

Chicony Power Technology Co., Ltd.

Responsible Mineral Sourcing Policy

Chicony Power (hereinafter referred to as "the Company") is committed to corporate social responsibility by ensuring that raw material procurement aligns with internationally recognized principles of environmental protection, human rights, and supply chain transparency. The Company adheres to the OECD Guidelines for Multinational Enterprises, the International Labour Organization (ILO) Conventions, and the United Nations Global Compact (UNGC). Furthermore, the Company supports the Responsible Minerals Initiative (RMI) to ensure that its supply chain meets ethical and sustainability standards.

The Company recognizes the impact of conflict minerals on the global supply chain and corporate social responsibility. To mitigate these risks, the Company implements supply chain due diligence to ensure compliance in sourcing tantalum (Ta), tin (Sn), tungsten (W), gold (Au), cobalt (Co), and mica. This initiative aims to prevent financing armed conflicts and human rights violations.

Scope of Application

This policy applies to the Company and its subsidiaries in which it holds more than 50% ownership and operational control worldwide. It covers all upstream suppliers and business partners.

Commitments and Management Guidelines

The Company is committed to responsible procurement by ensuring that mineral sourcing complies with international standards. The Company promotes responsible minerals management through the following principles:

1. Reducing Negative Sustainability Impacts
 - Optimize raw material usage and adopt innovative technologies to minimize environmental impacts.
 - Prioritize materials with lower environmental and social impacts.
2. Enhancing Supply Chain Transparency
 - Collaborate with suppliers and stakeholders to improve information disclosure and traceability.
 - Regularly participate in industry forums and seminars to stay updated on responsible sourcing trends.
3. Promoting Third-Party and Related Certification Mechanisms
 - Encourage suppliers to obtain third-party certification for raw materials as a criterion for procurement preference.
 - Conduct regular reviews and assessments of material certifications to ensure their validity and applicability.
4. Avoiding Materials from High-Risk Areas
 - Avoid sourcing minerals associated with armed conflicts, illegal mining, and poor labor conditions.
 - Ensure that the supply chain does not impact globally significant biodiversity hotspots.
5. Responsible Conflict Minerals Due Diligence
 - Conduct supply chain audits in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

- Require suppliers to complete the Conflict Minerals Reporting Template (CMRT), the Extended Minerals Reporting Template (EMRT), and other related investigation documents, as well as provide documentation verifying the origin of the minerals.
- Reject conflict minerals illegally extracted from the Democratic Republic of the Congo (DRC) and its neighboring countries.


Implementation and Supervision Mechanism

1. Raw Material Auditing and Traceability Management
 - Establish procurement standards and supplier selection mechanisms for responsible minerals.
 - Regularly evaluate the compliance of mineral sources within the supply chain through data analysis.
2. Strengthening Supply Chain Transparency
 - Require suppliers to update mineral sourcing information regularly and cooperate with audits.
 - Conduct training and awareness programs to enhance suppliers' understanding and implementation of responsible minerals policies.
3. Promoting Third-Party and Related Certification Mechanisms
 - The Company will periodically review this policy to ensure alignment with international standards and industry trends.
 - The Company reserves the right to terminate cooperation with suppliers that violate this policy.

Conclusion

The Company remains dedicated to enhancing responsible minerals management, ensuring an ethical and sustainable supply chain, and collaborating with suppliers and stakeholders to promote responsible global procurement. This policy is published following a formal review and will be periodically updated to maintain its relevance and effectiveness.

President :



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