



**Tongwei Co., Ltd.**

## **Environmental Management Commitment and Policy**

### **Environmental Management Commitment**

Tongwei Co., Ltd (hereinafter referred to as "Tongwei" or the "Company") is committed to upholding both commercial value and social responsibility, and is dedicated to conducting business with higher ethical standards. It is a longstanding commitment of Tongwei to support the *Paris Agreement*, the *United Nations Sustainable Development Goals* (SDGs), the dual-carbon goals of China, and other initiatives at home and abroad as well as domestic laws and regulations such as *Environmental Protection Law of the People's Republic of China*, *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, *Water Pollution Prevention and Control Law of the People's Republic of China*, *Soil Pollution Prevention and Control Law of the People's Republic of China*, and *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes*.

Tongwei and its subsidiaries will fulfill the following environmental management commitments and more partners and suppliers are also encouraged to be engaged:

- Strictly comply with applicable laws and regulations and regulatory requirements on environmental protection at the place of operation.
- Develop environmental goals and emission reduction pathways to promote sustainable development in an environmentally-friendly manner.
- Actively adopt effective and innovative technologies and measures to address climate change and minimize the impacts of business operations on the environment.
- Continue to upgrade green production technologies and commit to reducing harmful substances in products.
- Incorporate environmental factors into the supplier assessment and management to create a sustainable supply chain.
- Provide training sessions for employees and suppliers on skills and knowledge on environmental protection, and recognize their efforts or achievements in ecological improvement.
- Communicate and cooperate with stakeholders to increase their awareness of the

environmental management policies and impacts of the Company.

## **Environment Management Policy**

### **Environment Management System**

- Tongwei and its subsidiaries shall strictly comply with the laws and regulations on environmental protection at the location of projects and formulate relevant internal policies and regulations.
- Tongwei has established a sound environmental management structure, with the Energy Management Committee of the headquarters coordinating the management of sustainable development issues, setting up a three-tier management system with clarified job duties on GHG reduction, pollutant and water resource management. Tongwei incorporates environmental management into the annual personal appraisal in charge under clear responsibilities for environmental protection.
- Tongwei strives to raise employees' awareness of environmental protection through activities on low carbon and environmental protection to highlight the philosophy of "environmental protection by all" and "green lifestyle" .
- Tongwei pays attention to suppliers' environmental management level and gradually promotes incorporating green procurement, energy conservation and emission reduction, water resource management into supplier access criteria. Tongwei requires suppliers to ensure that no environmental pollution incidents occur during cooperation and try to eliminate environmental pollution factors or hidden dangers. The environment management level of suppliers shall be incorporated into access criteria and annual reviews to jointly create a green ecological industrial chain.

### **Greenhouse Gas Management**

- With an emphasis on the identification and disclosure of climate risks and opportunities, Tongwei refers to the recommended framework of the Task Force on Climate-related Financial Disclosures (TCFD), actively responds to the long-term expectation of climate issues through forward-looking risk management, and develops targeted emission reduction approaches and strategies upon assessing the relevance and impact of climate change risks on the Company's business to reduce risks and seek opportunities for the future.
- With reference to the international standards and the domestic carbon emission accounting guidelines for various industries, Tongwei prepares its own greenhouse gas emission inventory and regularly examines key products at the level of operation and value chains.
- While enhancing the carbon inventory and audit, Tongwei promotes the digitalization of

energy use and carbon emission management, dynamically plans energy-saving strategies and goals to provide a solid foundation for the company's future energy-saving and carbon reduction planning and implementation.

- With active engagement in product carbon footprint certification, Tongwei endeavors to reduce carbon emission centering on the assessment of carbon emission for products in life cycle management.
- Tongwei actively works with suppliers in carbon emission reduction for the supply chain, giving priority to the suppliers whose products with low carbon footprint.

### **Energy Management**

- In the principle of “ Set budget for energy use, make plan for energy development ” , Tongwei constantly optimizes the institutions, standards, and procedures of energy management.
- Tongwei puts unremitting efforts into technological improvements, equipment updates and technique iteration to improve energy efficiency and electrification coverage for the purpose of energy conservation.
- Tongwei actively engages in the traceability of clean energy power and trading of environmental rights to increase the proportion of renewable energy in the Company's electricity use.
- Tongwei responds to the national energy conservation and emission reduction initiative, and further strengthens the awareness of energy conservation and carbon reduction of all employees through publicity, education and active advocacy.
- Tongwei assesses suppliers' energy utilization and management to empower and drive them for energy conservation upgrading.

### **Water Resources Management**

- Under a rational organizational structure for water resources management, Tongwei incorporates the indicators of water resources utilization into performance appraisal with a salary hook to enhance management efficiency.
- Tongwei undertakes to save water resources to the maximum extent by optimizing the water-saving equipment, facilities, and management process, thus promoting the recycling of water resources in the production process and reducing freshwater consumption.
- Tongwei continues to pay attention to the water pressure of each production base, strengthen water risk identification and response, and establish corresponding water risk mitigation measures.

- Tongwei requires each subsidiary to set water consumption targets per unit for major products and review and examine targets annually.
- Tongwei supports suppliers to set water-saving goals and develop water-saving measures, which shall be incorporated into access criteria and annual assessment to reduce water consumption in the supply chain and transportation.

### **Contaminated Waste Management**

- The Company highlights appropriate disposal and efficient control of contaminated waste. All subsidiaries of Tongwei are required to strictly abide by relevant laws and regulations, and regulate the classification, collection, transfer, temporary storage and disposal of solid and hazardous waste; Strictly control the discharge of contaminated waste, identify risks in the disposal of hazardous waste, and improve the comprehensive utilization rate of non-hazardous waste.
- **Waste management:** The Company establishes a ledger of incoming and outgoing waste and specifications of intra-plant transfer, sets in-plant storage rooms with anti-seepage facilities, and entrusts professional third parties to recycle waste comprehensively.
- **Waste gas management:** The Company attempts to reduce waste gas emissions by eliminating backward techniques, reforming engineering equipment and optimizing production skills; and applying regular inspections on the atmospheric environment and maintenance over off-gas treatment equipment for proper and legitimate emission.
- **Waste water management:** The Company has equipped industrial and domestic wastewater disposal facilities under special inspection and maintenance; constantly optimizes techniques to reduce wastewater discharge; and sets online inspection devices and annual monitoring program on wastewater discharge and also appoints a professional third party for regular examinations.

### **Ecological Environment Management<sup>1</sup>**

- Tongwei and its subsidiaries are required to observe the laws and regulations on natural resources protection, ecological environment protection and biodiversity conservation at the location of projects as well as the *Convention on Biological Diversity*, *Kunming Declaration*, and *Judicial Protection of Biodiversity in China*, etc.
- Tongwei strictly controls the impact of production and operation on the ecological environment, no business activity is allowed in forests, nature reserves and ecological

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<sup>1</sup>For more details on biodiversity and forest protection, please refer to the *Tongwei Co., Ltd. Biological Diversity Conservation Commitment and Policy*.

conservation habitats, and biodiversity-related assessment is required before any operation.

- Tongwei incorporates ecological factors into the supplier code of conduct, underlines the necessity of environmental impact reports and pollutant discharge permits for review, and requires suppliers to minimize pollution factors risks or hidden dangers as far as possible.
- Tongwei actively implements the concept of ecological protection and advocates ecological restoration actions. All subsidiaries and suppliers are encouraged to engage in ecological protection and restoration to fulfill their social responsibilities.

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Remarks:

- 1.The company encourages and supports suppliers and partners to adopt and implement additional principles and policies, provided that they do not conflict with this policy.
- 2.The company's business operations strictly comply with the local laws and regulations. In the absence of specific local legal requirements, this policy shall be followed.
- 3.This document is interpreted and revised by Tongwei Co., Ltd. The company will update the document in a timely manner based on domestic and international policies, regulatory requirements, and industry developments. In the event of any inconsistencies between the Chinese and English versions of this document, the Chinese version shall prevail.