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Sustainable Supply Chain Due Diligence Guidelines

SolarSpace
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Policy Statement

SolarSpace Technology Co., Ltd. (hereinafter referred to as "SolarSpace") is committed to building a safe, transparent, and responsible global supply chain system. We commit to adhering to internationally recognized business ethics and human rights standards, and will identify, prevent, and address potential environmental, social, and governance (ESG) risks in the supply chain through systematic due diligence and continuous improvement mechanisms. This Policy is developed with reference to the UN Guiding Principles on Business and Human Rights, the OECD Due Diligence Guidance for Responsible Business Conduct, the EU Battery Regulation (EU 2023/1542), the Corporate Sustainability Due Diligence Directive (CSDDD), as well as relevant domestic and international laws and regulations, and applies to SolarSpace and its subsidiaries.

1. Objectives and Principles

We are committed to:

- 1.1 Integrating ESG factors comprehensively into the supplier selection, evaluation, and management processes.
- 1.2 Identifying, assessing, and mitigating supply chain risks through a due diligence framework.
- 1.3 Promoting supplier compliance with international standards in environmental management, labor rights, and business ethics.
- 1.4 Establishing a transparent and traceable supply chain information management system.
- 1.5 Fostering mutual growth with suppliers to build a resilient and sustainable supply chain.

2. Scope of Application

This Policy applies to the primary raw material suppliers of SolarSpace and its subsidiaries (hereinafter referred to as "Suppliers").

3. Supply Chain Due Diligence Framework

We have established and implemented a continuous supply chain due diligence system, which includes the following key steps:

3.1 We require all suppliers to strictly comply with the following "zero-tolerance items", and any violation will result in the termination of business cooperation:

SolarSpace Supply Chain ESG Risk Due Diligence Audit Report (Zero-Tolerance Items)	
1	Environmental Permits: Whether the government-required environmental permits (Environmental Impact Assessment [EIA], approval documents, and three simultaneous inspection and acceptance documents) have been obtained; and whether the current production status is consistent with the content of the EIA report and the requirements of relevant approval documents.
2	Illegal Discharge of Three Wastes: Whether there are illegal discharge behaviors of environmental pollutants such as solid waste, wastewater, and waste gas; whether the supplier complies with relevant environmental protection laws and regulations; and whether the supplier has obtained the Pollutant Discharge Permit.
3	Occupational Health and Safety Issues: Whether there are potential EHS conditions that could cause serious injury or death to employees or the public, such as "three-in-one" premises. ("three-in-one" premises refer to buildings where residential use is illegally mixed and arranged with one or more functional uses including production, storage, and operation in the same building space.)
4	Employment Compliance: Whether there is child labor, discrimination, forced labor, or other such practices.
5	False Documents: Whether there are records of using forged or false documents, including quality certifications, raw material origin certificates, and product test reports.
6	Credit Rating: Whether has been included in the government's Integrity Blacklist, Major Hidden Hazard Rectification List, or Major Violation Penalty List due to EHS issues; or rated as a red or black-level company in environmental credit rating. If not, a commitment statement

	shall be provided.
7	Commercial Bribery: Whether there is any commercial bribery, including but not limited to providing improper benefits to customers or government officials to obtain or maintain business.
8	Unauthorized Subcontracting: Whether part or all of the work under the contract has been subcontracted to third parties without authorization, especially work content that may pose risks in areas such as quality control and safety responsibility.
9	Conflict Minerals Issue: Whether the supplier uses or sources mineral resources (tin, tantalum, tungsten, gold) from conflict-affected regions.

3.2 Risk Identification and Assessment

3.2.1 The *Supplier KYS Risk Assessment Form* shall be used during the onboarding of new suppliers and the ongoing management of existing suppliers to conduct supply chain sustainability risk assessments. An annual KYS risk survey and assessment shall be carried out for qualified suppliers.

3.2.2 Risk levels shall be determined based on two dimensions: supplier operational risk and supplier ESG risk.

3.2.3 Supplier operational risk shall be evaluated based on factors such as company type, factory scale, level of industrial advancement, customer portfolio, related media reports, and past performance records.

3.2.4 Supplier ESG risk shall be evaluated based on dimensions including ESG performance, environmental management, social responsibility, and corporate governance.

3.2.5 Risk Rating Criteria: The total score for supplier operational risk assessment is 28 points, and the total score for supplier ESG risk assessment is 72 points, with a combined total of 100 points across both dimensions.

3.2.6 Corresponding risk control and monitoring measures shall be implemented based on the assessed risk level.

The criteria for risk level determination and corresponding control measures are shown in the table below:

Total evaluation points	The risk level	control measures
points \geq 80	low risk	The procurement share may be appropriately increased based on the company's actual situation.
80> points \geq 60	medium risk	Based on the company's actual situation, guidance shall be provided to suppliers for improvement; the procurement share shall be reduced or maintained unchanged as appropriate, depending on the improvement status.
points <60	high risk	Based on the company's specific circumstances, on-site audits shall be performed on high-risk suppliers with the use of the <i>SolarSpace Supply Chain ESG Risk Due Diligence Audit Form</i> , and time-bound rectification solutions shall be implemented. If the rectification is unsatisfactory or the supplier refuses to carry out rectification, the cooperation volume shall be reduced or the supplier shall be removed from the supplier roster.

3.3 Information Disclosure

3.3.1 Publish an annual *ESG Report* and/or the *Sustainable Supply Chain Due Diligence White Paper* to disclose key progress and challenges in supply chain management.

3.3.2 Respond to reasonable information requests from customers, investors, and other stakeholders.

4. Management Responsibilities and Resource Guarantee

4.1 Senior Management: Responsible for providing the necessary resources and support for the implementation of this Policy.

4.2 ESG: Responsible for policy guidance and oversight, coordinating supplier KYS risk assessments and providing professional guidance, and presenting management outcomes in the *ESG Report* and/or the *Sustainable Supply Chain Due Diligence White Paper*.

4.3 Purchasing Department: Responsible for new supplier sourcing and onboarding management, conducting preliminary supplier KYS risk assessments, implementing control measures based on assessment and audit results, and supporting conflict minerals management.

4.4 Operation & Management Department – Business Management: Responsible for assessing qualified suppliers' procurement and use of conflict minerals and conducting supplier traceability activities.

4.5 Supplier Quality Management Department: Responsible for collecting and managing qualified suppliers' ESG and sustainable supply chain information, conducting preliminary KYS risk assessments, implementing control measures based on assessment and audit results, and organizing supplier on-site audits and capacity-building training.

4.6 ESG Committee: Responsible for overseeing the implementation of this Policy and periodically reviewing the effectiveness of risk management.

5. Training and Capacity Building

5.1 ESG shall provide ESG training to suppliers as needed, with the Supplier Quality Management Department responsible for organizing supplier participation. Training content includes policy interpretation, case studies, and regulatory updates.

5.2 Outstanding suppliers are encouraged to share best practices to promote collective progress within the industry.

6. Review and Update

This policy shall be reviewed at least once a year and updated in a timely manner in response to changes in laws and regulations, international standards, and company strategy. We encourage all stakeholders to provide suggestions for improvement to jointly promote sustainable development in the supply chain.

7. Communication and Appeal Mechanism

We are committed to maintaining open communication with employees, suppliers, customers, investors, communities, and other stakeholders regarding this policy and our supply chain ESG practices.

- We welcome all stakeholders to raise inquiries, provide feedback, or submit grievances concerning the implementation of this policy, related risks, or suggestions for improvement through the following channels:
 - Reporting Email: sjcb@solarspace.com;
 - Reporting Hotline: +86-186-2600-5486;

We ensure that all feedback will be treated confidentially, and whistleblowers will be protected from any retaliation.

8. Supplementary Provisions

This policy shall come into effect from the date of issuance. SolarSpace reserves the final right to interpret and revise this Policy. We will regularly review and update this Policy to reflect changes in laws and regulations, industry standards, and the company's strategy.

9. Attachment: Technical Tools

9.1 Supplier KYS Risk Assessment Form

9.2 Supplier KYS Risk Assessment Summary Table

9.3 SolarSpace Supply Chain ESG Risk Due Diligence Audit Form

9.4 SolarSpace Commitment Letter on the Non-Use of Conflict Minerals

9.5 List of Qualified Suppliers

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