TCL Zhonghuan Renewable Energy Technology Co., Ltd.

Environmental Management Policy

1. Introduction

As an enterprise committed to environmental responsibility, TCL Zhonghuan Renewable Energy Technology Co., Ltd. and its subsidiaries (hereinafter referred to as “TCL Zhonghuan,” “we,” “us,” or “the Company”) have consistently upheld the business philosophy of being “environmentally friendly.” We regard environmental responsibility as an important mission of the Company and as a fundamental boundary guiding our business activities. Guided by the green development vision of “contributing blue skies and white clouds to humanity,” we continuously improve our environmental management system, enhance the efficiency of resource utilization, advance green manufacturing practices, and fulfill our commitment to green operations, striving to achieve harmonious coexistence with the environment.

TCL Zhonghuan complies with applicable environmental laws, regulations, and industry standards in the jurisdictions where it operates. It supports international and domestic initiatives, including the Paris Agreement, the United Nations Sustainable Development Goals (SDGs), and China’s carbon peaking and carbon neutrality goals. The Company strictly adheres to the requirements of the four major international environmental conventions: the Minamata Convention on Mercury, the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, the Stockholm Convention on Persistent Organic Pollutants, and the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade.

This Policy has been formulated with reference to relevant laws, regulations, and standards, including the Environmental Protection Law of the People’s Republic of China, the Environmental Impact Assessment Law of the People’s Republic of China, the Energy Conservation Law of the People’s Republic of China, the Water Pollution Prevention and Control Law of the People’s Republic of China, the Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, and the Atmospheric Pollution Prevention and Control Law of the People’s Republic of China.

2. Scope

This Policy applies to TCL Zhonghuan's headquarters and all of its wholly-owned and controlled subsidiaries. All directors, senior management and employees of the Company are required to comply strictly with this Policy. At the same time, we encourage external strategic partners, upstream suppliers and downstream channel partners to comply with this Policy.

We have established and continuously improve our environmental management structure. The Board of Directors is responsible for the overall coordination of environmental management and other sustainability matters and reviews environmental management policies and targets. The General Manager regularly reviews and supervises the Company's environmental management affairs, including but not limited to carbon emissions management, energy management, pollutant and waste management, water resource management, raw material and packaging material management, and biodiversity management.

3. Commitments

We commit to actively taking measures to reduce environmental impacts and improve our environmental performance across all of the Company's production and operations, business facilities, products and services, distribution, logistics, waste management and commercial activities, as well as in our cooperation with suppliers, service providers, contractors and other key business partners. Specifically, we will:

3.1 Actively respond to the challenges of global climate change, seize clean technology opportunities and, grounded in the development of the PV industry, drive the R&D of green processes and green products through technological innovation and the transformation of manufacturing under Industry 4.0, continuously launching PV products with lower lifecycle emissions and supporting the low-carbon transition of the industry chain.

3.2 Establish an environmental management system, comprehensively assess the risks and impacts that our operations may have on the environment, and set environment-related targets and indicators. We commit to regularly assessing and reviewing environmental performance in areas such as energy and resource use efficiency, water resource management, raw material and packaging material management, waste management, the circular economy and pollution prevention and control. Guided by these targets, we will implement actions to reduce resource consumption and adverse environmental impacts, continuously promote the effective use of resources, and drive improvements in environmental management performance.

3.3 Encourage suppliers to fulfill their environmental protection responsibilities, require key suppliers to reduce their operational carbon emissions and product carbon footprints, give priority to partners with low-carbon operations, and work to drive the value chain ecosystem towards net zero.

3.4 Actively engage and cooperate with internal and external stakeholders on environmental topics, and provide the necessary environmental protection training for employees and suppliers at all tiers, so as to raise stakeholders' environmental awareness and their understanding of the Company's environmental management policy.

3.5 Maintain transparency, actively communicate with governments, investors, suppliers, customers, employees, communities and other stakeholders on environmental management matters, report and disclose our environmental performance to stakeholders in a timely manner, and take responsibility for environmental management.

4. Strategies

4.1 Environmental Management System

1) Strictly comply with the environmental management laws and regulations of the localities where our projects are located; establish the Company's environmental management system based on ISO 14001 and require subsidiaries to actively obtain ISO 14001 environmental management system certification; ensure that the resources required to establish, implement, maintain and improve the environmental management system, including financial and human resources, are in place so as to effectively implement this Policy; and regularly update the content of the environmental management system to ensure its compliance and adequacy.

2) Set medium- and long-term environmental management targets, covering areas such as climate change response, waste reduction and water use efficiency, and actively drive their achievement.

3) Conduct regular environmental compliance inspections, incorporate environmental inspections into routine supervision, and include environmental management in the annual performance appraisal of the responsible personnel, so as to firmly embed environmental management accountability.

4) Provide environmental management training and education for employees, suppliers and other related parties, encouraging them to raise their environmental awareness at work and in daily life and deepening their understanding of, and sense of responsibility for, environmental protection.

5) Attach great importance to environmental risk management in the supply chain, identify suppliers' environmental risks in a timely manner, formulate response measures in advance, and implement green management, supervision and assessment of suppliers, so as to enhance supply chain resilience.

4.2 Climate Change Response and Carbon Emissions Management

1) We are deeply aware of the far-reaching impacts of climate-related risks and opportunities on our own business and on the development of the industry chain. We actively respond to China's dual carbon strategic goals and are committed to effectively addressing climate change risks across the entire value chain and strengthening the Company's climate mitigation and adaptation capabilities. With reference to the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD), we formulate and implement our zero-carbon strategy across the four dimensions of governance, strategy, risk management, and metrics and targets.

2) The Board of Directors supervises and regularly reviews the results of climate-related risk and opportunity assessments, the climate change response strategy, decarbonization targets, quantified performance and the related disclosures. The General Manager regularly reviews and assesses the Company's climate-related risks and opportunities, formulates annual climate governance performance targets and action plans, reports to the Board of Directors, and provides guidance and resources to the relevant departments. Multiple departments work in coordination to implement climate change response initiatives and ensure that the relevant performance targets are met.

3) Set decarbonization targets and, around these overall targets, continuously build a results-oriented, quantifiable and trackable system of climate metrics and targets, breaking climate action down into clear phased targets and key performance indicators (KPIs) and systematically embedding them into the Company's operational and management processes. The Company's emission reduction targets: using 2021 as the base year, to achieve carbon peaking no later than 2030 and operational carbon neutrality no later than 2050 within our own operations.

4) Assess climate-related physical and transition risks and opportunities over the short, medium and long term, and develop an in-depth understanding of the impacts of climate change on the Company's business operations and value chain, including any related financial risks and opportunities. Conduct climate scenario analysis as appropriate to assess the resilience of the Company's strategy to climate-related risks and opportunities.

5) Incorporate the identification, assessment and management of climate-related risks into the Company's overall risk management process, and integrate the assessment and management of climate-related physical and transition risks into project investment, design, development, product and material procurement, operations and other stages.

6) Establish metrics and targets for assessing and managing climate-related risks and opportunities, and regularly track and review performance against these metrics, including carbon emissions, as well as progress towards the targets.

7) Continuously strengthen the R&D and application of green and clean technologies, develop more low-carbon products and support the transition to a low-carbon economy; design green, low-carbon building projects that are better able to withstand climate change (such as extreme weather); and put environmentally friendly ways of operating into practice, increasing the share of renewable energy used, improving operational efficiency and reducing greenhouse gas emissions.

8) Continuously build a green value chain, actively share advanced carbon management approaches and experience with suppliers and other value chain partners, set a benchmark for corporate decarbonization, and contribute our strength and sense of responsibility to a low-carbon PV industry.

9) Communicate the importance of climate change to employees, suppliers, investors, customers and other stakeholders, convey the latest climate-related policies and the Company's response strategies, and encourage stakeholders to reduce carbon emissions in their day-to-day business activities and personal lives.

10) In accordance with the framework recommended by the TCFD, disclose the Company's carbon emissions data, together with climate-related risks and opportunities and the measures taken to manage them, in the sustainability report published annually by the Company.

11) With respect to the external activities in which we participate, we commit that the Company's position will remain aligned with the Paris Agreement. We have established internal management processes, including the Sustainable Development Management Measures, to monitor and review whether the external activities in which the Company participates are consistent with the requirements of the Paris Agreement in the area of climate change response.

4.3 Energy Management

1) Establish the Company's energy management system based on ISO 50001 and require subsidiaries to actively obtain ISO 50001 energy management system certification, ensuring that the resources required to establish, implement, maintain and improve the energy management system, including financial and human resources, are in place so as to effectively implement this Policy.

2) Through continuous technological innovation and improvements in energy efficiency, and with a focus on reducing costs and improving product quality, continuously advance the implementation of smart manufacturing and maintain leading-edge innovation in automation technologies, in-process recycling

technologies and low- and zero-emission production technologies, so as to effectively reduce energy consumption.

3) Strengthen the management of energy and resource consumption indicators, set medium- and long-term energy efficiency targets, and incorporate energy management into the Company's day-to-day management and into management performance appraisal indicators, steadily advancing the implementation of energy efficiency plans. The Company's energy management targets:

- Using 2021 as the base year, to achieve 45% of total electricity consumption from renewable sources at domestic factories by 2030, with a commitment to eventually using 100% renewable energy;
- Using 2023 as the base year, to achieve a 15% reduction by 2030 in the annual intensity of power consumption for new energy photovoltaic products compared with 2023.

4) Encourage employees, suppliers and other stakeholders to minimize energy consumption and improve energy efficiency in their day-to-day business activities, and strengthen energy-saving awareness across the workforce.

5) Progressively build a green supply chain system characterized by high technology content, low resource consumption and low environmental pollution; encourage energy-intensive suppliers to conduct energy consumption self-assessments and implement energy-saving and emission-reduction projects; and incorporate the assessment results into procurement and tendering management.

4.4 Water Resource Management

1) Attach great importance to the environmental impact of water consumption, strictly comply with water-related laws and regulations including the Water Law of the People's Republic of China and the Water Pollution Prevention and Control Law of the People's Republic of China, and remain committed to water resource protection.

2) The Company's Board of Directors and General Manager are responsible for supervising and reviewing environmental targets and performance covering water resource management, organizing the formulation of annual water resource management targets and action plans, and conducting regular performance appraisals.

3) The Company's water conservation management targets, using 2023 as the base year, to be achieved by 2030:

- A 12% reduction in the annual freshwater withdrawal intensity for new energy photovoltaic products compared with 2023;

- An 8% reduction in the annual freshwater withdrawal intensity for semiconductor materials compared with 2023;
- A water resource reuse rate of 60%;
- A proportion of alternative water sources of 70%.

4) With reference to international water risk assessment standards and tools, regularly identify and assess water risk factors at our production and operating sites; comprehensively assess and analyze the current status of water use by our own operations and by relevant parties, the reasonableness of water use, the potential impacts of water withdrawal and the protection measures in place; and formulate corresponding water risk response measures.

5) Actively advance the implementation of diversified water sourcing projects, increase the share of alternative water sources used and reduce freshwater withdrawal; increase investment in water-saving projects in production processes and fully advance the implementation of water-saving measures; and improve water use efficiency through equipment upgrades, water collection and reuse, and wastewater reclamation, so as to ensure the sustainability of water use.

6) Actively communicate the importance of water resource management to employees, suppliers, partners and other stakeholders, and work together to advance the sustainable management of water resources.

7) Formulate supply chain water-saving plans, encourage suppliers to improve their water resource management, and actively work with partners to effectively reduce the water footprint of our products; account for water consumption and wastewater discharge across all stages of our own production and operations; and assess the water resource management performance of upstream and downstream enterprises.

4.5 Raw Material and Packaging Material Management

1) We are committed to minimizing the adverse environmental and social sustainability impacts of raw materials during their procurement and use. Using 2023 as the base year, the Company has set a target of achieving a share of renewable/environmentally friendly materials in the packaging of its main products of more than 95% by 2030.

2) At the procurement stage, give priority to the use of recyclable raw materials, improve raw material traceability processes, and procure and use more third-party certified raw materials; avoid procuring raw materials from areas of global or national importance for biodiversity conservation; and avoid destroying biological habitats, over-exploiting local natural resources, or infringing on local human rights and community development.

3) At the use stage, increase the proportion of raw materials that are recycled and reused, so as to reduce water use, energy consumption and waste generation in the manufacturing process.

4) Actively conduct awareness-raising and training on sustainable raw materials for internal and external stakeholders in order to raise their awareness of the topic, and work with stakeholders to carry out best practices on sustainable raw materials.

5) Strengthen joint innovation with upstream and downstream partners and actively carry out the R&D and implementation of raw material recycling projects, so as to further improve raw material use efficiency and practice.

4.6 Pollution and Waste Management

1) Strictly comply with national laws and regulations on pollution and waste management, identify the types of environmental pollutants associated with our operating activities, and put in place and effectively operate environmental pollutant treatment systems, so as to ensure that wastewater, waste gas and noise are discharged in compliance with standards and that solid waste is disposed of in compliance with regulations.

2) Set targets to reduce the generation of environmental pollutants and improve the comprehensive utilization rate of waste.

- Using 2023 as the base year, to maintain a comprehensive solid waste utilization rate of 97% or above by 2030;
- Using 2024 as the base year, to achieve a 10% reduction in general solid waste generation by 2030.

3) Achieve source reduction through cleaner production processes, technological innovation, the substitution of auxiliary materials and other means; improve pollutant treatment efficiency and reduce pollutant discharge by working with partners to optimize and upgrade environmental protection equipment and facilities; and, through joint innovation with partners, replace incineration or landfill with comprehensive utilization, applying solid waste as raw and auxiliary materials in various industries wherever possible so as to increase its value in use and thereby raise the comprehensive utilization rate of solid waste.

4) Strengthen the inspection, maintenance and servicing of environmental pollutant treatment systems to ensure their safe and stable operation; and regularly monitor wastewater, waste gas and noise to ensure compliant discharge, reducing environmental impacts while lowering operational risk.

5) Establish a whole-process management mechanism covering the generation, collection, storage, transportation, utilization and disposal of waste, and take measures to prevent and control environmental pollution from waste, so as to reduce the risk of waste polluting the environment.

6) Conduct risk assessments of environmental emergencies and surveys of emergency response resources, formulate the Emergency Response Plan for Environmental Pollution Incidents, improve risk prevention and control measures for environmental emergencies, allocate environmental emergency equipment and supplies, and conduct regular emergency drills, so as to effectively enhance our capacity to respond to environmental pollution incidents.

7) Strengthen communication with suppliers, partners and other stakeholders, and encourage them to strengthen waste management in their day-to-day operations.

4.7 Biodiversity Protection

Upholding the philosophy of harmonious coexistence between humanity and nature, we fully support the United Nations Sustainable Development Goals, the Convention on Biological Diversity and the Kunming Declaration. We diligently implement the laws and regulations on biodiversity protection in the places where we operate, actively protect the ecological environment and continuously advance biodiversity protection across the industry chain. For further biodiversity protection commitments and strategies, please refer to the TCL Zhonghuan Renewable Energy Technology Co., Ltd. Biodiversity Protection Policy.

4.8 Compliance with International Environmental Conventions

The Company reviews its production, procurement, chemical management, waste management, and import and export activities to ensure alignment with relevant international conventions and applicable laws and regulations, with particular focus on the following requirements:

1. **Minamata Convention on Mercury**: Restrict and progressively eliminate the use of mercury, and adopt mercury-free alternatives where feasible.
2. **Stockholm Convention on Persistent Organic Pollutants**: Identify and eliminate persistent organic pollutants (POPs), and ensure the safe storage and disposal of legacy POPs.
3. **Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal**: Complete the required approval and declaration procedures for the transboundary movement of hazardous waste, engage qualified carriers and disposal service providers, and retain complete records.
4. **Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade**: Obtain all necessary approvals for the international trade of listed hazardous chemicals and pesticides, and ensure that such substances are tracked and documented throughout the supply chain.

The Company monitors updates to the relevant conventions, laws, and regulations, and oversees their implementation through training, document reviews, and audits where necessary.

4.9 Supplier Environmental Management

We work collaboratively with suppliers to guide them in identifying, assessing and managing water-related risks, and to enhance their water resource management capabilities. We regularly conduct supplier capacity-building initiatives, with training topics including, but not limited to, environmental management, greenhouse gas emissions management, water resource management, social responsibility, and labor and human rights. By working together with our supplier partners, we aim to promote the green and low-carbon transformation and sustainable development of the supply chain.

4.10 Public Participation

We engage and cooperate with relevant stakeholders, including regulatory authorities, professional institutions and environmental organizations, to enhance public understanding of and participation in the Company's environmental management. We regularly disclose environmental management information, accept public oversight, and continuously improve the transparency of the Company's environmental management.

5. Grievance and Complaint Mechanism

To ensure the effective implementation of this Policy, TCL Zhonghuan has established multiple communication, grievance and complaint channels. Employees, suppliers, business partners, customers and other stakeholders may use the following channels to submit anonymous or identified reports regarding any questions or comments concerning the content, application or implementation of this Policy, as well as any instances of non-compliance or suspected violations identified during its implementation.

The Company is committed to independently investigating and impartially handling all complaints, providing feedback on the outcome to the reporting party within a reasonable timeframe, and protecting the lawful rights and interests and personal information of whistleblowers in accordance with applicable laws.

- **Email:** jubao@tzeco.com
- **Compliance Hotline:** +86-022-23789766-8022

◆ **Written Complaint Address:** No. 10 Haitai South Road, Huayuan Industrial Park, Tianjin, China

6. Policy Review and Revision

The Board of Directors is the highest decision-making and supervisory body for the Company's environmental management. The issuance of this Policy and the commitments contained herein has been endorsed by the Company's senior management. The Company shall formally review this Policy at least once a year. The review shall take into account changes in applicable laws, regulations and regulatory requirements; updates to international standards and industry guidelines; changes in customer requirements; and adjustments to the Company's relevant internal policies. Based on the review results and actual needs, the Company shall revise this Policy as appropriate to ensure that it remains current and applicable.

This Policy is published on TCL Zhonghuan's official website for reference by all stakeholders. Its implementation and the related key performance indicators are disclosed annually in the Company's sustainability report.