

Due Diligence Policy for Responsible Supply Chains of Critical Minerals

Shenzhen Hightower Technology Co., Ltd. (hereinafter referred to as "HPT" or the "Company"), as a responsible enterprise, recognizes that the mining, trading, processing, and exporting of mineral resources in conflict-affected and high-risk areas may pose significant risks that lead to substantial negative impacts. HPT further acknowledges its commitment to respecting human rights, avoiding any contribution to conflict, and preventing adverse environmental and social consequences.

The Company aligns its operations with the requirements, guidelines, principles, and frameworks outlined in key international regulations, including but not limited to *International Bill of Human Rights*, the *UN Guiding Principles on Business and Human Rights*, the *Regulation (EU) 2023/1542 on Batteries and Waste Batteries*, the *OECD Due Diligence Guidance for Responsible Business Conduct*, and the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*. It has developed and implemented a comprehensive due diligence management system and policy framework for critical mineral supply chains. Furthermore, Suppliers are required to comply with their management policies and implement

corresponding due diligence measures.

The *Due Diligence Policy for Responsible Supply Chains of Critical Minerals* (hereinafter referred to as the "Policy") is applicable to **Shenzhen Highpower Technology Co., Ltd.** and all of its majority-owned subsidiaries, including but not limited to **Huizhou Highpower Technology Co., Ltd.**, **Springpower Technology (Shenzhen) Co., Ltd.**, **Icon Energy System (Shenzhen) Co., Ltd.**, **Guangdong Highpower New Energy Technology Co., Ltd.**, and **Shenzhen Highpower Supply Chain Management Co., Ltd.** The scope of critical minerals covered by this Policy includes, but is not limited to, raw materials or products derived from tin, tantalum, tungsten, gold, cobalt, mica, nickel, lithium, natural graphite, copper, aluminum, manganese, and their respective compounds.

HPT is committed to identifying and mitigating the following risks in its supply chain operations and management, as outlined below.

1. Regarding Infringement Acts Related to Extraction, Transportation, Trade, or Processing

In the conduct of procurement or business activities in conflict-affected and high-risk areas, HPT will neither tolerate, profit from, contribute to, assist in, nor facilitate the commission by any party of:

- 1.1. any form of torture, cruelty, inhuman or degrading treatment or punishment;
- 1.2. any form of forced or compulsory labor (defined as work or services that are extracted from any individual under the menace of a penalty and for which said individual has not offered voluntary consent);
- 1.3. any form of child labor;
- 1.4. other gross human rights violations and abuses, including widespread sexual violence;
- 1.5. war crimes, other serious violations of international humanitarian law, crimes against humanity, or genocide.

2. Regarding Risk Management of Infringement Acts

HPT will promptly suspend or terminate its partnership with upstream suppliers if HPT determines there is a reasonable risk that they are sourcing from, or are linked to, any party committing the aforementioned violations.

3. Regarding Direct or Indirect Support to Non-State Armed Groups

HPT will not tolerate any form of direct or indirect support provided to non-state armed groups through the extraction, transportation, trade, processing, or export of mineral resources. The term "direct or indirect support" includes, but is not limited to, procuring resources from, making payments to, or otherwise offering logistical assistance or supplying equipment to non-state armed groups. These illegal armed groups and their associated entities may be engaged in the following infringing activities:

- 3.1. illegal control of extraction sites or otherwise controlling transportation routes, locations where mineral resources are traded, and upstream actors in the supply chain; and/or
- 3.2. illegally tax or extort money or mineral resources at points of access to extraction sites, along transportation routes, or at locations where mineral resources are traded; and/or
- 3.3. illegally taxing or extorting money from intermediaries, exporter companies, or international traders.

4. Regarding Risk Management of Direct or Indirect Support to Non-State

Armed Groups

HPT will promptly suspend or terminate its partnership with upstream suppliers if HPT determines there is a reasonable risk that they are sourcing from, or are linked to, any party providing direct or indirect support to non-state armed groups (as defined in **Policy 3**) .

5. Regarding Public or Private Security Forces

5.1. HPT will cease all forms of direct or indirect support to public or private security forces that illegally control extraction sites, transportation routes, and upstream entities within the supply chain (in accordance with **Policy 6**); or engage in illegal taxation or extortion of money or mineral resources at points of access to extraction sites, along transportation routes, or at trading locations for mineral resources; or impose illegal levies or extort funds from intermediaries, export companies, or international traders;

5.2. HPT acknowledges that the role of public or private security forces at the extraction site, and/or surrounding areas, and/or along transportation routes should exclusively focus on upholding the rule of law, including the protection of human rights. These forces should

further ensure the safety of workers, equipment, and facilities, as well as secure the extraction site and transportation routes from any interference with legitimate extraction and trade activities;

5.3. Where HPT or any entity within our supply chain has contracted with public or private security forces, HPT is committed to complying with the ***Voluntary Principles on Security and Human Rights***. Specifically, HPT will establish and enforce screening policies to ensure that no individuals or units of security forces with a documented history of human rights abuses are engaged;

5.4. HPT will actively support initiatives or undertake strategic measures to collaborate with central or local governments, international organizations, and civil society groups in identifying feasible solutions to enhance the transparency, proportionality, and accountability of public security expenditure;

5.5. HPT will actively support initiatives and undertake strategic measures to collaborate with local governments, international organizations, and civil society groups to prevent or mitigate adverse impacts on vulnerable populations, particularly in contexts where mineral resources in the supply chain are extracted by artisanal or

small-scale operators under the supervision of public or private security forces stationed at extraction sites.

6. Regarding Risk Management of Public or Private Security Forces

In accordance with the specific position of the company in the supply chain, HPT will promptly develop, adopt, and implement a comprehensive risk management strategy in collaboration with suppliers and other stakeholders. This strategy aims to prevent or mitigate the risk of direct or indirect support to public or private security forces as defined in **Policy 5.1** upon identifying a reasonable risk. In such circumstances, HPT will suspend or terminate its partnership with the relevant suppliers after failed attempts at mitigation within six months of the adoption of the risk management strategy. The same action will be taken if HPT identifies a reasonable risk of potential violations inconsistent with **Policy 5.4** and **Policy 5.5**.

7. Regarding Bribery and Fraudulent Misrepresentation of the Origin of Minerals

HPT will neither offer, promise, provide, nor demand any bribes, and will actively resist any solicitation of bribes. This commitment applies to activities aimed at concealing or disguising the origin of mineral resources,

misrepresenting taxes, fees, and royalties paid to governments for the extraction, trade, processing, transportation, and export of mineral resources.

8. Regarding Money Laundering

HPT will actively support initiatives or undertake measures to contribute to the effective prevention and elimination of money laundering. If HPT determines that there exists a plausible risk of money laundering arising from or associated with the extraction, trade, processing, transportation, or export of mineral resources derived from illegal taxation or extortion at locations of access to extraction sites, along transportation routes, or at locations where mineral resources are traded by upstream suppliers, HPT will implement appropriate actions to mitigate such risks.

9. Regarding the Payment of Taxes, Fees, and Royalties Due to Governments

HPT will ensure that all applicable legal taxes, fees and royalties associated with the extraction, trading, and export of mineral resources from conflict-affected and high-risk areas are duly paid to the relevant government authorities. In line with its positions in the supply chain, HPT is committed to disclosing such payments in accordance with the principles and standards set forth by the *Extractive Industries Transparency Initiative* (EITI).

10.Regarding Risk Management of Bribery and Fraudulent Misrepresentation of the Origin of Minerals, Money Laundering, and Payment of Taxes, Fees, and Royalties to Governments

In accordance with its specific position within the company's supply chain, HPT is committed to appropriately engaging with suppliers, central or local government authorities, international organizations, civil society, and affected third parties to enhance and monitor performance. This engagement aims to prevent or mitigate the risks of adverse impacts through measurable actions within reasonable timeframes. HPT will suspend or terminate its partnership with upstream suppliers after failed attempts at mitigation.

11.Regarding Occupational Health and Safety

HPT will neither profit from, assist, nor facilitate any party that provides a work environment posing a threat to the occupational health and safety of its direct and/or indirect employees or any individuals present at its production sites. Additionally, HPT will not procure goods or services from such parties or maintain any form of association with them.

12.Regarding Risk Management of Occupational Health and Safety

HPT will promptly suspend or terminate its partnership with upstream suppliers if HPT determines there is a reasonable risk that they are providing and/or associating with any party that provides a work environment posing a threat to life as defined in **Policy 11** .

13.Regarding Child Labor

HPT is committed to ensuring that no individuals below the minimum working age as stipulated by law or regulations of the host country are employed in our operations. The company will not benefit from, purchase from, assist, facilitate, or associate with the employment of individuals under the minimum working age as defined by the laws or regulations of the host country. In the absence of relevant laws or regulations in the host country, HPT will adhere to the provisions of the **International Labour Organization's Minimum Age Convention (No. 138)** of 1973, which sets the minimum age for industrial labor at 15 years old. Consequently, no individual under the age of 15 shall be engaged in work activities. Where national or local laws specify a higher minimum working age, the stricter standard shall prevail. For instance, in China, the legally mandated minimum employment age is 16 years old.

14.Regarding Risk Management of Child Labor

HPT will promptly suspend or terminate its partnership with suppliers if HPT determines there is a reasonable risk that they are employing and/or associating with any party linked to child labor as defined in **Policy 13**.

15.Regarding Environmental Protection

HPT will neither profit from nor facilitate any party that causes significant adverse impacts on the surrounding soil, air, water conditions, and biodiversity. This includes the manufacturing, trading, or use of chemicals and hazardous substances subject to international bans due to their high toxicity to living organisms, environmental persistence, or potential for irreversible ecological impacts. Additionally, HPT will not procure goods or services from, nor associate with, any party in violation of relevant local laws and regulations.

16.Regarding Resource Exploitation

HPT will neither engage in nor tolerate the extraction of resources or derive any benefit from the use of land without obtaining the free, prior and informed consent (FPIC) of local communities and indigenous peoples. Additionally, HPT will refrain from such activities if the legal title, lease, concession, or license has been illegally acquired or contravenes national law. Furthermore, HPT will avoid engaging in activities that pose significant health and safety risks to

surrounding communities during the resource extraction process.

17.Regarding Cultural, Heritage Protection and Legally Protected Areas

HPT will not engage in or tolerate any activities involving the extraction of resources or deriving benefit from mining operations where the culture and heritage of local communities and indigenous peoples have not been adequately respected and safeguarded, or where the traditional cultures of local populations have been adversely impacted. Furthermore, HPT firmly opposes the extraction or procurement of resources from mining operations situated in legally protected areas.

18.Regarding Artisanal or Small-Scale Operators

HPT will place particular emphasis on addressing risks related to forced labor, child labor, unsafe working conditions, uncontrolled use of hazardous substances, and other significant environmental impacts when sourcing from artisanal or small-scale operators. Additionally, HPT will collaborate with these operators to establish a mutually beneficial and productive partnership in the extraction region.

19.Regarding Risk Management of Environmental Protection, Resource

Exploitation, Cultural, Heritage Protection and Legally Protected Areas

In accordance with the specific position of the company within the supply chain, HPT will promptly develop, adopt, and implement a comprehensive risk management strategy together with suppliers and other stakeholders. This strategy aims to prevent or mitigate the risk of infringing upon land rights, causing significant adverse environmental impacts, or posing specific risks to artisanal and small-scale operators if a reasonable risk is identified. HPT will consider suspending or terminating its partnership with upstream suppliers if mitigation efforts fail.

20. Governance Mechanism

HPT is dedicated to continuous improvement, employing a systematic approach to regularly review and update its policies and associated procedures. To ensure comprehensive oversight of responsible mineral sourcing risks throughout the supply chain, the related processes will be supervised by the senior management team and implemented by a cross-functional management team consisting of representatives from key departments, including the Procurement Center, the Quality Control Department, the Product Development Division, the Human Resources Department, the Safety Office, the Audit Department, and the Legal Affairs Department.

The HPT management team is tasked with the development and enforcement of governance standards to ensure their relevance, transparency, and effectiveness. Supply chain due diligence is performed in alignment with the ***OECD Due Diligence Guidance for Responsible Mineral Supply Chains from Conflict-Affected and High-Risk Areas***. This process encompasses the identification, assessment, and mitigation of risks through the systematic design and implementation of targeted strategies. A comprehensive risk management framework is established, incorporating continuous monitoring and evaluation of risk reduction measures, as well as periodic reporting to senior management.

21. Policy Communication

HPT cultivates long-term collaborative partnerships with suppliers, implements relevant training programs and due diligence activities, and ensures that suppliers fully comprehend and adhere to the company's responsible mineral sourcing policies and requirements through formal cooperation agreements or commitment letters. Furthermore, HPT requires suppliers to disseminate these policies to their upstream partners, ensuring that the entire supply chain remains free from any activities that may fuel conflict or lead to human rights abuses.

22. Reporting Mechanism

HPT has officially implemented a dedicated reporting mechanism. If you have any questions about this policy or identify any potential violations, please do not hesitate to contact us via email at hpshenji@highpowertech.com. HPT guarantees the confidentiality and timely processing of all submitted communications.

Shenzhen Highpower Technology Co., Ltd.

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