging in land development activities within areas designated as prohibited for reclamation under territorial spatial planning.

When conducting production or business activities, suppliers shall take effective measures to prevent and mitigate soil pollution, and shall bear legal liability for any soil pollution caused in accordance with applicable laws.

10) Biodiversity

Suppliers shall comply with the Convention on Biological Diversity (CBD) to mitigate adverse impacts of their operations, services, and products on biodiversity, including but not limited to damage to habitats, wildlife, flora, and ecosystems.

Suppliers shall not support activities detrimental to biodiversity, such as selling hunting tools for wildlife or engaging in wildlife trade. Conversely, they shall actively support, advocate for, and promote biodiversity conservation initiatives.

11) Noise and Vibration Management

Suppliers shall systematically identify and manage all categories of noise sources (including production machinery and transportation vehicles), implementing source control measures (such as procuring low-noise equipment and optimizing production processes), strategically locate noise-generating facilities, and apply acoustic mitigation techniques including sound insulation, absorption, noise cancellation, and vibration damping to minimize impacts of vibration and acoustic emissions on adjacent residence and vibration7.66434i(,)60-vibrapic emngopibravri

to engage in public education initiatives and volunteer programs that promote plant conservation.

D. Ethics

In order to fulfill social responsibility and establish a successful position in the market, suppliers shall adhere to the highest standards of ethics, including:

1) Corruption, Bribery and Other Illegal Acts

The supplier shall comply with laws and regulations regarding bribery, corruption, fraud and other prohibited business practices, including but not limited to America’s Foreign Corrupt Practices Act (FCPA), UK Bribery Act and OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. The supplier shall not promise to provide or provide any benefit, advantage or incentive, whether directly or indirectly, to any government official, international agency or third party that would influence or have the tendency to influence any business decision. The supplier shall not directly or indirectly provide any form of benefit, such as goods, gift cards, coupons, money, services, reception, employment, donation, etc., which may be regarded as bribery to Farasis’ s employees, representatives and others.

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2) Money Laundering

The supplier shall persistently object to all forms of money laundering and take measures to prevent financial transactions from being used for money laundering by others, which shall not violate the laws and regulations of combating money laundering and terrorist financing or conduct business with customers who have illegal funding sources.

3) Defending Fair Competition

The supplier undertakes to comply with and uphold the laws, regulations and compliance requirements for maintaining fair competition in the market, including the Anti-Unfair Competition Law and the Anti-Monopoly Law. Under no circumstance shall the supplier lead to or participate in any conduct limited by the general or special competition regulations, including collective price fixing, illegal market allocation, the colluding in bidding, establishment of price alliance, sabotage of tendering procedure, sensitive information exchange with competitors, segregation of the market and the limit of the production volume.

4) Trade Compliance

Any goods or services procured by the Supplier for Farasis Energy shall not originate from any entity known to be based in or belonging to or controlled by Cuba, Iran, North Korea, Sudan, Syria or the Crimea region of Ukraine or any other person or entity listed on the applicable Denied or Restricted Party List. When the supplier provides goods to Farasis Energy, the origin, routing or shipping route of the goods or the port of call (whether unloaded or not) shall not be any country subject to trade sanctions, including Cuba, Iran, North Korea, Sudan, Syria or the Crimea region of Ukraine.

5) Disclosure of Information

Relevant participant Information regarding labor, health and safety, environmental practices, business activities, corporate structure, financial situation and performance shall be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

6) Intellectual Property

Intellectual property rights shall be respected. Technology and experiential knowledge shall be transferred in a manner that protects intellectual property rights.

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9) Responsible Sourcing of Minerals

Suppliers shall have a policy to reasonably assure that the tantalum, tin, tungsten and gold in the products they manufacture does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country. Suppliers shall exercise due diligence on the source and chain of custody of these minerals and other minerals, which are requested by Farasis Energy, and make their due diligence measures available to customers upon customer request.

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10) Privacy

The supplier shall undertake to protect reasonable expectation of privacy for the personal information of all persons involved in their business, including suppliers, clients, consumers and employees. The supplier shall comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

E. Management System

Suppliers shall adopt or establish a management system whose scope is relevant to the content of this Code. The management system shall be designed to ensure: (a) compliance with applicable laws, regulations and customer requirements related to the supplier’s operations and products; (b) adherence to this Code; and (c) identification and mitigation of operational risks related to this Code. The system shall also promote continuous improvement.

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(b) (c)

The management system shall contain the following elements

1) Commitment of the Company

The corporate social and environmental responsibility policy statements shall clarify the supplier’s commitment to compliance and continual improvement, endorsed by management and posted in the workplace in the local language.

2) Management Accountability and Responsibility

The supplier shall clearly identify senior executive and company representative(s)

responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management system on a regular basis.

3) Legal Requirements and Customer Demands

Procedure to identify, monitor and understand applicable laws, regulations and customer requirements, including the requirements of this Code.

4) Risk Assessment and Management

Procedure to identify legal compliance, environment, health and safety, labor practice and ethics risks associated with suppliers' operations. Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

5) Improvement Objectives

Written performance objectives, targets and implementation plans to improve the supplier's social and environmental performance, including a periodic assessment of Supplier's performance in achieving those objectives.

6) Training

Programs for training managers and employees to implement Supplier's policies, procedures and improvement objectives and to meet applicable legal and regulatory requirements.

7) Communication

Procedure to convey clear and accurate information about Supplier's policies, practices, expectations and performance to employees and customers.

8) Employee Feedback and Participation

Ongoing processes to assess employees' understanding of this Code, and obtain feedback on practices and conditions covered by this Code and to foster continuous improvement.

9) Audits and Assessments

Periodic self-evaluations to ensure conformity to legal and regulatory requirements related to social and environmental responsibility, the content of the Code and customer contractual

requirements.

10) Corrective Action Process

Procedure for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.

11) Documentation and Record

Creation and maintenance of documents and records to ensure regulatory compliance and conformity with company requirements along with appropriate confidentiality to protect privacy.

12) Supplier Responsibility

Procedure to communicate Code requirements to customers and to monitor customer compliance to the Code.

Report and Notice

To support the conduct of compliance work, Farasis Energy reserves the right to conduct appropriate anti-corruption and anti-bribery background checks or due diligence on all suppliers. It will also conduct continuous supervision of cooperative activities, carry out audits and risk assessments, and may conduct on-

suppliers' employees based on the audit situation to gain a detailed understanding of suppliers' sustainability risks and performance. The company has established relevant channels to receive complaints regarding supply chain sustainability. If you have any questions about this Code of Conduct, you may contact us via email at Sustainability@farasisenergy.com.cn.

References

[1] Responsible Business Alliance (RBA) - Code of Conduct

<https://www.responsiblebusiness.org/code-of-conduct/>

[2] Social Accountability International (SAI) - SA 8000 Standard

SAI SA8000

<https://sa-intl.org/>

[3] United Nations - Universal Declaration of Human Rights

<https://www.un.org/en/about-us/universal-declaration-of-human-rights>

[4] ISO 14001 Environmental Management Systems, ISO 45001 Occupational Health and Safety Management Systems, ISO 50001 Energy Management Systems

ISO 14001 ISO 45001 ISO 50001

<http://www.iso.org/iso/home.html>

[5] ILO International Labor Standards

ILO

<http://www.ilo.org/global/lang--en/index.htm>

[6] Foreign Corrupt Practices Act

FCPA

<https://www.justice.gov/jm/jm-9-47000-foreign-corrupt-practices-act-19>

Supplier Signature _____