HUAYOU

CODE OF CONDUCT

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浙江华友钴业股份有限公司
ZHEJIANG HUAYOU COBALT COMPANY LIMITED

Chairman's Message

When reflecting on Huayou's journey, from humble beginnings to a thriving, dynamic force, I often ask myself: What has enabled us to navigate through challenges? What has made us stand out in the fiercely competitive global market? And what is it that binds us together and forms a truly united community?

Of course, it is rooted in the original vision that guided us from the start and the values we continue to uphold every day.

Huayou's Code of Conduct is not simply a collection of policies; it is a reflection of Huayou's spirit. It represents the culmination of our shared wisdom and core principles. It is both a "letter" and a "promise" to every member of Huayou.

The Code of Conduct is the cornerstone of our "Integrity-based Business." Starting a business is never easy, but only trust can establish a solid foundation. From our first order to our global outreach, every promise we make to our customers, partners, and society is treated with the utmost seriousness. The Code of Conduct turns the abstract value of "integrity" into concrete actions that we can follow in our daily work. It requires every member of Huayou to uphold business ethics, act with transparency, and always operate with integrity, regardless of time or place.

The Code of Conduct is the compass that guides our "Innovation for the Future." We are part of an industry that is constantly changing, and innovation is at the core of our existence. Yet, for innovation to be truly transformative, it must be carried out in the right direction. The Code of Conduct draws clear boundaries for us, ensuring that every technological breakthrough and business innovation is pursued responsibly and in full compliance, always aligned with the noble goal of sustainable development.

The Code of Conduct embodies our commitment to "Responsibility on Our Shoulders." Huayou's vision has always extended beyond business success. We carry the responsibility of driving the green energy transition and creating a better world. The Code of Conduct turns that grand social responsibility into the everyday responsibility of every team member. It is connected to a clean future and concerns environmental footprint and social harmony.

Everyone, the rules on paper may seem cold and impersonal, but it is the integrity and honesty of each Huayou member that brings them to life. I sincerely hope that you will not simply file the Code of Conduct away, but carry it in your hearts and apply it in your actions. When we face with difficult decisions, the Code of Conduct will offer us clear guidance; and when we are tempted, it will provide us with the courage to uphold our principles.

Let us take an oath together: to be not only followers of the Code of Conduct, but also the inheritors of Huayou's values.

I believe that when every member of Huayou sets this example and leads by it, we will earn the deepest trust and respect from global stakeholders.



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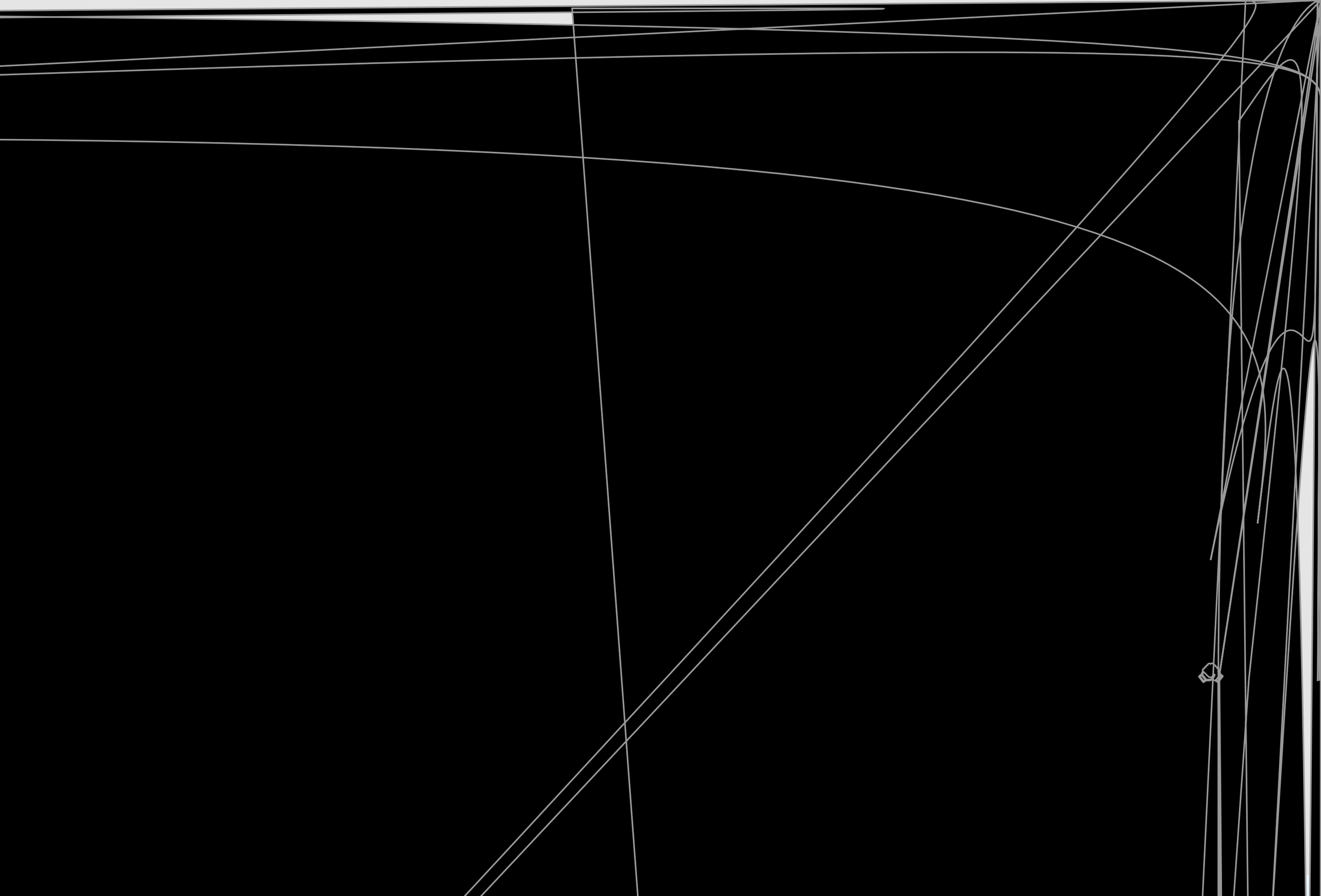
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02

Product Compliance

The Company Principle

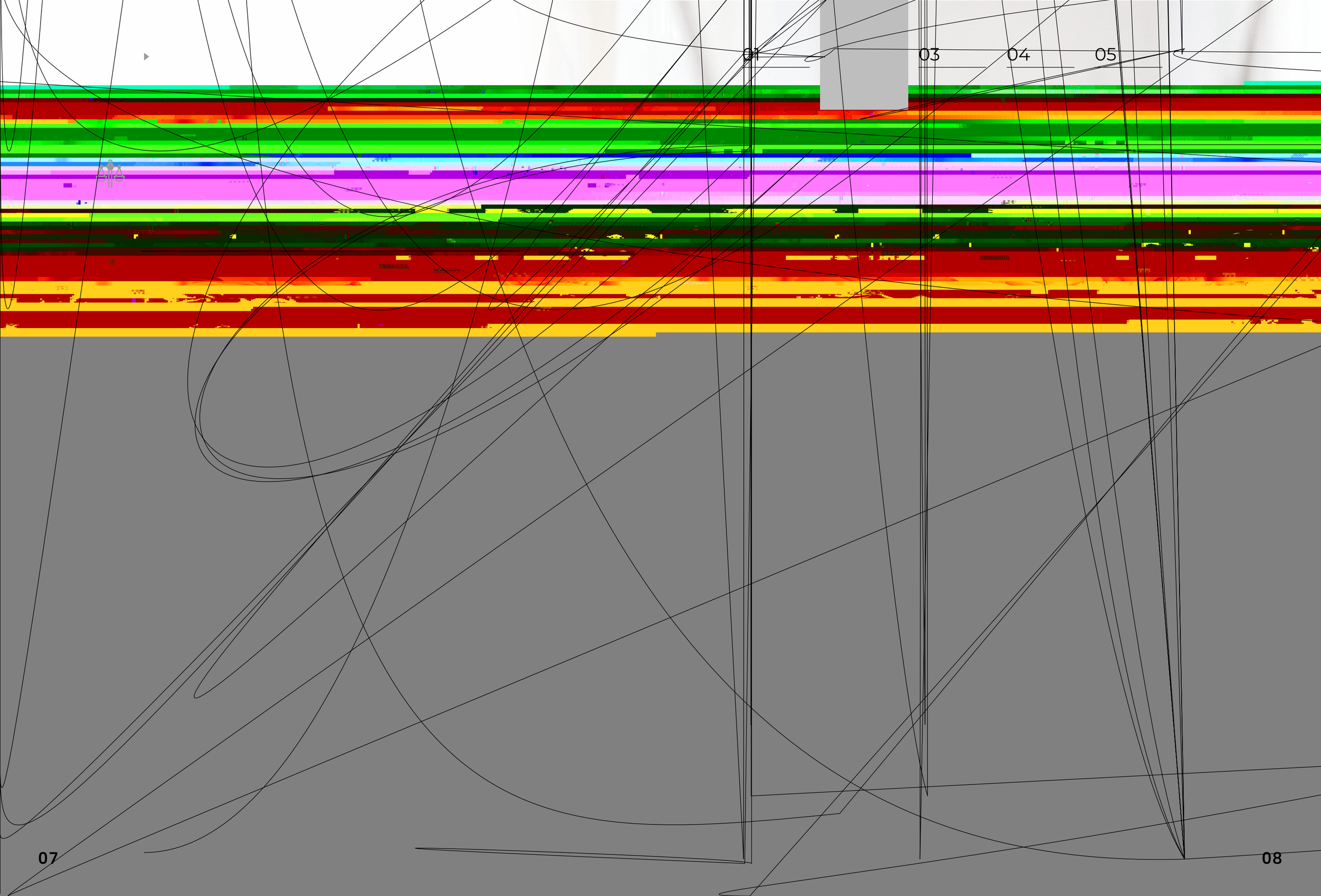
Guided by our mission of "Creating Value for Customers, Leading Industry Development," and adhering to the business philosophy of "Being Customer-Centric and Creating Value for Customers", we are always committed to winning the market with high-quality products. We strictly comply with applicable laws and regulations related to product quality and safety, ensuring that our products meet mandatory standards, industry norms, and contractual requirements. We encourage technological innovation and process improvement, continuously optimizing our products to create value for customers and society.

Employees should:

- Proactively keep an eye on and track regulations of China and other countries on product quality and safety, ensuring all product certifications are complete and up-to-date;
- Strictly control the quality of purchased raw materials to ensure compliance with applicable standards and the Company's quality requirements;
- During production, rigorously adhere to all process requirements and specifications, ensuring stable and controllable product quality;
- Promptly initiate investigations on and take appropriate measures to address any complaints or feedback regarding product quality or safety.

Example:

Scenario:	Response:
While working in a workshop, you notice excessive impurities in the raw materials during feeding process, which may not meet standards. What should you do?	You should immediately stop the current feeding operation, isolate the suspicious raw materials, label them with "Pending Inspection", take photos of the appearance of the raw materials (including the batch label), document the issue, and report it to your direct supervisor without delay.



Trade Compliance

The Company Principle

As a globally operating enterprise, we strictly comply with relevant laws and regulations on export control and economic sanctions in applicable countries/regions. The relevant laws and regulations on export control and economic sanctions govern the export, re-export, deemed export activities of specific items (including products, services, technologies, software, etc.), as well as business activities involving specific targets, specific uses or regions.

Employees should:

- Understand and comply with the applicable laws and regulations on export control and economic sanctions (including counter-measures), as well as internal policies and business operation procedures;
- Ensure that relevant activities do not involve sanctioned regions, restricted parties, or restricted uses;
- Confirm the status of the items obtained and intended for export under the applicable export control laws and regulations, and obtain the relevant permits if required by the law.

Example:

Scenario:

You are a sales manager in the Company. One client makes an order with large amount but is unwilling to provide information about the final use of the products. What should you do?

Response:

You should immediately conduct an investigation. Only after resolving all doubts can you proceed with the transaction. If you are unable to independently complete the investigation regarding the "red flags", you can contact the legal department for assistance.

Anti-corruption and Anti-bribery

The Company Principle

Corrupt and bribery practie

Employees should:

Example:

Scenario:

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assistance in handling
situation, please contact
department in charge of a
and supervision.

Gifts and Entertainment

The Company Principle

We strictly prohibit any act of using gifts or entertainment to influence the independence of business decisions. Any gifts or entertainment provided or accepted should be reasonable, appropriate, and for legitimate business purposes, and should not affect or appear to affect the business decisions of those who have business dealings with the Company or the Employees themselves. All gifts or entertainment intended to be provided or accepted must comply with proper business n Employee, = ‘

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Employees should:

Example:

Scenario:

You are presented a box of imported chocolate worth RMB2,000 by a partner at the project acceptance site. What should you do?

Response:

You should firmly decline and inform the person who presents the chocolate of the Company's policy. If you can't decline, you must clearly tell the partner that the gift needs to be handed over in accordance with our corporate regulations, in a polite yet firm manner. You should initiate the approval process for handing over the gift within the specified time limit, fill in the information on the gift, upload a photo of the unopened gift, and submit it for approval to your immediate supervisor and the administrative reception department. After the approval is granted, you should check the gift with the warehouse keeper and sign for confirmation together to ensure that the whole process is documented.



Financial and Tax Compliance

The Company Principle

We strictly comply with the applicable tax and financial laws and regulations of the countries or regions. In accordance with relevant financial accounting laws, regulations, and accounting standards, we prepare financial reports and conduct regular internal and external audits to ensure the accuracy and compliance of financial reporting. We fulfill our tax obligations in good faith in accordance with the law, including tax filing, tax payment, and withholding and remittance duties. We maintain accounting records properly to ensure their authenticity, completeness, availability, and security. We actively cooperate with tax and financial regulatory authorities during inspections and assist them in their supervisory work.

Employees should:

- Refrain from any form of financial fraud, tax evasion, or other misconduct, and ensure the authenticity and accuracy of financial data;
- Strictly follow established procedures of the Company for external payments, financial advances, and reimbursements;
- Strictly comply with invoice management and usage regulations, and obtain and issue invoices in accordance with the law;
- Not engage in fraudulent reimbursements to embezzle the Company's funds, including but not limited to fabricating expenses, submitting false claims, purchasing or issuing false invoices or other falsified documents, or other misconduct;
- Properly maintain accounting records and relevant business documents.

Example:

Scenario:

You are a finance staff. When reviewing sales invoices, you find errors in information such as the purchaser's name and tax ID number. What should you do?

Response:

You should verify the nature of the problem and communicate with the sales department in a timely manner to determine whether the error is due to incorrect information provided by the client or an internal operational mistake. For the incorrectly issued invoices, they should be voided or red-letter invoices should be issued in a timely manner, while compliant invoices should be re-issued. Regarding invoices that do not meet tax regulations, finance staff should avoid using them for revenue recognition or tax filing to prevent potential tax risks.

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04 Company Assets Protection
05 Sustainable Development
06 Support Measures

Authentic and Accurate Records

The Company Principle

Authentic and accurate records are the foundation of the Company's compliant operations, as well as the key to maintaining the Company's reputation, safeguarding shareholders' interests and meeting legal and regulatory requirements. The Company's records include, but are not limited to, accounting and financial data, payrolls, attendance records, purchase orders and client orders, meeting minutes, emails, performance records, electronic data files and all other records maintained in the normal course of business. We should ensure that the Company's records are complete, accurate and reliable in all material respects. In particular, we should ensure that financial records fully and accurately reflect the assets, liabilities, revenues, and expenses of the Company to truthfully represent its business activities.

Employees should:

- Truthfully, accurately and fully report or reflect actual business activities, refrain from fabricating, tampering with or concealing any information, and maintain records in a timely manner within a reasonable time period to ensure the timeliness of information;
- Keep records in accordance with applicable accounting standards and the Company's financial policies to ensure clear and accurate accounts;
- Record business activities, contracts, agreements, customer information, etc. truthfully to ensure that all business decisions and operations are well-documented;
- Ensure that the financial reports, performance announcements and other information disclosed or published externally are true, accurate, complete and compliant in accordance with applicable laws, regulations and the Company's policies;
- Properly keep electronic data, emails, system logs, etc. to ensure their authenticity and traceability and prevent tampering or loss of data;
- Ensure the security and confidentiality of the Company's records, which shall be accessible only to authorized personnel.

Example:

Scenario:

The Company's financial statements are inaccurate due to errors in the financial data recorded by you, despite the fact that you are not responsible for preparing the Company's financial statements. What should you do?

Response:

03

03

Protection of Employees'Rights and Interests

Scenario:

You are a member of the supplier management department. During the audit of an outsourced cleaning service provider, you find that some of the cleaners in this company are significantly younger, and their wage is clearly lower than the local minimum wage standard. However, a colleague suggests that you consider such service provider first given its low price. What should you do?

Response:

You should propose to suspend the cooperation and explain that collaborating with such a supplier may violate the Company's policy of "zero tolerance for employment of child labor." At the same time, you could require the outsourced service provider to submit legal and compliant employment certificates to implement the Company's policy of labor and employment compliance.

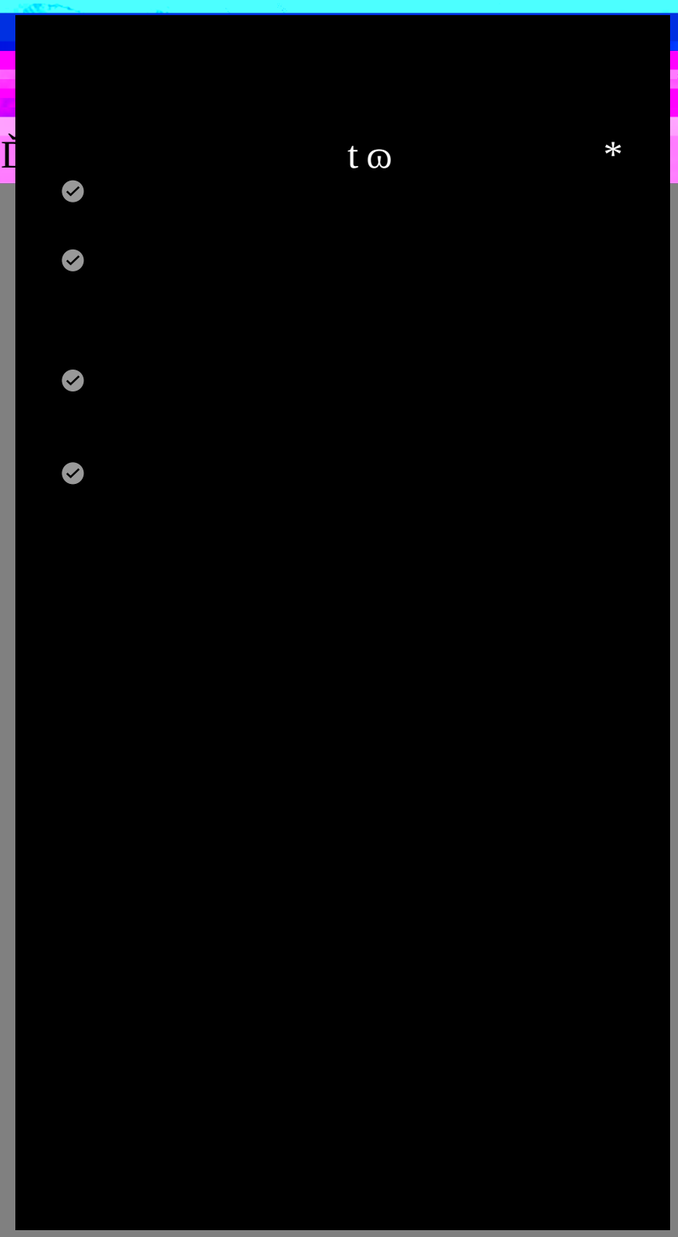


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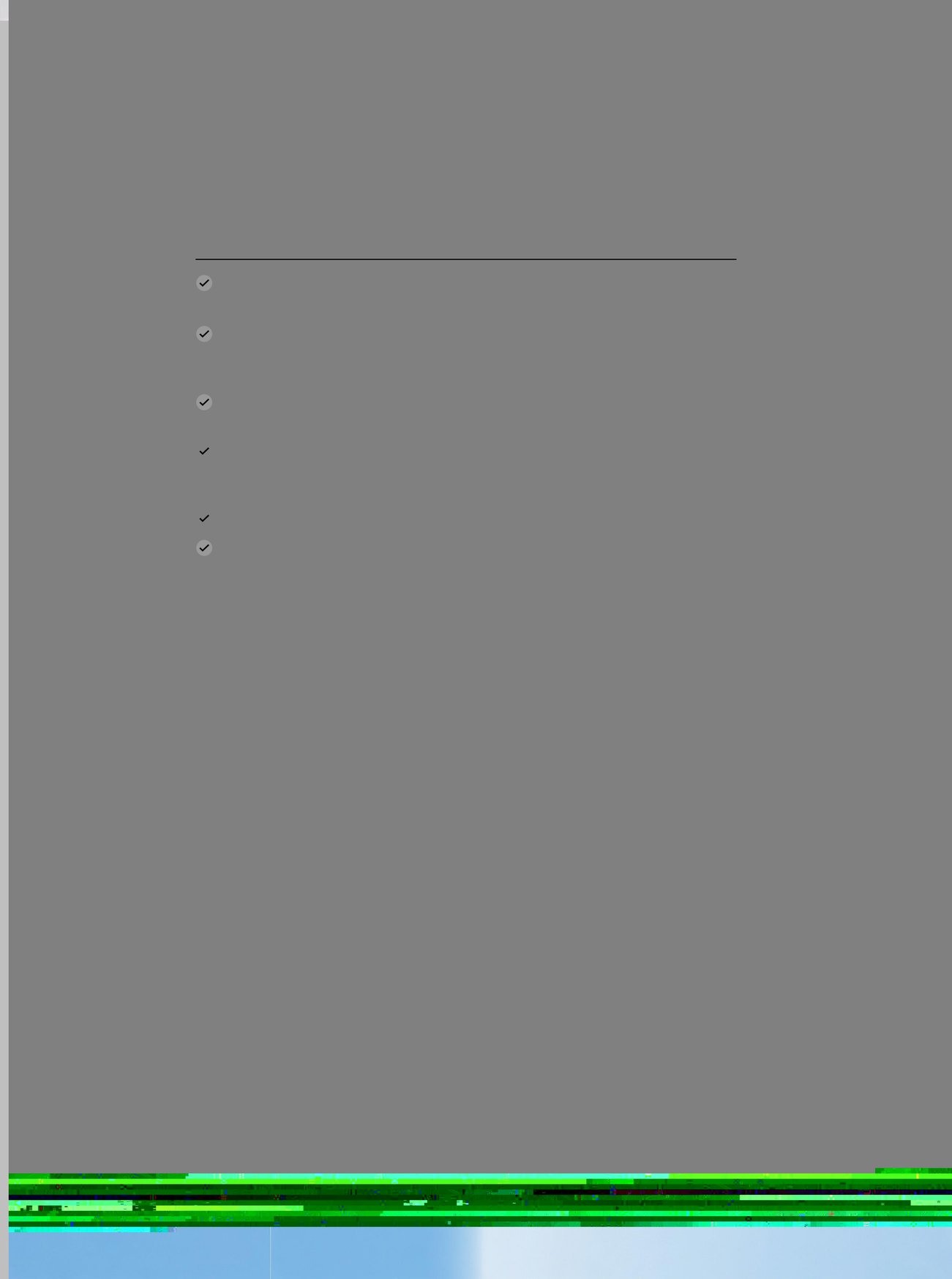
Responsible Sourcing

The Company Principle

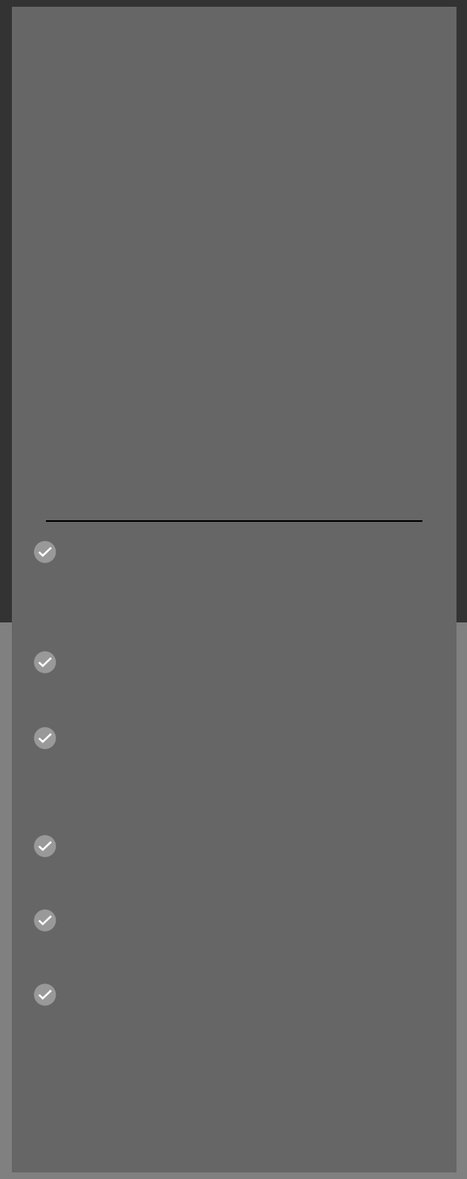
We adhere to the principle of conducting business with legally compliant suppliers, and strive to enhance and prsible











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06

Support Measures

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Protection of Intellectual Property and Trade Secrets

The Company Principle

Intellectual property is our core strategic asset and an important guarantee for realizing the goal of making Huayou a technology-driven enterprise. We are committed to strictly complying with international conventions and applicable laws, regulations and industry norms in our global business operations. We respect and protect the intellectual property rights of all stakeholders, including our employees, partners and third parties. We advocate an innovative culture and promote technological progress in the industry through independent innovation and win-win cooperation. Meanwhile, we strictly guard against various risks of intellectual property infringement and maintain a fair and competitive market order.

Employees should:

- Access only the necessary confidential information for performing duties, and refrain from accessing, copying, storing or disseminating unauthorized content without approval;
- Mark with confidential labels such as “Confidential” “Internal”, etc. for documents involving sensitive information, and properly manage such documents in line with relevant information security management rules of the Company;
- Upon leaving the Company, return all Company's assets such as documents, accounts and passwords, etc., sign a confidentiality commitment if required, and continue to observe confidentiality obligations;
- Not talk about or disclose the unpublished technical information, strategic plans or business data in unauthorized situations (such as public meetings, social media, etc.).

Example:Examply Princ_

Scenario:

During a technical discussion with an external partner, the partner requests the detailed derivation formula of a certain process parameter. Does this fall within the scope of what can be shared? If refusing might affect the trust in the cooperation, what should you do?

Response:

Adhere to the "minimum necessary principle" and only provide the non-core technical parameters that have been approved for public disclosure. Detailed technical details such as derivation formulas shall not be disclosed without compliance review;

Suggest that the partner sign a Non-Disclosure Agreement (NDA), and determine the scope of disclosure after evaluation through the Company's official channels, if the cooperation genuinely requires it;

Give a unified external response: "Thank you for your interest in our technological innovation. The specific technical details involve the Company's internal intellectual property rights. We need to conduct an internal evaluation before deciding whether we can provide them."

















