

TZE Environmental Management Policy

1. Introduction

As an ecologically responsible company, TCL Zhonghuan Renewable Energy Technology Co., Ltd. and its subsidiaries (referred to as "TZE", "we" and "the company") have always adhered to the business philosophy of "being environmental friendly", and regard "being environmentally friendly" as an important mission for the development of the company and the boundaries of what we do. We adhere to the green ecological concept of "contributing blue sky and white clouds to mankind", constantly improve the environmental management system, continue to optimize the efficiency of various resource utilization, deepen the green manufacturing model, and strive to implement the green operation commitment and live in harmony with the environment.

TZE abides by all laws, regulations, and industry norms relating to environmental protection practices in the business operation sites, supporting domestic and international initiatives such as the *Paris Agreement*, *SDGs* and *national Carbon Peaking and Carbon Neutrality Goals*. This policy has been formulated with reference to 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*, the *Law of the People's Republic of China on the Prevention and Control of Air Pollution* and other regulations and standards.

2. Scope

This Policy is applicable to TZE and its subsidiaries. All partners are encouraged to comply with this Policy.

3. Commitment

We are committed to actively take measures to reduce environmental impact and continuously improve and monitor environmental performance in all of our production operations, business facilities, products and services, distribution, logistics, waste management and commercial activities (including due-diligence, mergers and acquisitions), as well as in our collaboration with suppliers, service providers, contractors and other key business partners,

specifically including:

- 3.1 The company actively responds to the challenges of global climate change, seizes clean technology opportunities, bases itself on the development of the photovoltaic industry, promotes the research and development of green processes and green products through technological innovation and the transformation of Industry 4.0 manufacturing methods, and continues to launch photovoltaic products with lower emissions throughout the life cycle to help low-carbon transformation of the industrial chain.
- 3.2 Establish an environmental management system, comprehensively assess the possible risks and impacts of operations on the environment, set environmental-related goals and indicators, and regularly evaluate and review environmental performance such as energy resource usage efficiency, waste management, circular economy, and pollution prevention.
- 3.3 Encourage suppliers to fulfill their environmental protection responsibilities, impose requirements on major suppliers to reduce operational carbon emissions and product carbon footprints, give priority to partners with low-carbon operations, and strive to drive the value chain ecosystem to achieve net zero.
- 3.4 Actively carry out exchanges and cooperation on environmental issues with internal and external stakeholders, provide necessary environmental protection training for employees and suppliers at all levels, and improve stakeholders' environmental awareness and understanding of the company's environmental management policies.
- 3.5 Maintain transparency, actively consult with the government, investors, suppliers, customers, employees, communities and other stakeholders on environmental management matters, report and disclose our environmental performance to stakeholders regularly, and assume the responsibility for environmental management.

4. Strategy

4.1 Environmental Management

- 1) Establish and continue to improve the environmental management structure. The board of directors is responsible for coordinating environmental management and other sustainable development matters, reviewing and approving environmental management-related policies and goals. The general manager regularly reviews and supervises the

company's environmental management- related matters, including but not limited to carbon emission management, energy management, pollutant management, water resources management, etc.

- 2) Strictly abide by laws and regulations related to environmental management in the project location, establish the company's environmental management system based on ISO 14001, and require subsidiaries to actively obtain ISO 14001 environmental management system certification to ensure that there are the resources required to establish, implement, maintain and improve the environmental management system, including capital and human investment, to effectively implement this policy, and regularly update the content of the environmental management system to ensure the compliance and adequacy of the environmental management system.
- 3) Establish medium and long-term environmental management targets and objectives to reduce environmental impacts, including addressing climate change, waste reduction, water resource use efficiency, etc., and actively promote their implementation.
- 4) Regularly conduct environmental compliance inspections, incorporate environmental inspections into daily supervision, incorporate environmental management into the annual assessment of relevant persons in charge, and consolidate environmental management responsibilities.
- 5) Carry out environmental management training and education for employees, suppliers and other relevant parties, encourage them to improve their environmental awareness in work and life, and deepen their understanding and responsibility for environmental protection.
- 6) Attach great importance to supply chain environmental risk management, promptly identify environmental risks of suppliers, formulate response measures in advance, implement green management, supervision and evaluation of suppliers, and improve the resilience of the supply chain.

4.2 Climate Change Response and Carbon Emissions Management

- 1) TZE is deeply aware of the profound impact of climate-related risks and opportunities on the development of its own business and industrial chain. It actively responds to the

national dual-carbon strategic goals and is committed to effectively responding to climate change risks throughout the entire value chain and enhancing the company's climate mitigation and adaptation capabilities. We refer to the recommended framework of the Task Force on Climate-related Financial Information Disclosure (TCFD) to formulate and implement a zero-carbon strategy from the four dimensions of governance, strategy, risk management, indicators and goals.

- 2) The Board of Directors oversees and regularly reviews the results of climate-related risk and opportunity assessments, climate change strategies, carbon reduction targets, quantified performance and their disclosures. The general manager regularly reviews and evaluates the company's climate-related risks and opportunities, formulates annual climate governance-related performance goals and action plans, reports to the board of directors, and provides work guidance and resources to relevant departments. Multi-departments work together to implement climate change response efforts to ensure the completion of relevant performance targets.
- 3) Assess climate-related short, medium and long-term physical and transition risks and opportunities, and gain a deeper understanding of the impact of climate change on the company's business operations and value chain, including any related financial risks and opportunities. Carry out climate scenario analysis when appropriate to assess the adaptability of the company's strategy to climate-related risks and opportunities.
- 4) Incorporate the identification, assessment and management of climate-related risks into the overall risk management process of the enterprise, and include climate-related entity and transformation risk assessment and management in project investment, design, development, product and material procurement, operations and other links.
- 5) Establish indicators and targets for assessing and managing climate-related risks and opportunities, and regularly track and review indicator performance, including carbon emissions, and progress towards achieving targets.
- 6) Continuously strengthen the research and development and application of green and clean technologies, develop more low-carbon products, and help transform the low-carbon economy; design green and low-carbon building projects that can better cope with climate change (such as extreme weather); practice environmentally friendly

operations, expand the proportion of renewable energy use, improve business operation efficiency, and reduce greenhouse gas emissions.

- 7) Build a green value chain, actively share advanced carbon management models and experiences with suppliers and other value chain partners, set a benchmark for corporate carbon reduction, and contribute our strength and responsibility to the low-carbon photovoltaic industry.
- 8) Communicate the importance of climate change issues with employees, suppliers, investors, customers and other stakeholders, convey the latest climate-related policies and company response strategies, and encourage relevant parties to reduce carbon emissions in daily business and life.
- 9) In accordance with the framework recommended by TCFD, the company's carbon emission data, as well as climate-related risks and opportunities and their management measures are disclosed in the company's annual sustainability report.
- 10) In terms of external engagement activities, we are committed to aligning our position relating to climate change with the *Paris Agreement*. We have internal management processes in place, such as the Sustainability Management Measures, to monitor and review our external engagement activities in the field of climate change are consistent with the requirements of the *Paris Agreement*.

4.3 Energy management

- 1) Rely on ISO 50001 to establish the company's energy management system, and require subsidiaries to actively obtain ISO 50001 energy management system certification to ensure that there are the resources required to establish, implement, maintain and improve the energy management system, including financial and human investment, to effectively implement this policy.
- 2) Through continuous technological innovation and energy efficiency improvement, focusing on reducing costs and improving product quality, we will continue to promote the implementation of intelligent manufacturing, maintain leading innovation in automation technology, production process recycling technology, and low-emission and non-emission technology in the production process, and effectively reduce energy

consumption.

- 3) Strengthen the management of energy resource consumption indicators, set mid- and long-term energy use efficiency goals, incorporate energy management into the company's daily management work and management assessment indicators, and steadily promote the implementation of energy efficiency plans.
- 4) Encourage employees, suppliers and other stakeholders to minimize energy consumption in daily business activities, improve energy use efficiency, and strengthen the awareness of energy conservation among all employees.
- 5) Gradually build a green supply chain system with high technological content, low resource consumption and low environmental pollution, promote high energy-consuming suppliers to conduct self-assessment of energy consumption and implement energy conservation and emission reduction projects, and incorporate the assessment results into procurement and bidding management.

4.4 Water Resource Management

- 1) Attach great importance to the impact of water resource consumption on the environment, strictly abide by the *Water Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China* and other laws and regulations related to water resources, and continue to be committed to water resource protection.
- 2) The board of directors is responsible for supervising and reviewing environmental goals and performance covering water resources management, organizing the formulation of annual water resources management goals and action plans, and conducting regular performance appraisals.
- 3) Refer to international water risk assessment standards and tools to regularly identify and evaluate water risk-related factors in the location of production and operation, and conduct a comprehensive assessment and analysis of the current water resource utilization status, the rationality of water use, the possible impacts of water withdrawal, and protective measures of its own operations and related parties, and formulate corresponding water risk response measures.

- 4) Actively promote the implementation of diversified water intake projects, increase the proportion of alternative water sources, and reduce the amount of fresh water intake; increase investment in water-saving projects in the production process, fully promote the implementation of water-saving measures, and improve the efficiency of water use and ensure the sustainability of water use through equipment upgrades, collection and reuse, wastewater regeneration, etc.
- 5) Actively convey the importance of water resources management to employees, suppliers, partners and other stakeholders, and jointly promote sustainable management of water resources.
- 6) Develop a supply chain water conservation plan, encourage suppliers to improve their water resources management level, actively work with partners to effectively reduce the water footprint of various products, calculate water consumption and sewage discharge in all aspects of its own production operations, and evaluate upstream and downstream enterprises water resources management performance.

4.5 Pollution and Waste Management

- 1) Strictly abide by national laws and regulations on pollution and waste management, identify the types of environmental pollutants related to operational activities, support and effectively operate environmental pollutant treatment systems, and ensure that wastewater, waste gas, and noise are discharged up to standard and solid waste is disposed of in compliance with regulations.
- 2) Set goals such as reducing the production of environmental pollutants and improving the comprehensive utilization rate of solid waste. Through the use of cleaner production processes, technological innovation, auxiliary material substitution and other methods, we can achieve reduction from the source; by collaborating with partners to optimize and improve environmental protection equipment and facilities, we can improve pollutant treatment efficiency and reduce pollutant emissions; and cooperate with partners to optimize and improve environmental protection equipment and facilities. And co-innovate with partners to replace incineration or landfill treatment with comprehensive utilization, and use solid waste as raw materials and auxiliary materials in various industrial

fields as much as possible to improve its utilization value and thereby improve the comprehensive utilization rate of solid waste.

- 3) Strengthen the inspection, maintenance, and upkeep of the environmental pollutant treatment system to ensure the safe and stable operation of the treatment system; regularly carry out wastewater, waste gas, and noise testing to ensure that emissions meet standards, reduce environmental impact, and reduce operational risks.
- 4) Establish a management mechanism for the entire process of solid waste generation, collection, storage, transportation, utilization, and disposal, take measures to prevent and control environmental pollution by solid waste, and reduce the risk of environmental pollution by solid waste.
- 5) Carry out risk assessment of environmental emergencies and investigate emergency resources, formulate an "Emergency Plan for Environmental Pollution Incidents", improve risk prevention and control measures for environmental emergencies, allocate environmental emergency equipment and materials, conduct regular emergency drills, and effectively improve the response to emergencies. Emergency response capabilities for environmental pollution incidents.
- 6) Strengthen communication with suppliers, partners and other stakeholders, and encourage them to strengthen waste management in their operations.

4.6 Raw Materials Management

- 1) We are committed to minimizing the negative sustainability impacts of raw materials on the environment and society during the procurement and use of raw materials.
- 2) In the procurement process, give priority to the use of recyclable raw materials, improve the traceability process of raw materials, increase the procurement and use of third-party verified raw materials, avoid the procurement of raw materials from sites containing globally or nationally important biodiversity, avoid the destruction of wildlife habitats and the overexploitation of local natural resources, and avoid the violation of local human rights and community development.
- 3) Increase the use proportion of recycled raw materials, so as to reduce water and energy consumption and waste generation in the manufacturing process.

- 4) Actively carry out publicity and training on sustainable raw materials for internal and external stakeholders to enhance their relevant awareness. Collaborate with stakeholders on best practice for sustainable raw materials.
- 5) Strengthen the joint innovation ability with upstream and downstream partners, and actively carry out the R&D and implementation of raw material recycling projects to further improve the efficiency and practice of raw material utilization.

4.7 Biodiversity Conservation

We uphold the concept of harmonious coexistence between man and nature, fully support the United Nations Sustainable Development Goals, the Convention on Biological Diversity and the Kunming Declaration, conscientiously implement the laws and regulations on biodiversity protection in each operating location, actively protect the ecological environment, and continue to promote the protection of biodiversity in the industrial chain. For more biodiversity protection commitments and strategies, please see the TZE Biodiversity Conservation Policy.

5. Policy review and revision

This policy was approved by the company's General Manager in April 2024. This Environmental Management Policy shall be updated and revised in a timely manner or at least every three years.

This policy is published on the official website of TZE for all stakeholders to review, and the implementation of the policy and related key performance indicators will be disclosed annually in the company's Sustainability Report.

TCL Zhonghuan Renewable Energy Technology Co., Ltd.

General Manager SHEN Haoping

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