



弗迪电池  
FinDreams Battery

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# Due Diligence Management Policy for Responsible Mineral Resources Supply Chain



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## FinDreams Battery

### Due Diligence Management Policy for Responsible Mineral Resources Supply Chain

FinDreams Battery (hereinafter “We”) has recognised that risks of significant adverse impacts which may be associated with extracting, trading, handling and exporting minerals from conflict-affected and high-risk areas, and recognising that we have the responsibility to respect human rights and not contribute to conflict, we commit to adopt the China Responsible Mineral Supply Chain Due Diligence Guidelines issued by the China Chamber of Commerce for Metals, Minerals and Chemicals Importers and Exporters (CCC MC) (hereinafter “the China Guidance”) and the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Area (hereinafter “the OECD Guidance”), in accordance with the the International Bill of Human Rights, including the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the UN Guiding Principles on Business and Human Rights, the UN Universal Declaration of Human Rights, the OECD Due Diligence Guidance for Responsible Business Conduct, the OECD Guidelines for Multinational Enterprises. We commit to adopt, widely disseminate and incorporate in contracts and/or agreements with suppliers the following policy on responsible sourcing of minerals from conflict-affected and high-risk areas, as representing a common reference for conflict-sensitive sourcing practices and suppliers’ risk awareness from the point of extraction until end user. We commit to refraining from any action which contributes to the financing of conflict and we commit to comply with relevant United Nations sanctions resolutions or, where applicable, domestic laws implementing such resolutions. Relevant responsible minerals include Tin, tungsten, tantalum, gold, cobalt, mica, lithium, nickel, graphite, etc.

### Regarding serious abuses associated with the extraction, transport or trade of minerals:

1. While sourcing from, or operating in, conflict-affected and high-risk areas, we will neither tolerate nor by any means profit from, contribute to, assist with or facilitate the commission by any party of:
  - i) any forms of torture, cruel, inhuman and degrading treatment;
  - ii) any forms of forced or compulsory labour, which means work or service which is exacted from any

person under the menace of penalty and for which said person has not offered himself voluntarily;

- iii) the worst forms of child labour;
- iv) other gross human rights violations and abuses such as widespread sexual violence;
- v) war crimes or other serious violations of international humanitarian law, crimes against humanity or genocide.

### **Risk management of serious abuses:**

We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party committing serious abuses as defined in paragraph 1.

### **Regarding direct or indirect support to non-state armed groups:**

1. We will not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals. “Director indirect support” to non-state armed groups through the extraction,transport, trade, handling or export of minerals includes, but is not limited to, procuring minerals from, making payments to or otherwise providing logistical assistance or equipment to, non-state armed groups or their affiliates who:
  - i) illegally control mine sites or otherwise control transportation routes,points where minerals are traded and upstream actors in the supply chain; and/or
  - ii) illegally tax or extort6 money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or
  - iii) illegally tax or extort intermediaries, export companies or international traders.

### **Risk management of direct or indirect support to non-state armed groups:**

We will immediately suspend or discontinue engagement with upstream suppliers where we identify a reasonable risk that they are sourcing from, or linked to, any party providing direct or indirect support to non-state armed groups as defined in paragraph 3.

### **Regarding public or private security forces:**

1. We agree to eliminate, in accordance with paragraph 10, direct or indirect support to public or private security forces who illegally control mine sites,transportation routes and upstream actors in the supply chain; illegally tax or extort money or minerals at point of access to mine sites, along

transportation routes or at points where minerals are traded; or illegally tax or extort intermediaries, export companies or international traders.

2. We recognise that the role of public or private security forces at the mine sites and/or surrounding areas and/or along transportation routes should be solely to maintain the rule of law, including safeguarding human rights, providing security to mine workers, equipment and facilities, and protecting the mine site or transportation routes from interference with legitimate extraction and trade.
3. Where we or any company in our supply chain contract public or private security forces, we commit to or we will require that such security forces will be engaged in accordance with the Voluntary Principles on Security and Human Rights. In particular, we will support or take steps, to adopt screening policies to ensure that individuals or units of security forces that are known to have been responsible for gross human rights abuses will not be hired.
4. We will support efforts, or take steps, to engage with central or local authorities, international organisations and civil society organisations to contribute to workable solutions on how transparency, proportionality and accountability in payments made to public security forces for the provision of security could be improved.
5. We will support efforts, or take steps, to engage with local authorities, international organisations and civil society organisations to avoid or minimise the exposure of vulnerable groups, in particular, artisanal miner where minerals in the supply chain are extracted through artisanal or small-scale mining, to adverse impacts associated with the presence of security forces, public or private, on mine sites.

#### **Risk management of public or private security forces:**

In accordance with the specific position of the company in the supply chain, we will immediately devise, adopt and implement a risk management plan with upstream suppliers and other stakeholders to prevent or mitigate the risk of direct or indirect support to public or private security forces, as identified in paragraph 5, where we identify that such a reasonable risk exists. In such cases, we will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation within six months from the adoption of the risk management plan. Where we identify a reasonable risk of activities inconsistent with paragraphs 8 and 9, we will respond in the same vein.

#### **Regarding bribery and fraudulent misrepresentation of the origin of**

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## **minerals:**

1. We will not offer, promise, give or demand any bribes, and will resist the solicitation of bribes to conceal or disguise the origin of minerals, to misrepresent taxes, fees and royalties paid to governments for the purposes of mineral extraction, trade, handling, transport and export. Regarding money laundering:

## **Regarding money laundering:**

1. We will support efforts, or take steps, to contribute to the effective elimination of money laundering where we identify a reasonable risk of money-laundering resulting from, or connected to, the extraction, trade, handling, transport or export of minerals derived from the illegal taxation or extortion of minerals at points of access to mine sites, along transportation routes or at points where minerals are traded by upstream suppliers.

## **Regarding the payment of taxes, fees and royalties due to governments:**

2. We will ensure that all taxes, fees, and royalties related to mineral extraction, trade and export from conflict-affected and high-risk areas are paid to governments and, in accordance with the company's position in the supply chain, we commit to disclose such payments in accordance with the principles set forth under the Extractive Industry Transparency Initiative (EITI). Regarding risk management of bribery and fraudulent misrepresentation of the origin of minerals, money-laundering and payment of taxes, fees and royalties to governments:

## **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 the specific position of the company in the supply chain, we commit to engage with suppliers, central or local governmental authorities, international organisations, civil society and affected third parties, as appropriate, to improve and track performance with a view to preventing or mitigating risks of adverse impacts through measureable steps taken in reasonable timescales. We will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation.

## **Regarding land rights and small workshops:**

1. We do not participate in, tolerate or benefit from the exploitation of resources on land without the free,

prior and informed consent of local and indigenous people, including by extractors who hold legal title, leases, concessions or licenses. We do not participate in, tolerate or benefit from mining operations where the culture and heritage of local people and indigenous people are not respected and protected, or where the traditional culture of local people is compromised. We do not participate in, tolerate, or benefit from the exploitation of resources on land where legal title, lease, concession or license has been illegally acquired, or where domestic law has been violated.

2. We prohibit the exploitation of resources in World Heritage sites or designated protected areas and the resulting threat to their outstanding universal value.

### **Risk management of land rights and small workshops:**

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

## **Regarding human rights and workplace**

1. We believe that all human beings are born free and equal in dignity. We prohibit all forms of forced and slave labour and the recruitment of child labourers, and we pay attention to and respect relatively disadvantaged or vulnerable groups and do our best to protect their rights and interests.
2. We respect the dignity and rights of every human being and do not discriminate on the basis of race, colour, ethnicity, nationality, origin, religion, physical disability, gender, sexual orientation, marital or parental status, trade union membership, property, political or other opinion, age or otherwise, and prohibit discrimination and oppose harassment. At the same time, we require our employees to adhere to the ethics of equal interaction in the workplace and to strongly resist workplace violence and harassment.
3. We comply with the laws and regulations of the countries and regions in which we are located, and conclude labour contracts with our employees in a language they understand, to ensure that they enjoy lawful rights and interests in terms of remuneration, social security, working hours, rest and leave.
4. We respect the freedom of association and expression of employees, respect the spontaneous communication and formation of organisations to collectively express, promote, pursue and defend common interests, and protect the freedom of peaceful assembly and association of employees. We respect staff's freedom of expression and encourage staff to make suggestions for the development of

the company. We build a platform for staff to express different views and establish a whistleblower protection system to create a smooth channel for exchange, communication and feedback.

5. We promise to try our best to protect our staff from hazards caused by air pollution, noise or vibration, and to take technical measures for new plants or work procedures that are being designed or installed, or to add technical measures to those that have already been built. All persons concerned shall be provided with adequate and appropriate:
  - (1) information on potential occupational hazards arising from air pollution, noise and vibration in the working environment;
  - (2) effective guidance on the prevention, control and protection against these hazards.
6. We are committed to providing a safe and hygienic working environment, necessary labour protection measures and safety training to prevent work-related accidents and occupational diseases, and to raise employees' awareness of the importance of occupational disease hazards and protection. At the same time, we care about the physical and mental health of our employees, provide them with health services, and protect their safety and health in all aspects.

#### **Risk management of occupational health and safety**

If we have reasonable grounds to believe that such a risk exists, we will immediately work with suppliers and other stakeholders to develop, adopt and implement a risk management plan based on the company's location in the supply chain to prevent or eliminate physical or mental harm to workers and create a healthy working environment.

#### **Regarding environment, hazardous substances and biodiversity**

1. We commit to regularly assessing and reducing adverse impacts on soil, air and water. Considering the conditions of the surrounding soil, air and water resources, we adopt pollution prevention methods and technologies that are technically and financially feasible and applicable, and endeavour to avoid, reduce and control pollution; we adopt strategies to control and reduce emissions, and identify wastewater and solid wastes generated from our operations, and monitor, control and treat them in accordance with the requirements of the relevant local laws and regulations prior to discharge or disposal.
2. We ensure compliance with applicable legal requirements for the management of chemicals and hazardous substances, replace hazardous substances with non-hazardous or less hazardous substances. And avoid the manufacture, trade, and use of chemicals and hazardous substances that are subject to international bans due to their high toxicity to living organisms, environmental persistence, or



potentially irreversible ecological impacts. We will strictly control and manage hazardous substances in accordance with international standards, ensure that the disposal, storage and transport of hazardous substances comply with relevant laws and regulations, and ensure that there are no spills, leaks or other releases into the environment during the process.

3. We are committed to doing our best to protect biodiversity, prevention of soil pollution, soil erosion and land degradation, reduce climate change, eutrophication of soil and water. We will strictly comply with all national and regional laws and regulations related to biodiversity protection, as well as international conventions and agreements where we operate, and take all necessary measures to protect, maintain and restore biodiversity, and prevent species extinction and habitat destruction.
4. We commit ourselves to preventing pollution and conserving resources by reducing water and energy consumption through practices such as improving production, maintenance and facility processes, replacing materials, conserving natural resources, and recycling materials.
5. We commit to the goal of “2045 Value Chain Carbon Neutrality” and take a series of measures to reduce the carbon emissions of our battery products, including but not limited to: choosing raw materials with lower environmental footprints to reduce greenhouse gas emissions at the source; and reducing energy consumption and the amount of waste generated during production, operations and manufacturing.

#### **Risk management of environment, hazardous substances and biodiversity**

If we have reasonable grounds to believe that such a risk exists, we will immediately work with our suppliers and other stakeholders to develop, adopt and implement a risk management programme based on the company's position in the supply chain to prevent, reduce or eliminate environmental breaches and restore ecology.

November 20, 2023

FinDreams Battery Co., Ltd.