

SINENG Electric Co., Ltd.

Sustainable Procurement Policy

1. Purpose

To mitigate supply chain risks and reduce the Company's environmental impact, integrate sustainability principles—including environmental protection, labor rights, and business ethics—throughout the procurement process, propel the green, compliant, and responsible development of the supply chain, and provide a pathway for achieving the objectives set out in the *Environmental, Social and Governance (ESG) Medium- and Long-Term Strategic Plan of SINENG Electric Co., Ltd.*, the Company has hereby established this Policy.

2. Scope

This Policy is applicable to all procurement activities of the Company and relevant personnel, including the procurement of raw materials, components, equipment, and services, as well as all suppliers, subcontractors, and other business partners engaged by the Company. The requirements for sustainable raw materials management apply to all types of primary and secondary (recycled/recovered) raw materials procured and used by the Company, and extend to relevant raw material suppliers and their traceable supply chains.

3. Terms and Definitions

(1) Sustainable Procurement: Sustainable procurement refers to the

management of environmental and socioeconomic impacts throughout the lifecycle of goods and services and the promotion of sound governance practices. It creates, protects, and develops long-term environmental, social, and economic value for all stakeholders involved in bringing products and services to market.

- (2) Raw Materials: Raw materials refer to materials or inputs used in the production of the Company's products and in its operations, including primary raw materials obtained through the extraction, cultivation, or production of natural resources, as well as secondary raw materials obtained from pre-consumer or post-consumer waste streams through reuse, recycling, or recovery.

4. Management Objectives

The Company's objectives in implementing sustainable procurement are to:

- (1) Lower risks arising from the multiple tiers of the supply chain, including reputational and supply chain risks.
- (2) Reduce the Company's environmental impact at the raw material sourcing stage through sustainable procurement practices and contribute to reducing the lifecycle carbon footprint of the Company's photovoltaic and energy storage products.
- (3) Bolster environmental and social performance across the supply chain through collaboration, promote coordinated supply chain development, and take the lead in advancing positive environmental and social outcomes.

- (4) Seek opportunities to source from a diverse range of suppliers that support local economies and/or disadvantaged communities, thereby promoting supplier diversity.

5. Key Principles

The Company's key principles for sustainable procurement include:

(1) Conduct Business Lawfully and with Integrity

Suppliers shall comply with all laws and regulations applicable in the countries and regions where they operate and conduct business with integrity and in compliance with applicable requirements.

(2) Uphold Business Ethics

Suppliers shall maintain integrity and self-discipline in their business activities and eliminate all forms of commercial bribery and improper business competition.

(3) Ensure Product Quality and Propel Green Innovation

Suppliers shall deliver products and services in accordance with the specifications and quality and safety standards stipulated in the relevant contractual documents. Research and development activities shall be conducted responsibly and based upon generally accepted scientific, technical, and social ethical principles. The Company encourages suppliers to pursue green design and low-carbon technological innovation in the photovoltaic and energy storage sectors, and to work together to push forward the sustainable development of the industry.

(4) Treat All Employees Equally and Respect and Protect Their Rights

All employees of suppliers shall be treated with respect and dignity. Employees shall not be subject to discrimination or differential treatment based on non-work-related factors such as nationality, geographical origin, color, ethnicity, religion, age, marital status, or disability. The employment of child labor and forced labor is prohibited.

(5) Protect the Health and Safety of All Employees at Work

Suppliers shall provide a safe and healthy workplace and take measures to prevent work-related accidents or injuries.

(6) Integrate Sustainability into Business Operations and Continuously Mitigate Environmental Impact

Suppliers shall promote sustainable development practices, establish environmental management systems and procedures, and continuously mitigate their environmental impact. Suppliers shall reduce waste generation, greenhouse gas emissions, water consumption, and energy use. Suppliers are encouraged to boost resource efficiency and promote circular economy practices.

6. Action Measures

6.1. Practice Responsible and Ethical Procurement

In the procurement process, the Company consistently considers sustainability in addition to factors such as product quality, cost, and delivery time.

6.1.1. Environment

Uphold the principle of green procurement to bolster the Company's environmental performance and, in turn, encourage and demonstrate green consumption practices in society.

- (1) Consider the environmental impacts of products and services throughout the lifecycle and advance the accounting and continuous reduction of product carbon footprints.
- (2) Uphold the principle of green procurement, continuously procure and use raw materials, products, and services that contribute to environmental protection, including those that conserve energy, water, and materials, and give preference to packaging made from recycled materials and raw materials derived from eco-friendly sources.
- (3) Give preference to suppliers that have adopted internationally recognized environmental management systems, such as the ISO 14001 Environmental Management System.
- (4) Take greenhouse gas emissions into consideration when selecting suppliers. During the onboarding of new suppliers, give preference, on an overall assessment basis, to suppliers with strong carbon or energy performance.
- (5) Encourage suppliers to continuously sharpen their environmental management capabilities, add to transparency regarding their environmental performance, and publicly communicate their sustainability commitments.

- (6) Mitigate the Negative Sustainability Impacts of Raw Materials: The Company identifies and manages, from a lifecycle perspective, the potential environmental and social impacts of raw materials arising from extraction, cultivation, production, processing, transportation, and use. The Company continuously works to reduce greenhouse gas emissions, energy and water consumption, and the generation of pollutants and waste, while paying attention to impacts relating to human rights, local communities, and ecosystems.
- (7) Collaborate with External Stakeholders: The Company actively collaborates with suppliers, industry associations, professional and standards organizations, certification bodies, research institutions, and other relevant external stakeholders to hold exchanges and promote and improve best practices for sustainable raw materials, including responsible sourcing, raw material traceability, low-impact materials, circularity, and environmental and social risk management across the supply chain.
- (8) Increase the Use of Third-Party-Verified Raw Materials: Subject to meeting quality, safety, and performance requirements and other applicable regulations, the Company commits to progressively increasing the proportion of raw materials procured and used that have been verified or certified by credible and independent third parties, and to giving preference to raw materials and suppliers that can provide valid certification, verification, and traceability documentation.

- (9) Increase the Use of Recycled Raw Materials: The Company promotes the circular use of resources and, subject to meeting quality, safety, and performance requirements and other applicable regulations, commits to progressively increasing the proportion of recycled, recovered, and other secondary raw materials procured and used, and to giving preference to raw materials and packaging materials with recycled elements.
- (10) Protect Areas of Biodiversity Importance: The Company commits to avoiding the procurement of raw materials sourced from areas of global or national biodiversity importance, including legally protected areas, critical habitats, World Heritage Sites, Ramsar Wetlands, biosphere reserves, biodiversity hotspots, and areas containing species and habitats of global or national conservation importance. The Company also requires relevant suppliers to strengthen the identification and traceability of raw material sources and prevent habitat destruction, pollution, and the overexploitation of natural resources.

6.1.2. Social

Respect and support the United Nations Guiding Principles on Business and Human Rights and take these principles into consideration in procurement practices.

- (1) Require suppliers to provide equal opportunities to employees and uphold fair employment practices throughout recruitment, promotion, termination, and other stages of employment, without discriminating against or treating

employees differently on the basis of age, gender, place of origin, religious beliefs, marital status, or other factors.

- (2) Require suppliers to provide their employees with a safe and healthy working environment. The Company will give preference to suppliers that have adopted internationally recognized management systems, such as the ISO 45001 Occupational Health and Safety Management System.
- (3) Seek opportunities to source from a diverse range of suppliers that support local economies and/or disadvantaged communities, thereby promoting supplier diversity.

6.1.3. Governance

Pay attention to supply chain transparency and respect international anti-corruption initiatives.

- (1) Establish anti-corruption policies for suppliers, encourage suppliers to uphold integrity and self-discipline, and eliminate any conduct that violates business ethics.
- (2) Provide suppliers with accessible reporting channels and encourage the reporting of violations of business ethics and anti-corruption requirements.
- (3) Strictly maintain the confidentiality of whistleblowers' personal information and all materials provided in connection with reports.

6.2. Integrate Sustainability Principles into Supplier Management and Audit

The Company has established a full-lifecycle supplier management system to implement closed-loop management throughout the supplier lifecycle, covering

supplier registration, qualification, classification, performance evaluation, and other stages.

The Company incorporate sustainability principles into the supplier performance evaluation system and establish sustainability-related assessment dimensions, including green and environmental protection indicators and social responsibility indicators.

The Company has been recognized as a national-level "Green Supply Chain Management Enterprise" and will continue to place green supply chain management at the core of its efforts, continuously improve its green supply chain management systems, standards, and specifications, and leverage its role as an industry benchmark to demonstrate and spearhead best practices.

6.3. Advance Transparent Procurement

All procurement processes shall be open and transparent. Procurement personnel are prohibited from accepting any gifts or other excessive hospitality from suppliers and shall not make private commitments to suppliers or execute or sign contracts with suppliers outside the prescribed procedures.

Supplier selection and engagement shall comply with the Company's supplier review procedures. Orders may only be placed with suppliers included on the qualified supplier list.

The establishment of any final procurement relationship shall be subject to approval by the person responsible for the supply chain.

The Company encourages other potential suppliers and business partners to

report the above-mentioned violations. The Company shall conduct appropriate investigation and verification procedures in response to such reports.

6.4. Select Suppliers That Do Not Use Forced Labor

The Company shall not consider factories that use prison labor, forced labor, or child labor as suppliers. Upon discovery of any such practice, the Company shall immediately suspend business cooperation with the supplier and require corrective actions within a specified timeframe.

Upon expiration of the agreed corrective action period, the Supply Chain SQE shall verify the outcomes of the supplier's corrective actions.

6.5. Take Measures to Advance Sustainable Procurement Across the Board

- (1) Capacity Building: Regularly organize training on sustainable procurement and share best practices in environmental protection and social responsibility with procurement personnel and critical suppliers to raise sustainability awareness and implementation capabilities across the entire supply chain.
- (2) Performance Evaluation: Establish a dynamic supplier sustainability performance evaluation mechanism, incorporate suppliers' environmental and social performance into annual audits, and use such performance as an important basis for supplier tiering and contract renewal.
- (3) Access Control: Define sustainable procurement requirements at the supplier onboarding stage and, where necessary, engage third parties to conduct due diligence to prevent environmental and human rights compliance risks.

- (4) **Binding Contract:** Incorporate key sustainability provisions, such as prohibitions on forced labor and requirements for the use of green materials, into procurement contracts to formalize supplier responsibilities through contractual commitments, and regularly track compliance with such requirements.
- (5) **Collaboration on Best Practices for Raw Materials:** Based on business needs, participate in industry exchanges, standards studies, capacity-building initiatives, and collaborative programs relating to sustainable raw materials, share experience with external stakeholders, and progressively incorporate applicable best practices into procurement requirements, supplier management, and internal processes.

7. Communication Mechanism

The Company effectively communicates this Sustainable Procurement Policy to all employees through various channels, including training sessions, internal announcements, and promotional displays, to ensure that employees fully understand the Policy, their respective responsibilities, and relevant requirements. Employees are also encouraged to provide suggestions and raise concerns regarding sustainable procurement management. The relevant responsible departments shall promptly receive and address such feedback, conduct investigations, and provide closed-loop responses, so as to ensure that access to information is unimpeded, engagement carries value, and improvements are put into practice.

The Company actively communicates its sustainable procurement principles and policies to employees, suppliers, and other stakeholders and provides sustainable procurement education sessions. Beyond that, the Company encourages and supports suppliers in establishing their own sustainability goals and heightening sustainability awareness through various channels, working collaboratively with suppliers to continuously improve their sustainability performance.

8. Policy Approval, Oversight and Review

This Policy has been reviewed and approved by the Strategy Committee of SINENG Electric Co., Ltd. The Board of Directors is responsible for overseeing the implementation of this Policy and periodically reviewing its suitability, adequacy, and validity. The Procurement Department is responsible for the day-to-day implementation of this Policy to ensure the fulfillment of relevant requirements and drive ongoing improvements. The Company will update this Policy as appropriate, taking into account applicable laws and regulations, international sustainability requirements, best practices in the industry, and changes in the Company's business.