TCL Zhonghuan Renewable Energy Technology Co., Ltd.

Sustainable Procurement Management Policy

1. Introduction

TCL Zhonghuan Renewable Energy Technology Co., Ltd. and its subsidiaries (hereinafter referred to as “TCL Zhonghuan”, “we” or “the Company”) comply with the applicable laws and regulations of the countries and regions where we operate. With reference to the Universal Declaration of Human Rights, the core conventions of the International Labour Organization, the United Nations Guiding Principles on Business and Human Rights, the Ten Principles of the United Nations Global Compact, and relevant OECD guidance on responsible business conduct and mineral supply chain due diligence, we integrate sustainability principles into procurement decisions and supply chain management.

The Company recognizes the potential environmental and social impacts of procurement activities and supply chain operations. We focus on issues including labor and human rights, occupational health and safety, environmental protection and climate change, resource use, business ethics, information security and privacy protection, responsible minerals sourcing, and supply chain traceability. By improving procurement systems, optimizing supplier management mechanisms, conducting risk identification and assessment, promoting communication and collaboration, and driving continuous improvement, we continuously enhance the sustainability performance of our supply chain.

The TCL Zhonghuan Sustainable Procurement Management Policy (hereinafter referred to as the “Policy”) sets out the Company’s fundamental position, principles and management direction for sustainable procurement. It provides guidance for procurement activities and supply chain management, reduces environmental, social and governance risks in the supply chain, enhances supply chain compliance, transparency, security and resilience, and enables the Company and its supply chain partners to create long-term, responsible and sustainable value together.

2. Scope

This Policy applies to TCL Zhonghuan’s headquarters and all of its wholly-owned and controlled subsidiaries, and covers all procurement activities involving raw materials, products, equipment, engineering works, logistics and services. All directors, senior management and employees involved

in procurement decisions, supplier management and contract performance are required to comply with this Policy.

We encourage suppliers, contractors, service providers, strategic partners and other supply chain partners to recognize and follow the sustainable procurement principles advocated by this Policy, and to extend these principles to their upstream supply chains.

3. Sustainable Procurement Commitments and Action Targets

We commit to strengthening the management of the operational footprints of the Company and its supply chain partners, reducing environmental, social and governance risks across the value chain, and enhancing the transparency, accountability and compliance capabilities of supply chain ESG management.

TCL Zhonghuan is committed to integrating sustainability principles throughout supply chain management and incorporating ESG requirements into supplier admission, evaluation, audit, cooperation and continuous improvement mechanisms. Together with our supply chain partners, we promote the development of a green, low-carbon, responsible, transparent and resilient new energy industry ecosystem.

3.1 Driving Environmental and Social Responsibility Improvements in the Supply Chain

The Company commits to actively managing suppliers' ESG performance in environmental protection, climate change and other areas, encouraging suppliers to fulfill their environmental responsibilities and reducing the adverse environmental impacts of value chain operations.

We pay close attention to suppliers' performance in greenhouse gas emissions management, energy use, water resource management, pollution prevention and control, and resource recycling. We encourage suppliers to strengthen green manufacturing capabilities, cooperate in supply chain carbon management and environmental risk identification, and jointly advance the low-carbon transition of the industry chain.

At the same time, the Company commits to actively managing suppliers' ESG performance in labor and human rights and occupational health and safety, encouraging suppliers to protect employees' lawful rights and interests, provide a safe and healthy working environment, and reduce social responsibility risks in the supply chain.

The Company will continuously improve its supply chain ESG risk management mechanism, integrate environmental and social risks into the supplier management system, and enhance supply chain responsibility through risk identification, evaluation, audit and continuous improvement.

3.2 Strengthening Supply Chain Integrity and Compliance Governance

The Company commits to attaching great importance to suppliers' ESG performance in compliance management, business ethics, information security and privacy protection, and intellectual property protection, and to continuously reducing governance risks in the supply chain.

Through supplier cooperation requirements, procurement management mechanisms and supply chain evaluation systems, the Company encourages suppliers to comply with business ethics standards and strengthen compliant operations, information protection and intellectual property management.

The Company encourages supply chain partners to jointly observe responsible business conduct principles, enhance supply chain transparency and risk prevention and control capabilities, and safeguard the long-term stability of the supply chain.

3.3 Strengthening Responsible Management of Critical Minerals and High-Impact Materials

The Company commits to incorporating responsible minerals and high-impact materials management into its sustainable supply chain management system, conducting risk-based supply chain due diligence, and encouraging upstream and downstream supply chain partners to strengthen risk identification, source tracing, information verification and risk mitigation.

The Company focuses on the environmental, social, human rights, labor and business ethics risks that may arise during the extraction, processing, transportation and procurement of critical minerals and high-impact materials, including gold, tungsten, tantalum, tin, cobalt, mica, silicon and quartzite, and continuously enhances the transparency, verifiability and traceability of critical material supply chains.

The Company makes the following commitments:

(1) Not to directly or indirectly source, use or sell minerals or materials associated with armed conflict, severe human rights abuses, illegal extraction, significant environmental damage or other serious illegal activities.

(2) Promote the establishment of supply chain due diligence mechanisms by suppliers of critical minerals and high-impact materials to identify, assess and reduce relevant environmental, social, human rights, labor and business ethics risks.

(3) Require applicable suppliers of critical minerals and silicon materials to sign the Responsible Minerals Sourcing Commitment Letter and pass the relevant responsibility requirements on to their upstream supply chains.

(4) Promote source investigations, information disclosure and traceability management across critical mineral and silicon material supply chains, thereby improving the completeness, authenticity and transparency of supply chain information.

(5) Apply risk mitigation measures to identified high-risk suppliers or supply chain stages. Where significant risks cannot be effectively prevented, reduced or eliminated within a reasonable period, take measures as appropriate, including time-bound corrective action, procurement restrictions, suspension of cooperation or termination of cooperation.

To implement the above commitments, the Company has set the following targets:

(1) Maintain a 100% signing rate for the Responsible Minerals Sourcing Commitment Letter among applicable suppliers of critical minerals and silicon materials.

(2) By 2027, achieve 100% survey coverage of key suppliers subject to CMRT, EMRT, AMRT and the Company’s dedicated silicon supply chain traceability survey, with a valid response rate of no less than 95%; and achieve a 100% valid response rate by 2030.

(3) By 2030, achieve 100% source traceability coverage for tier-1 suppliers of critical minerals and silicon materials, and progressively trace the relevant materials to applicable smelters, refiners, processors or raw material origins.

(4) Maintain a 100% rate of risk response measure development for identified high-risk suppliers and drive the closure of corrective actions within the agreed time limits.

The Company will regularly assess the applicability and implementation progress of the above targets in light of applicable laws and regulations, international standards, business development and changes in supply chain risks, and will adjust them as appropriate.

3.4 Promoting Supplier Capacity Building and Collaborative Improvement

The Company commits to attaching importance to supplier capacity building and to promoting the joint improvement of ESG management among supply chain partners through training, engagement and capacity enhancement mechanisms.

The Company will strengthen the capabilities of supply chain personnel in key areas including supply chain ESG management, green and low-carbon development, and responsible minerals management, helping suppliers identify management gaps and improve risk prevention and control measures.

At the same time, the Company encourages suppliers to participate in energy conservation and emissions reduction, green manufacturing and sustainability practices, thereby jointly improving the overall ESG performance of the new energy industry chain.

4. Sustainable Procurement Implementation Mechanisms and Management Measures

TCL Zhonghuan continuously advances the development of a sustainable supply chain by integrating environmental, social and governance (ESG) requirements throughout supply chain management and establishing a supply chain ESG management system covering supplier admission, risk identification, evaluation and audit, corrective action and improvement, and continuous enhancement.

The Company requires suppliers to strengthen ESG management within their own operations and upstream supply chains and to disclose supply chain information truthfully, accurately and completely, jointly building a transparent, responsible and resilient sustainable supply chain.

4.1 Governance Structure and Allocation of Responsibilities

TCL Zhonghuan has established a sustainable supply chain management structure covering strategic decision-making, oversight and management, and operational implementation.

The Strategy and Sustainable Development Committee serves as the Company’s highest governance and decision-making body for sustainable supply chain development and is responsible for reviewing supply chain ESG management, responsible procurement, related strategic plans and major matters.

The Sustainable Development Steering Committee serves as the oversight body and is responsible for supervising the implementation of sustainable supply chain management mechanisms and

reviewing supply chain risk management, responsible minerals management and related performance.

The Sustainable Development Office and the Supply Chain Management Center are responsible for coordinating sustainable supply chain management planning, process development, business collaboration and digital management, and for advancing dedicated initiatives such as supplier ESG risk identification, supply chain traceability and responsible minerals due diligence. The relevant supply chain management functions are responsible for supplier admission, day-to-day management, risk assessment, audit and evaluation, corrective action tracking and performance improvement.

4.2 Supplier Lifecycle ESG Management

TCL Zhonghuan integrates ESG risk management into the entire supplier lifecycle, covering supplier development, admission, cooperation, evaluation and exit.

Development stage: ESG requirements are incorporated into supplier screening, with attention paid to environmental management capabilities, social responsibility performance, business ethics, supply chain transparency and critical material traceability capabilities.

Admission stage: Through document review, ESG information collection and risk assessment, the Company evaluates suppliers' environmental management systems, occupational health and safety, labor and human rights, compliant operations and traceability capabilities.

Cooperation stage: ESG risk evaluation, audits and improvement tracking are conducted on an ongoing basis.

Exit stage: Suppliers presenting significant ESG risks, violating requirements or failing to complete corrective actions over an extended period are subject to measures such as restricted cooperation, suspension of procurement or termination of cooperation.

4.3 Supply Chain ESG Risk Identification and Tiered Control

The Company follows a risk-based approach, incorporates ESG risks into its overall supplier risk management system, and identifies risks through supplier information surveys, ESG self-assessment questionnaires, document reviews, on-site audits and third-party verification. Suppliers are classified by risk based on their business importance, procurement volume, material category, industry characteristics, regional characteristics and ESG performance.

The Company applies differentiated management based on supplier risk level: routine management for low-risk suppliers; improvement measures and enhanced follow-up for medium-risk suppliers; and focused audits, dedicated corrective actions and risk controls for high-risk suppliers.

4.4 Supply Chain ESG Due Diligence and Closed-Loop Corrective Action

TCL Zhonghuan has established a risk-based supply chain ESG due diligence mechanism. Based on suppliers' business importance, procurement category, regional characteristics and ESG risk level, the Company appropriately determines the scope, method, frequency and depth of due diligence and audits. Through supplier self-assessments, document reviews, off-site verification, on-site audits and, where necessary, third-party verification, the Company evaluates suppliers' ESG management systems and actual implementation.

Due diligence and audit coverage primarily includes environmental and climate management, labor and human rights, occupational health and safety, business ethics, trade compliance, information security and privacy protection, responsible minerals and supply chain traceability. The Company may differentiate audit content and evaluation priorities based on supplier category, risk characteristics and business circumstances.

For non-conformities identified through due diligence or audits, the Company requires suppliers to conduct root cause analyses, formulate corrective and preventive action plans, and specify responsible persons, completion deadlines and verification evidence. Based on the nature, severity and potential impacts of the issues, the Company tracks corrective action progress and evaluates the effectiveness of corrective measures through document reviews, follow-up on-site audits or third-party verification, thereby driving closed-loop issue management.

The Company incorporates the results of due diligence, audits and corrective actions into supplier admission, performance evaluation, procurement decisions and business relationship management. For suppliers that fail to complete corrective actions as required, whose corrective actions do not achieve the expected results, or that refuse to cooperate with due diligence, the Company may, depending on the level of risk, take measures including enhanced oversight, restrictions on new business, adjustments to procurement allocation or suspension of cooperation. Where a supplier breaches the Company's ESG management red lines, causes significant adverse impacts or presents risks that cannot be effectively mitigated, the Company may terminate cooperation in accordance with applicable laws and regulations.

4.5 Supply Chain Environmental and Climate Risk Management

TCL Zhonghuan attaches great importance to the green and low-carbon development of the value chain and integrates supply chain environmental risk management throughout supplier admission, audit, cooperation and continuous improvement.

Suppliers shall comply with the Company's supply chain environmental management requirements, strengthen greenhouse gas emissions management, identify and reduce the environmental impacts of their production and operations, and advance the low-carbon transition of the supply chain.

The Company requires suppliers to:

- Establish a greenhouse gas management mechanism;
- Manage greenhouse gas emissions data;
- Set emissions reduction targets and action plans based on their business characteristics;
- Optimize their energy mix and increase the use of clean energy;
- Cooperate with the Company in the collection and management of supply chain carbon emissions data.

The Company encourages suppliers to actively implement energy-saving technology upgrades, optimize their energy mix and improve resource efficiency, thereby jointly reducing the carbon footprint of the supply chain.

Environmental compliance is an important consideration in supplier cooperation. The Company requires high-environmental-risk suppliers to establish robust environmental management systems, including environmental management policies, management procedures, operating procedures, environmental monitoring indicators and risk control measures.

Priority shall be given to reducing the risks of wastewater, exhaust gas, solid waste and noise pollution arising from production and operations.

The Company encourages suppliers to address issues including energy management, the circular economy, water resource management and biodiversity management, and to promote clean energy use, waste recycling, improved water efficiency and ecological protection.

4.6 Supply Chain Labor, Human Rights, and Occupational Health and Safety Management

TCL Zhonghuan attaches great importance to labor, human rights and occupational health and safety risks in the supply chain, and encourages suppliers to establish social responsibility management systems that comply with international standards and applicable local laws and regulations.

Suppliers shall not:

- Use child labor;
- Use forced labor;
- Engage in human trafficking;
- Engage in harassment, abuse or discrimination.

Suppliers shall safeguard employees' rights to equal employment opportunity, reasonable working hours, reasonable remuneration and benefits, freedom of association and lawful expression.

The Company encourages suppliers to foster diverse and inclusive organizational cultures, protect the rights and interests of female employees, employees with disabilities and other vulnerable groups, and provide equal access to training and career development opportunities.

The Company requires suppliers to establish occupational health and safety management systems, provide employees with safe and healthy working environments, conduct risk identification, safety training and accident prevention management, and pay attention to employees' mental health.

4.7 Due Diligence for Critical Minerals and High-Impact Materials

As a PV materials enterprise, TCL Zhonghuan attaches great importance to human rights and compliance risks in the supply chains of critical minerals and high-impact materials. With reference to international standards such as the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the Company conducts mineral supply chain due diligence with a focus on gold, tungsten, tantalum, tin, cobalt, mica, silicon and quartzite. We require suppliers to provide source information, cooperate with supply chain investigations, conduct risk identification and strengthen material traceability capabilities.

4.8 Supply Chain Business Integrity and Governance Compliance

TCL Zhonghuan attaches great importance to supply chain governance risks and incorporates business ethics, trade compliance, intellectual property protection, information security and privacy protection into supplier management requirements.

Business ethics management:

Suppliers shall not engage in commercial bribery, corruption, money laundering, fraud, unfair competition or improper conflicts of interest.

Suppliers shall ensure that business records are truthful and accurate and that financial and ESG information is truthful and transparent.

Trade compliance management:

Suppliers shall comply with export control regulations, international trade laws and other applicable compliance requirements in the jurisdictions where they operate, and promptly adjust their internal management mechanisms in response to regulatory changes.

Intellectual property protection:

Suppliers shall respect intellectual property rights, protect technical information, regulate the transfer of technology and know-how, and protect information relating to customers and upstream and downstream partners.

Information security and privacy protection:

Suppliers shall establish information security management mechanisms to prevent unauthorized access, disclosure or transfer of information. Relevant information shall not be disclosed to third parties without written authorization. Suppliers shall strengthen cybersecurity management and enhance business continuity capabilities.

4.9 Regulated Materials and End-to-End Compliance Control

For materials subject to regulations such as RoHS and REACH, TCL Zhonghuan has established an end-to-end tracking mechanism covering R&D, procurement, production and transportation. The Company conducts cross-functional audits of suppliers of relevant materials to ensure that materials comply with global regulatory requirements, supply chain information is truthful and transparent, and international market compliance requirements are met.

5. Grievance Mechanism

TCL Zhonghuan has established accessible and confidential communication and grievance channels to support the effective implementation of this Policy. Employees, suppliers, partners, customers and other stakeholders may anonymously or under their real names submit grievances or report concerns regarding sustainable procurement risks to the Compliance Department or relevant regulatory authorities through the following channels:

TCL Zhonghuan Grievance and Reporting Channels:

Compliance Reporting Email: jubao@tzeco.com

Compliance Hotline: +86-022-23789766-8022

Mailing Address for Written Complaints: No. 10 Haitai South Road, Huayuan Industrial Zone, Tianjin, China

TCL Zhonghuan will, in accordance with applicable laws and regulations, conduct objective investigations into reported cases, handle them impartially and provide timely feedback to reporting parties. At the same time, the Company will strictly protect the lawful rights and interests of complainants and reporting persons and prohibit threats, intimidation, harassment or any other form of unfair treatment arising from the submission of a grievance or report.

We look forward to working with all partners to advance the sustainable development of global supply chains and achieve the overall objectives of sustainable procurement.

6. Policy Review and Revision

Sustainable procurement management is overseen by the Board of Directors as the Company's highest decision-making and supervisory body. 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.