

YFI Partner Code of Conduct

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1. INTRODUCTION

1.1. Applicability

This Partner Code of Conduct (“**Code**”) applies to service providers, suppliers of goods, consultants, independent contractors, and any other types of partners (collectively “**Partners**”) of Yanfeng International Automotive Technology Co., Ltd., and its affiliates (collectively “**YFI**”).

1.2. Purpose and Commitment

YFI is committed to customer, shareholder, and employee satisfaction as an industry leader with global competitiveness, and always conducting business with integrity and compliance.

YFI adheres to the highest ethical standards and expects Partners to use these principles as a basis in mutual dealings and cooperation and regard them as criteria for maintaining cooperation.

Accordingly, YFI Partners are expected to behave ethically and with integrity, and to comply with all applicable laws and regulations. Failure to do so will result in adverse consequences, including possible termination of your business relationship and cooperative relationship with YFI.

Complying with all applicable laws and regulations everywhere we operate is the principle and policy of YFI. If there is any conflict between the legal obligations required by any applicable law or regulation and this Code, the applicable laws and regulations shall prevail.

YFI expects all Partners to use professional, honest, and ethical judgment in fulfilling their responsibilities.

The duty of care you owe to YFI requires you to exercise your duties in good faith and in an honest manner in a professional and compliant way.

Your duty of loyalty to YFI requires you to avoid self-dealing(s) and conflicts of interest(s).

YFI observes a “zero tolerance” policy with respect to conduct involving fraud, corruption, deceit or dishonesty, human rights, and environmental violations and/or any behavior that could reflect or put into question the integrity of YFI or the Partners.

The Partner shall establish a competent body for Compliance/Business Ethics, as well as create a Code of Conduct or a policy on Business Ethics. YFI also expects the Partners to establish a due diligence process with appropriate measures to ensure that their suppliers and subcontractors in turn also comply with the standards set out in this Code. Such measures involve:

- a. Risk management: The Partner shall implement an appropriate and effective management system to detect and evaluate risks to human rights and environmental violations in its own area of business as well as with its direct suppliers. The Partner shall pass on sustainability requirements in accordance with this Code to its suppliers.
- b. Notification and remedy mechanisms: If the Partner becomes aware that requirements from this Code have been violated in its own area of business or on its supply chain, immediate and appropriate remedial actions shall be taken. In case of confirmed violations, the Partner shall inform YFI immediately of any violation of the obligation arising from this Code in its own area of business or in its supply chain, or of any procedure through using the reporting mechanism mentioned in section 8.5.

We expect that our Partners conduct your activities taking into account the social responsibilities toward your own employees and society, observing the 10 Principles of Social Responsibility and Sustainable Development of the UN Global Compact.

The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: make sure that they are not complicit in human rights abuses

Labor

Principle 3: businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: the elimination of all forms of forced and compulsory labor

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

It is vital that our Partners adhere to the U.N. Universal Declaration of Human Rights and the

International Labor Organization (ILO) Conventions ratified and entered into force in the respective countries where they operate. Our Partners shall therefore comply, as a minimum, with the following requirements:

- a. Establish a competent body for social sustainability and the monitoring of sustainability risks;
- b. Establish a policy on working conditions and human rights that contains, as a minimum, the following topics: prohibition of child labor; young employees; wages and benefits; working hours; prohibition of modern slavery; freedom of association and collective bargaining; non-discrimination and harassment; women's rights; diversity, equity, and inclusion; land, forest and water rights and forced eviction;
- c. Train employees on this policy.

Social responsibility towards employees and other affected parties is important for YFI. Partners shall therefore ensure that they do not commit and are not involved in any human rights violations and respect the rights and freedoms of all parties involved.

4.1. Prohibition of Forced Labor and Slavery

YFI does not tolerate any form of forced or compulsory labor. Our Partners shall ensure that there is no forced labor or any other form of modern slavery, which include labor or service required of a person under threat of punishment and for which he or she has not volunteered (e.g., human trafficking) and all forms of slavery or slavery-like practices, servitude or other forms of domination or oppression in the workplace environment (e.g., by withholding passports or wages or by extreme economic or sexual exploitation and humiliation).

4.2. Prohibition of Child Labor

YFI does not tolerate any form of child labor. Our Partners shall ensure that child labor is

prevented in their own business areas and at their own suppliers by:

- a. Prohibiting the worst forms of child labor, such as all forms of slavery or slavery-like practices, the bringing, procuring, or offering of a child for prostitution, pornography, or any illicit activities;
- b. Observing the minimum age for employment in accordance with the national law of the Partner or supplier location, whereby the age of employment may not be less than 15 years, however, if the location of the partner or supplier has stricter requirements, please comply with the stricter requirements;
- c. Protecting persons under the age of 18 years as they are minors (however, if the location of the partner or supplier has stricter requirements, please comply with the stricter requirements), and shall not perform work which, due to its nature or the circumstances under which it is performed, would endanger their safety, health, or morals.

4.3. Prohibition of Unfair and Unequal Treatment in Employment

YFI is committed to ethical recruiting methods. Our Partners shall hire employees lawfully, in line with the International Labor Standards, and in a fair and transparent manner that respects human rights. Examples of unethical recruitment include misleading or defrauding potential employees about the nature of the work, asking employees to pay recruitment fees, and/or confiscating, destroying, concealing, and/or denying access to employee passports and other government-issued identity documents. Employees must receive a written notification at the start of their recruitment in a language well understood by them, stating in a truthful, clear manner their rights and responsibilities.

YFI supports non-discrimination in the workplace. Our Partners shall ensure

- a. Equal treatment of an individual or group, regardless of their particular characteristics, including sex, race, color, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age, or sexual orientation;
- b. Equivalent pay and benefits for work of equal value not only regarding gender but also all other potential bases for discrimination; this does not, however, prohibit unequal payment due to different local living costs;
- c. That women's rights are protected and respect that women are entitled to political, economic, and social equality;
- d. To develop and promote inclusive cultures where diversity is valued, celebrated, and everyone can contribute fully and reach their full potential;
- e. Not to tolerate harassment, including sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of employees.

4.4. Right to Health and Safety in the Workplace

At YFI, the health and safety of employees, customers, facilities, and partners is of the utmost importance. YFI and its Partners shall create a safe and healthy working environment, continuously improving the occupational health and safety management system and performance and strive to prevent the occurrence of injuries and occupational diseases.

Our Partner shall ensure to follow all occupational health and safety obligations applicable under the law of the place of employment, **should achieve ISO45001 management system certification** and shall prevent any work-related health hazards, by:

- a. Manifestly insufficient safety standards in the provision and maintenance of the workplace and work equipment;
- b. The lack of appropriate protective measures to avoid exposure to chemical, physical or biological agents;
- c. The absence of measures to prevent excessive physical and mental fatigue, through inappropriate work organization in terms of working hours and rest breaks; or
- d. The inadequate training and instruction of employees.

4.5. Prohibition of the Use of Private or Public Security Forces

YFI does not tolerate any kind of harassment, abuse, or punishment with any form of violence at work. Our Partners shall comply with the ban on hiring or using private or public security forces to protect a business project if, due to a lack of instruction or control on the part of the company, the prohibition of torture and cruel, inhuman, or degrading treatment is disregarded during the deployment of security forces, if life and limb are injured or the freedom of association and freedom of organization are impaired.

4.6. Right to Adequate Remuneration

YFI is committed to appropriate compensation. Our Partners shall therefore ensure the payment of adequate wages as well as compliance with all applicable statutory labor regulations, especially regarding working hours, remuneration and social benefits. The wage shall be at least in accordance with the locally applicable minimum wage regulations and shall permit employees to secure their livelihoods, including their social and cultural participation. Working time for employees shall not exceed the maximum set by the applicable national law.

4.7. Freedom of Association and Right to Collective Bargaining

YFI respects freedom of association, which relates to the right to freedom of peaceful assembly and to freedom of association at all levels, as well as collective bargaining. Our Partners shall ensure to respect the freedom of association, in political, trade union and civic matters, which includes the right of everyone to form and join trade unions for the protection of their interests. Our Partners shall respect collective bargaining, as a process of negotiations between employers and a group of employees, aimed at reaching an agreement that regulates working conditions.

4.8. Rights of Local Communities

YFI respects the rights of local communities. Our Partners shall ensure the rights of minorities and indigenous peoples by respecting the rights of local communities to have decent living conditions, education, employment, social activities, and the right to Free, Prior, and informed Consent (FPIC) to developments that affect them and the lands on which they live, with consideration for the presence of vulnerable groups.

YFI supports land, forest, and water rights. Our Partner shall avoid forced eviction and the deprivation of land, forests and waters in the acquisition, development or other use of land, forests, and waters.

4.9. Animal Welfare

YFI wants to ensure that corporate activities consider animal welfare as well. Our Partners that process animal products shall implement standards and best-practice methods to comply with animal welfare along the entire supply chain. Our Partners shall follow the national and international rules regarding animal protection and animal testing.

YFI respects, protects, and cares about the environment and the communities where it

operates. YFI products, services and manufacturing reflect this commitment, which is beneficial to the environment and YFI.

As Partners of YFI, you must comply with all applicable government regulations of manufacturing and selling countries relating to the health and safety of employees, environmental protection, toxic and hazardous substances, and free trade. Also, you should achieve ISO14001 management system certification.

YFI and its Partners should develop sustainable products and processes, designed to minimize environmental impacts during their entire life cycle, including after their intended purpose and reduce any negative impact on the environment. Through continuous improvement, they should build a sustainable production system and supply chain to reduce carbon emissions and protect the environment. At the same time, YFI encourages innovation in environmental protection technology and management methods to continuously improve the environmental management system and performance and implement full life-cycle management to fulfill commitments to protecting the environment.

5.1. Decarbonization and Use of Renewable Energy

YFI is committed to improving energy efficiency by using renewable energy, reducing greenhouse gas emissions from its value chain, and continuously improving energy performance while producing and providing products and services to our customers. Our Partners shall likewise implement measures to reduce its direct and indirect CO₂ emissions, for example by using green electricity or secondary materials or biomaterials. This requirement is also part of the nomination process.

5.2. Protection of Natural Resources

YFI is committed to the conversion of natural ecosystems in supply chains. Our Partners shall implement policies and procedures to prevent causing harmful soil change, water pollution, harmful noise emissions or excessive water consumption that would significantly affect the natural basis for the preservation and production of food, deprive a person of access to safe drinking water, impede or destroys a person's access to sanitary facilities; or harm the health of a person.

5.3. Handling of Hazardous Materials and Waste

The use of hazardous materials, chemicals and substances can pose risks to those involved handling such materials. Our Partners shall adopt processes that secure the supply of parts and components and address the environment as well as health and safety concerns involved. Our Partners shall label these materials in accordance with the applicable laws and regulations and shall guarantee that they are handled, transported, and stored safely as well as reused, recycled, or disposed of properly.

The provisions of the following conventions are to be adhered to:

- a. Minamata Convention on the use of mercury;
- b. Stockholm Convention on persistent organic pollutants; and
- c. Basel Convention on the control of transboundary movements of hazardous wastes and their disposal.

5.4. Use of Conflict Minerals and Critical Raw Materials

YFI aims to only use raw materials whose extraction, production, transport, trade, processing, and export neither directly nor indirectly contribute to human rights abuses,

health, and safety issues, environmental pollution, or compliance breaches.

The Partner shall establish due diligence processes to identify, prevent, minimize, or eliminate risks to the environment and human rights for the following raw materials:

3TG (tin, tungsten, tantalum, gold), aluminum, chromium, graphite, cobalt, copper, leather, lithium, manganese, mica, natural rubber, nickel, platinum group metals, rare earth, steel/iron, zinc.

Regarding conflict minerals (3TG, cobalt, and mica) YFI expects the Partner to exclude smelters and refiners for these minerals that do not have an adequate and audited due diligence process. YFI requires the Partner to provide information about their supply chain for these minerals.

YFI is committed to fair competition and does not to use unethical methods to gain unfair business advantages. Partners providing any services to YFI shall make reasonable commercial efforts to implement YFI's business integrity standards.

6.1. Anti-Corruption

As a governing principle, YFI does not permit the giving or receiving of payments, gifts, or anything of value, of any kind, to or from anyone in return for any improper, illegal, or unfair business advantage.

YFI fully complies with the Anti-Unfair Competition Law of the People's Republic of China, the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, the German Law on Fighting Corruption, and all anti-corruption laws in the countries in which YFI operates which prohibit offering or paying bribes or anything of value to a government official. Partners shall also pay close attention to the applicable antitrust laws and anti-corruption laws, including but not limited to the above-mentioned laws and regulations.

Any Partner, employee, director, or stakeholder of the Partner shall also not offer, promise, give, or approve any payment to any employee, director, or stakeholder of YFI or those of any other enterprise or company in connection with the business of YFI. Partners should immediately report any request, extortion, solicitation, or acceptance of a bribe from or to any employee, director, or stakeholder of YFI through the reporting mechanisms set forth in Section 8.5 of this Code.

Any Partner involved in violations of anti-corruption laws, anti-bribery laws, or commercial bribery rules and regulations during acting for or on behalf of YFI will be subject to contractual remedies and, where appropriate, termination of the business relationship. YFI reserves the rights to terminate the business relationship with a Partner if YFI has reason to believe the Partner has engaged in official corruption or commercial bribery misconducts even if it does not directly involve YFI.

Duty to report: Any Partner who believes that a violation of corruption or commercial bribery rules has been committed, is being committed, or is being planned must report the matter immediately through the reporting mechanisms set forth in Section 8.5 in this Code.

6.2. Conflict of Interests

If a Director, Supervisor or Senior Manager of a Partner is an employee or its direct relative (i.e., spouse, parents, and children) or a previous or retired employee of YFI, Partners shall disclose the names and the potentially conflicting relationship to YFI as soon as the relationship is known to the Partner.

6.3. Trade Sanctions and Export Control

Partners shall abide by all laws and regulations related to international trade, including laws and regulations related to import and export, customs, embargo and sanctions, the U.S.-Mexico-Canada Agreement (USMCA) and other

related trade agreements that apply to YFI's business. In addition, Partners shall comply with the classification, valuation, country of origin, license issuance, preferential plans, and record maintenance requirements stipulated in the relevant laws of the countries where the partners operate.

6.4. Intellectual Property

Yanfeng respects intellectual property rights. Partners are expected to observe and prevent any violations of intellectual property rights of business partners and third parties, including the ban of counterfeit parts.

6.5. Data Protection and Privacy

Partners shall abide by the data protection laws applicable to the regions and countries in which YFI operates, including but not limited to the Personal Information Protection Law of the PRC and the General Data Protection Regulations of the EU.

Partners shall adopt the same level of protection and control measures as YFI requires for the management and protection of personal data.

Partners should obtain the personal information of YFI employees, customers, and business partners necessary for cooperation directly from YFI for legitimate purposes and limited to the amount necessary to fulfill these purposes. Partners shall protect such information in a safe manner and only use such information to the extent permitted by YFI and the individual.

Partners shall notify individuals or obtain their consent, if required by data protection laws, regarding the collection and processing of personal data to ensure their privacy rights.

Partner's collection, processing and application of personal data shall be limited to the scope necessary to achieve clearly defined and legitimate purposes.

6.6. Confidentiality

YFI's confidential information is one of its most valuable assets and must be used and protected correctly.

The Partners shall take proper protections of the confidential information of YFI, the detail actions shall include but not limited to keep such information secure, limit access, and avoid discussing or revealing such information in public places, etc.

These requirements extend even after the conclusion of a Partner's business relationship with YFI.

To ensure that YFI speaks with one voice and provides accurate information regarding its business, if a Partner receives an inquiry related to YFI from a journalist or media representatives, the Partner must direct all such inquiries to YFI's Communications department in the region.

Partners are not permitted to discuss matters involving YFI with any reporters or other media representatives without the express written consent of YFI Communications.

YFI partners are not allowed to disclose proprietary information about the company and their relationship with the company on social media or in press releases without approval from YFI Communications.

This Code is based on YFI's core values and YFI code of conduct, its commitment to best business practices, and applicable laws and regulations.

Accordingly, it is the responsibility of every YFI Partner to adopt and foster a culture of integrity and compliance, grounded on the notions of self-policing and self-reporting.

8.1. Compliance

Partners are expected to become familiar with, understand, and comply with the requirements of this Code and all relevant policies of YFI.

All Partners are obliged to make contractual arrangements to also ensure all of their Partners comply with the standards and rules set out in this Code.

8.2. Internal Audits and Investigations

On an ad hoc basis, YFI requires its Partners and their suppliers to collaborate in assessing relevant high-risk supply chains, to the origin if needed. Upon request, the Partner shall fully and truthfully answer questions about the compliance with its obligations under this Code, including all actions, violations, and grievances. The Partner shall also provide all relevant documentation and nominate contacts for inquiries.

To review our Partner's compliance with this Code, YFI uses standardized self-assessment questionnaires as well as third party audits in accordance with the audit program of the Responsible Business Alliance (RBA) and the Responsible Supply Chain Initiative (RSCI). The Partner shall cooperate to the best of its abilities in responding to self-assessment questionnaires and with audits. In the event of substantiated knowledge of any violations of this Code, YFI may also carry out risk analysis along the Partner's entire supply chain.

When an alleged violation of this Code is reported, YFI will, at its own discretion, take prompt and appropriate action in accordance with the law and otherwise consistent with best business practices. Partners are expected to cooperate fully with YFI representatives, both internal and external, who are conducting an internal investigation, audit, inquiry, or other review.

8.3. Disciplinary Action

Partners must ensure that this Code is enforced through appropriate disciplinary measures. Any Partner violating this Code, any other YFI policy, or applicable laws shall be subject to discipline,

up to and including suspension or termination of a supply relationship.

If the supplier or other related parties have the following situations, YFI shall record the supplier's violation of laws, regulations, and internal rules and regulations, and include the supplier or other related parties in the controlled list:

- (1) Bribing or providing other improper benefits to relevant personnel;
- (2) Malicious collusion with other suppliers;
- (3) Not cooperating with relevant departments' supervision and inspection or providing false information;
- (4) Fabricating facts, providing false materials, or obtaining proof materials through illegal means to file complaints or reports;
- (5) Other situations that need to be included in the controlled list.

YFI may refer for criminal prosecution any Partner or former Partner who has violated applicable laws and regulations.

YFI may institute a civil action in response to such violations to, among other things, enforce its legal and equitable rights, and to obtain restitution, contribution, and/or damages.

8.4. Non-Retaliation

Partners may not retaliate, directly or indirectly, or encourage others to do so, against any other Partner or YFI employee who reports a violation of this Code.

If Partners believe that retaliation has occurred, you should immediately report the conduct consistent with the mechanisms set forth in Section 8.5 of this Code. YFI will not permit retaliation of any kind against good faith related to violations to this Code or other illegal or unethical conduct.

8.5. Reporting Mechanisms

The Partners have a duty to report all suspected or actual violations of the Code, or of any applicable laws and regulations: Partners must make all such disclosures to YFI.

If Partners wish to report any such matter anonymously, you could visit the below webpages to make the reports:

In China:

<https://chinahelpline.yanfeng.com/#/>

Other nations:

<https://yanfeng.ethicspoint.com>

8.6. Revisions to the Code

YFI may revise or supplement this Code at any time. YFI will promptly distribute any such modifications, and at that time, Partners will be required to sign a new Acknowledgement to reaffirm that they will adhere to the latest version of the Code.

The Partner has a continuing obligation to familiarize themselves with revisions and to ensure that compliance with all laws and with this Code.

ACKNOWLEDGEMENT OF RECEIPT OF PARTNER CODE OF CONDUCT

The undersigned hereby acknowledges receipt of the YFI Partner Code of Conduct (the “**Code**”) that applies to service providers, distributors, suppliers of goods, consultants, independent contractors and any other partners (“**Partners**”) of Yanfeng International Automotive Technology Co., Ltd. and its affiliates (collectively “YFI”).

The undersigned understands that compliance with this YFI Code and all relevant policies of YFI is a condition of my continued service to YFI.

THE UNDERSIGNED HAS READ AND UNDERSTANDS THE TERMS OF THE ABOVE AND BY THE SIGNATURE BELOW AGREES TO COMPLY WITH SUCH TERMS. THE UNDERSIGNED CERTIFIES THAT THE UNDERSIGNED HAS ALL NECESSARY AUTHORITY TO SIGN THIS ACKNOWLEDGEMENT ON BEHALF OF THE COMPANY.

X

For and on behalf of

X

Company Seal

X

Name

X

Titel

X

Signature

X

Date