

SINENG Electric Co., Ltd.

Forest Protection Policy

1. Background and Objectives

Forests are among the most important terrestrial ecosystems on Earth and play an irreplaceable role in conserving water, retaining soil, regulating climate, and preserving biodiversity. Globally, deforestation arising out of commercial activities, including agricultural expansion and illegal logging, has become one of the major drivers of climate change and biodiversity loss.

SINENG Electric Co., Ltd. (hereinafter referred to as "SINENG Electric", "the Company", or "we") fully recognizes the importance of forest protection in addressing climate change, preserving biodiversity, and propelling sustainable development. We are attentive to the potential forest-related impacts of our operations and value chains, and are committed to continuously lowering the risk of deforestation associated with our business activities and progressively advancing toward deforestation-free operations and value chains.

2. Scope of Application

The Policy is applicable to SINENG Electric Co., Ltd. and its wholly owned and controlled subsidiaries incorporated into the Company's consolidated financial statements. It covers the Company's operations and all business activities associated with our products and services, and extends to activities concerning

procurement, supplier management, and business cooperation. We encourage our suppliers and other business partners to adhere to the forest protection and deforestation-free principles set out herein.

3. Basis for Formulation

We comply with applicable national laws and regulations pertaining to the protection of ecology, forests, and wild animals and plants, as well as relevant requirements applicable in the jurisdictions where we operate. We also keep abreast of developments in relevant international rules and initiatives, including the United Nations Sustainable Development Goals (SDGs) and the European Union *Deforestation Regulation* (EUDR).

4. Governance and Strategic Vision

The Company's Board of Directors and senior management are responsible for overseeing the implementation of the Company's policies on forest protection and deforestation-free practices, and for progressively integrating forest protection considerations into the Company's environmental and sustainability management systems.

Deforestation-Free Commitment: We are committed to preventing deforestation resulting from our operations and business activities associated with all of our products and services. We will progressively incorporate deforestation-free requirements into our procurement, supplier management, and business cooperation processes, and encourage suppliers and other business partners to prevent deforestation arising from their business activities related to the

Company, with the goal of progressively achieving deforestation-free operations and value chains.

5. Key Principles

- (1) **Compliance:** Our operations and value chain-related activities comply with applicable laws and regulations concerning forest protection, eco-environmental protection, and other relevant matters in the jurisdictions where the Company operates.
- (2) **Risk-Oriented Approach:** The Company progressively identifies potential deforestation risks across our operations and value chains, with particular attention to raw materials and products involving forest resources, sources of procurement, and relevant stages of the supply chain. Appropriate management measures are adopted according to the level of risk identified.
- (3) **Resource- and Material-Friendliness:** The Company promotes the conservation and circular use of resources. Subject to product quality, safety, and technical requirements, the Company gradually increases the use of recyclable, renewable, and responsibly sourced materials, while paying particular attention to the sources of materials that may involve forest resources, including timber, paper, paper-based packaging, and wooden packaging.
- (4) **Continuous Improvement:** The Company closely follows developments in laws and regulations, international rules, and industry practices with regard to the protection of forests. Based on the results of risk identification and

management, we steadily bolster our forest protection, supply chain risk management, and information traceability mechanisms.

- (5) Stakeholder Engagement: We actively engage and collaborate with suppliers, business partners, and other stakeholders on forest protection and deforestation-free practices, with a view to jointly propelling the sustainable development of value chains.

6. Areas of Focus in Business Activities

- (1) Operations: For new construction, expansion, and other relevant business activities, the Company conducts environmental impact assessments and manages environmental risks in accordance with applicable laws and regulations, in a bid to avoid any unlawful occupation or destruction of forest resources. We also pay heed to the potential impacts of project activities on surrounding forests and related ecosystems.
- (2) Products and Packaging: The Company sets a high premium on the sources of paper, paper-based packaging, wooden pallets, and other materials involving forest resources. Based on the premise that product quality, safety, and technical performance requirements are met, the Company progressively reduces the associated risk of deforestation.
- (3) Supply Chain Management: The Company progressively incorporates deforestation-free requirements into supplier onboarding, evaluation, ongoing management, and business cooperation processes. Based on the results of deforestation risk identification, the Company encourages

suppliers and other business partners to adopt appropriate preventive and corrective measures to avoid deforestation associated with their business activities related to the Company, while progressively strengthening requirements for the provision and traceability of relevant information.

7. Communication and Policy Updates

We publish the Policy on our official website to ensure ready access for employees, suppliers, business partners, and the general public. Through appropriate means, we conduct training, communication, and awareness-raising activities on forest protection and deforestation-free practices to deepen relevant stakeholders' understanding of forest-related risks and deforestation-free requirements.

The Company pays close attention to changes in laws and regulations relating to forest protection and developments in international consensus in this field, and will review and revise this Policy as appropriate to ensure its continued suitability, adequacy, and validity.

This Policy has been reviewed and approved by the Strategy Committee of SINENG Electric Co., Ltd., with the Board of Directors responsible for tracking its progress and conducting periodic reviews.