

**“Foster Group Supplier
Sustainability Code of
Conduct”**
(Foster Sustainability Procurement
Guidelines)

Foster Electric Company Limited
Production Div. Procurement Dept

Introduction

Since the founding of the Foster Group (hereafter referred to as the Company), we have upheld "Sincerity" as our corporate motto.

"Sincerity," as the word suggests, means to treat all stakeholders surrounding our company with sincerity. Although the expression is different, we have placed the "idea of sustainability" at the core of our management from the time of our founding, and have continued our corporate activities to this day.

In order to make further progress in the new era, we believe that it is most important to act based on the "sustainability philosophy" of "sincerity" that we have maintained since our founding.

Therefore, we strive to do business with suppliers who not only excel in quality, technology, and delivery, but also pay attention to sustainability, such as human rights, occupational safety, and environmental considerations.

We are working to build a sustainable supply chain with the cooperation of our suppliers.

Based on this philosophy, we have established the "Material Procurement Basic Policy" and the "Foster Group Supplier Sustainability Code of Conduct", and have signed a basic transaction contract with your approval.

We ask our business partners to understand the purpose of this basic policy and code of conduct, and to request that their own business partners also understand and take similar measures.

Basic Principles of Procurement

We will deal with all of our suppliers in good faith.

1. Compliance with laws and ordinances

We will comply with the laws, ordinances and regulations in the countries and regions where we conduct business activities, and will conduct purchasing duties in accordance with social ethics. We will not accept any gifts or entertainment that violates laws or social ethics.

2. Fairness and impartiality

We will keep our doors open and provide equal opportunities to all businesses, and will evaluate and select suppliers with impartiality based on reasonable criteria.

3. Sustainable procurement

We will comply with international norms, social norms, and corporate ethics, and work with our business partners to promote socially responsible procurement activities.

4. Partnerships

We will endeavor to deepen mutual understanding with our suppliers and build bonds of trust with them.

5. confidentiality

We will strictly manage confidential information that comes into our knowledge in doing business.

“Foster Group Supplier Sustainability Code of Conduct”

A. LABOR and HUMAN RIGHTS

- 1) Prohibition of Forced Labor
- 2) Young Workers
- 3) Working Hours
- 4) Wages and Benefits
- 5) Non-Discrimination/Non-Harassment/Humane Treatment
- 6) Freedom of Association and Collective Bargaining
- 7) Rights of Minorities and Indigenous Peoples
- 8) Land Rights and Forced Eviction
- 9) Private or Public Security Forces

B. HEALTH and SAFETY

- 1) Occupational Health and Safety
- 2) Emergency Preparedness
- 3) Occupational Injury and Illness
- 4) Industrial Hygiene
- 5) Physically Demanding Work
- 6) Machine Safeguarding
- 7) Sanitation, Food, and Housing
- 8) Health and Safety Communication

C. ENVIRONMENT

- 1) Environmental Permits and Reporting
- 2) Pollution Prevention and Resource Conservation
- 3) Hazardous Substances
- 4) Solid Waste
- 5) Air Emissions
- 6) Materials Restrictions
- 7) Water Management
- 8) Energy Consumption and Greenhouse Gas Emissions
- 9) Animal Welfare
- 10) Biodiversity, Land Use and Deforestation
- 11) Soil Quality
- 12) Noise Emissions

D. ETHICS

- 1) Business Integrity
- 2) No Improper Advantage
- 3) Disclosure of Information
- 4) Intellectual Property
- 5) Fair Business, Advertising and Competition
- 6) Protection of Identity and Non-Retaliation
- 7) Responsible Sourcing of Minerals
- 8) Privacy
- 9) Export Controls and Trade
- 10) Counterfeit Parts

E. MANAGEMENTSYSTEMS

- 1) Company Commitment
- 2) Management Accountability and Responsibility
- 3) Legal and Customer Requirements
- 4) Risk Assessment and Risk Management
- 5) Improvement Objectives
- 6) Training
- 7) Communication
- 8) Worker/Stakeholder Engagement and Access to Remedy
- 9) Audits and Assessments
- 10) Corrective Action Process
- 11) Documentation and Records
- 12) Upstream Supplier Responsibility

“Foster Group Supplier Sustainability Code of Conduct”

A. LABOR and HUMAN RIGHTS

Suppliers are committed to uphold the human rights of workers, and to treat them with dignity and respect as understood by the international community. This applies to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker. Suppliers shall also strive to protect the human rights of external stakeholders.

The labor and human rights standards are:

1) Prohibition of Forced Labor

Forced labor in any form, including but not limited to, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons is not permitted. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company- provided facilities including, if applicable, workers' dormitories or living quarters. As part of the hiring process, all workers must be provided with a written employment agreement in their native language, or in a language the worker can understand, that contains a description of terms and conditions of employment. Foreign migrant workers must receive the employment agreement prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms. All work shall be voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given, which shall be clearly stated in workers' contracts. Suppliers shall maintain documentation on all leaving workers. Employers, agents, and sub-agents' may not hold or otherwise destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports, or work permits.

Notwithstanding the foregoing, employers can only hold documentation if necessary to comply with the local law. In this case, at no time shall workers be denied access to their documents. Workers shall not be required to pay employers' agents or sub-agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

2) Young Workers

Child labor shall not be used in any stage of manufacturing. The term “child” refers to any

person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime. Suppliers shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable laws and regulations. Suppliers shall implement an appropriate mechanism to verify the age of workers. The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported. Suppliers shall provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns, and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks. If child labor is identified, assistance/remediation shall be provided.

3) Working Hours

Working hours shall not exceed the maximum set by local law. Further, a workweek shall not be more than 60 hours per week, including overtime, except in emergency or unusual situations. All overtime shall be voluntary. Workers shall be allowed at least one day off every seven days.

4) Wages and Benefits

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. All workers shall receive equal pay for equal work and qualification. Workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch and outsourced labor shall be within the limits of the local law.

5) Non-Discrimination/Non-Harassment/Humane Treatment

Suppliers shall commit to a workplace free of harassment and unlawful discrimination. There shall be no harsh or inhumane treatment including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers; nor is there to be the threat of any such treatment. Companies shall not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity or expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers. Workers shall be provided with reasonable accommodation for religious practices and disability. In addition,

workers or potential workers should not be subjected to medical tests, including pregnancy or virginity tests, or physical exams that could be used in a discriminatory way. This was drafted in consideration of ILO Discrimination (Employment and Occupation) Convention (No.111).

6) Freedom of Association and Collective Bargaining

Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment. In alignment with these principles, suppliers shall respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively, and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Where the right of freedom of association and collective bargaining is restricted by applicable laws and regulations, workers shall be allowed to elect and join alternate lawful forms of worker representations.

7) Rights of Minorities and Indigenous Peoples

Suppliers shall respect the rights of local communities to 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 particular consideration for the presence of vulnerable groups.

8) Land Rights and Forced Eviction

Suppliers shall avoid forced eviction and the deprivation of land, forests and waters in the acquisition, development or other use of land, forests and waters.

9) Private or Public Security Forces

Suppliers shall ensure that when private or public security forces are commissioned or used to protect business projects, they are adequately trained and managed to ensure that they do not lead to human rights violations.

B. HEALTH AND SAFETY

Suppliers recognize that in addition to minimizing the incidence of work-related injuries and illnesses, a safe and healthy working environment enhances the quality of products and services, consistency of production and worker retention and morale. Suppliers also recognize that ongoing worker input and education are essential to identifying and solving health and safety issues in the workplace. These also apply to suppliers' contractors.

The health and safety standards are as follows:

1) Occupational Health and Safety

Worker potential for exposure to health and safety hazards (chemical, electrical and other energy sources, fire, vehicles, and fall hazards, etc.) shall be identified and assessed, mitigated using the Hierarchy of Controls. Where hazards cannot be adequately controlled by these means, workers shall be provided with appropriate, well-maintained, personal protective equipment, and educational materials about risks to them associated with these hazards. Gender-responsive measures shall be taken, such as not having pregnant women and nursing mothers in working conditions, which could be hazardous to them or their child and to provide reasonable accommodations for nursing mothers.

2) Emergency Preparedness

Potential emergency situations and events shall be identified and assessed, and their impact minimized by implementing emergency plans and response procedures including emergency reporting, employee notification and evacuation procedures, worker training, and drills. Emergency drills shall be executed at least annually or as required by local law, whichever is more stringent. Emergency plans shall also include appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, contact information for emergency responders, and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment, and property.

3) Occupational Injury and Illness

Procedures and systems shall be in place to prevent, manage, track and report occupational injuries and illnesses, including provisions to encourage worker reporting, classify and record injury and illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes, and facilitate the return of workers to work. Suppliers shall allow workers to remove themselves from imminent harm, and not return until the situation is mitigated, without fear of retaliation.

4) Industrial Hygiene

Worker exposure to chemical, biological, and physical agents shall be identified, evaluated, and controlled according to the Hierarchy of Controls. When hazards cannot be adequately controlled, workers shall be provided with and use appropriate, well-maintained, personal protective equipment free of charge. Suppliers shall provide workers with safe and healthy

working environments, which shall be maintained through ongoing, systematic monitoring of workers' health and working environments. Suppliers shall provide occupational health monitoring to routinely evaluate if workers' health is being harmed from occupational exposures. Protective occupational health programs shall be ongoing and include educational materials about the risks associated with exposure to workplace hazards.

5) Physically Demanding Work

Worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing, and highly repetitive or forceful assembly tasks shall be identified, evaluated, and controlled.

6) Machine Safeguarding

Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks, and barriers shall be provided and properly maintained where machinery presents an injury hazard to workers.

7) Sanitation, Food, and Housing

Workers shall be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by the Participant or a labor agent shall be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting, and adequate conditioned ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.

8) Health and Safety Communication

Suppliers shall provide workers with appropriate workplace health and safety information and training in the language of the worker or in a language the worker can understand for all identified workplace hazards that workers are exposed to, including but not limited to mechanical, electrical, chemical, fire, and physical hazards. Health and safety related information shall be clearly posted in the facility or placed in a location identifiable and accessible by workers. Health information and training shall include content on specific risks to relevant demographics, such as gender and age, if applicable. Training shall be provided to all workers prior to the beginning of work and regularly thereafter. Workers shall be encouraged to raise any health and safety concerns without retaliation.

C. ENVIRONMENT

Across all business functions, suppliers recognize that environmental responsibility is integral to producing world-class products. Suppliers shall identify the environmental impacts and minimize adverse effects on the community, environment, and natural resources, while safeguarding the health and safety of the public.

The environmental standards are as follows:

1) Environmental Permits and Reporting

All required environmental permits (e.g. discharge monitoring), approvals, and registrations shall be obtained, maintained, and kept current and their operational and reporting requirements shall be followed.

2) Pollution Prevention and Resource Conservation

Emissions and discharges of pollutants and generation of waste shall be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance, and facility processes; or by other means. The use of natural resources, including water, fossil fuels, minerals, and virgin forest products, shall be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling, or other means.

3) Hazardous Substances

Chemicals, waste, and other materials posing a hazard to humans or the environment shall be identified, labeled, and managed to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal. Hazardous waste data shall be tracked and documented.

4) Solid Waste

Suppliers shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous). Waste data shall be tracked and documented.

5) Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting substances, and combustion byproducts generated from operations shall be characterized, routinely monitored, controlled, and treated as required prior to discharge. Ozone- depleting substances shall be effectively managed in accordance with the Montreal Protocol and applicable regulations. Suppliers shall conduct routine monitoring of the performance of its air emission control systems.

6) Materials Restrictions

Suppliers shall adhere to all applicable laws, regulations, and customer requirements regarding the prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.

7) Water Management

Suppliers shall implement a water management program that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination. All wastewater shall be characterized, monitored, controlled, and treated as required prior to discharge or disposal. Suppliers shall conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.

8) Energy Consumption and Greenhouse Gas Emissions

Suppliers shall establish and report against an absolute corporate-wide greenhouse gas reduction goal. Energy consumption and all Scopes 1, 2, and significant categories of Scope 3 greenhouse gas emissions shall be tracked, documented, and publicly reported. Suppliers shall look for methods to improve energy efficiency and promote the use of renewable energy sources, to minimize their energy consumption and greenhouse gas emissions.

9) Animal Welfare

Suppliers shall respect the five freedoms¹ of animals formalized by the World Organization for Animal Health (OIE) concerning animal welfare. No animals shall be raised or killed for the single purpose of being used in products (e.g. auto parts).

10) Biodiversity, Land Use and Deforestation

Suppliers shall protect ecosystems, especially key biodiversity areas, impacted by their operations, and must strive to protect forests in accordance with international biodiversity regulations, including the IUCN Resolutions and Recommendations on Biodiversity.²

11) Soil Quality

Where appropriate, suppliers shall monitor and control their impact on soil quality to prevent soil erosion, nutrient degradation, subsidence and contamination.

12) Noise Emissions

Where appropriate, suppliers shall monitor and control the levels of industrial noise to avoid noise pollution.

¹ Five freedoms: <https://www.woah.org/en/what-we-do/animal-health-and-welfare/animal-welfare/>

² IUCN URL: <https://www.iucn.org/>

D. ETHICS

To meet social responsibilities and to achieve success in the marketplace, Suppliers and their agents shall uphold the highest standards of ethics including the following:

1) Business Integrity

The highest standards of integrity shall be upheld in all business interactions. Suppliers shall have a zero-tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement.

2) No Improper Advantage

Bribes or other means of obtaining undue or improper advantage shall not be promised, offered, authorized, given, or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. Monitoring, record keeping, and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws. Directors and Staffs make efforts not to be involved in activity that may cause conflict of interest with the company.

3) Disclosure of Information

All business dealings shall be transparently performed and accurately reflected on the Participant's business books and records. Information regarding participant's labor, health and safety, environmental practices, business activities, structure, financial situation, and performance shall be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

4) Intellectual Property

Intellectual property rights shall be respected. Transfer of technology and know-how is to be done in a manner that protects intellectual property rights, and customer and supplier information shall be safeguarded.

5) Fair Business, Advertising and Competition

Standards of fair business, advertising, and competition shall be upheld.

6) Protection of Identity and Non-Retaliation

Programs that ensure the confidentiality, anonymity, and protection of supplier and employee whistleblowers³ shall be maintained, unless prohibited by law. Suppliers shall have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

³ Whistleblower definition: Any person who makes a disclosure about improper conduct by an employee or officer of a company, or by a public official or official body.

7) Responsible Sourcing of Minerals

Suppliers shall adopt a policy and exercise due diligence on the source and chain of custody of the tantalum, tin, tungsten, gold, and cobalt in the products they manufacture to reasonably assure that they are sourced in a way consistent with the Organisation for Economic Co-operation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict- Affected and High-Risk Areas or an equivalent and recognized due diligence framework.

8) Privacy

Suppliers shall commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers, and employees. Suppliers shall comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

9) Export Controls and Trade

Suppliers shall comply with applicable restrictions on the export or re-export of goods, software, services and technology, as well as with applicable restrictions on trade involving certain countries, regions, companies or entities and individuals.

10) Counterfeit Parts

Suppliers shall minimize the risk of introducing counterfeit and/or diverted parts and materials into deliverable products and adhere to relevant technical regulations in the product design process.

E. MANAGEMENT SYSTEMS

Suppliers shall adopt or establish a management system with a scope that is related to the content of this Code. The management system shall be designed to ensure: (a) compliance with applicable laws, regulations and customer requirements related to the participant's operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code. It shall also facilitate continual improvement.

The management system shall contain the following elements:

1) Company Commitment

Suppliers shall establish human rights, health and safety, environmental and ethics policy statements affirming Participant's commitment to due diligence and continual improvement, endorsed by executive management. Policy statements shall be made public and communicated to workers in a language they understand via accessible channels..

2) Management Accountability and Responsibility

Suppliers shall clearly identify senior executive and company representative(s) responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management systems on a regular basis.

3) Legal and Customer Requirements

Suppliers shall adopt or establish a process to identify, monitor and understand applicable laws, regulations, and customer requirements, including the requirements of this Code.

4) Risk Assessment and Risk Management

Suppliers shall adopt or establish a process to identify the legal compliance, environmental, health and safety⁴, labor practice and ethics risks, including the risks of severe human rights and environmental impacts, associated with Participant's operations. Suppliers shall determine the relative significance for each risk and implement appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

5) Improvement Objectives

Suppliers shall establish written performance objectives, targets and implementation plans to improve the Participant's social, environmental, and health and safety performance, including a periodic assessment of Participant's performance in achieving those objectives.

6) Training

Suppliers shall establish programs for training managers and workers to implement Participant's policies, procedures, and improvement objectives and to meet applicable legal

⁴ Areas to be included in a risk assessment for environmental health and safety are production areas, warehouse and storage facilities, plant/facilities support equipment, laboratories and test areas, sanitation facilities (bathrooms), kitchen/cafeteria and worker housing/dormitories.

and regulatory requirements.

7) Communication

Suppliers shall establish process for communicating clear and accurate information about Participant's policies, practices, expectations, and performance to workers, upstream suppliers, and customers.

8) Worker/Stakeholder Engagement and Access to Remedy

Suppliers shall establish processes for ongoing two-way communication with workers, their representatives, and other stakeholders where relevant or necessary. The process shall aim to obtain feedback on operational practices and conditions covered by this Code, and to foster continuous improvement. Workers shall be given a safe environment to provide grievance and feedback without fear of reprisal or retaliation.

9) Audits and Assessments

Suppliers shall conduct periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code, and customer contractual requirements related to social and environmental responsibility.

10) Corrective Action Process

Suppliers shall establish a process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations, and reviews.

11) Documentation and Records

Suppliers shall create and maintain documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

12) Upstream Supplier Responsibility

Suppliers shall establish a process to communicate Code requirements to upstream suppliers and to monitor upstream suppliers compliance to the Code.