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countersigning department	Countersignature of the signer	Date
Finance Department	<u>江新</u>	<u>2025.7.31</u>
Administrative Department	<u>陈小鹏</u>	<u>2025.7.31</u>
Logistics/Warehousing Department	<u>王明</u>	<u>2025.7.31</u>
EHSQ Department	<u>秦维浩</u>	<u>2025.7.31</u>
Sales/Customer Service Department	<u>陈</u>	<u>2025.7.31</u>
Quality Department	<u>孙凤</u>	<u>2025.7.31</u>
Technology R&D Department	<u>黄进</u>	<u>2025.7.31</u>
Production Department	<u>任晓宇</u>	<u>2025.7.31</u>
Engineering Department	<u>秦</u>	<u>2025.7.31</u>
Information Technology Department	<u>秦</u>	<u>2025.7.31</u>
Human Resources Department	<u>崔建五</u>	<u>2025.7.31</u>

1 Purpose

Sino Legend (China) Chemical Company Ltd. (hereinafter referred to as the “Company”) is dedicated to the research and development and manufacturing of phenolic resins for rubber and tire applications, as well as functional rubber processing additives. Adhering to the procurement philosophy of “green, compliant, and sustainable”, the Company integrates sustainability throughout the entire procurement process. This Policy aims to standardize procurement practices, implement environmental and social responsibility commitments in procurement, uphold business ethics, promote sustainable collaboration across the supply chain, and achieve a balanced integration of economic, environmental, and social value.

2 Scope of Application

This Policy applies to all procurement activities of the Company, covering the purchase of raw materials (such as phenolic resin raw materials and rubber processing additive raw materials), components, equipment, and services (including logistics and technical services). It is applicable to the Procurement Department as well as all departments and employees involved in procurement-related work. At the same time, it also binds suppliers, contractors, and other partners providing products or services to the Company.

3 Responsibilities

- 3.1 The Executive Vice General Manager holds overall responsibility for the Company’s sustainable procurement performance, approves the sustainable procurement policy and major decisions, ensures the allocation of relevant resources, and supervises the implementation of the policy.
- 3.2 The Procurement Department leads the development and updating of this Policy and its supporting management system, organizes policy communication, training, and implementation monitoring, selects, evaluates, and manages sustainable suppliers, and coordinates the resolution of sustainability-related issues in the procurement process.
- 3.3 All requesting departments shall submit procurement requirements that meet sustainability criteria, participate in supplier evaluation and selection, report any sustainability-related issues identified during procurement, and assist in implementing sustainable procurement requirements.

4 Content

- 4.1 Environmental Commitments in Procurement

The Company is committed to giving priority to purchasing raw materials and products that meet national environmental standards or possess environmental labeling or green product certifications. For key procurement categories such as phenolic resin raw materials and rubber processing additive raw materials, the use of raw materials containing highly polluting or highly toxic substances is strictly prohibited. Preference is given to recyclable, biodegradable, or low-environmental-impact alternative materials.

The Company gives priority to suppliers with a valid environmental management system certification (ISO 14001) and requires them to comply with national and local environmental laws and regulations. Suppliers must provide documentation demonstrating environmental compliance, including pollution discharge permits and wastewater and exhaust emission test reports.

Using 2024 as the baseline year, the Company aims to reduce total Scope 3 carbon emissions by 25% by 2030.

4.2 Social Responsibility Commitments in Procurement

The Company gives priority to suppliers certified under SA8000 and requires them to strictly comply with labor laws, regulations, and international labor standards, ensuring the protection of employees' legal rights. The employment of child labor or forced labor by suppliers is strictly prohibited, and employees must be guaranteed reasonable working hours, statutory wages and benefits, and rights to rest. Adhering to the principle of fair competition, the Company treats all qualified suppliers equally and does not impose discriminatory procurement conditions. The Company respects the legitimate rights of suppliers, makes timely payments for purchases, and strives to establish long-term and stable partnerships.

Sustainable Targets for 2024–2030: Achieve a 100% compliance rate in supplier labor rights audits; maintain zero procurement disruptions caused by supplier labor law violations; and ensure a 100% signing rate of the Supplier Code of Conduct.

4.3 Procurement Business Ethics and Examples

Procurement personnel and related employees are strictly prohibited from soliciting or accepting kickbacks, bribes, cash gifts, or any other improper benefits from suppliers in any form. They must also not request suppliers to provide unreasonable hospitality, travel, entertainment, or similar arrangements.

Example 1: When negotiating contracts for the procurement of phenolic resin raw materials, procurement personnel must not accept cash, gift cards, high-value gifts, or similar items from suppliers.

Example 2: If a supplier offers the Procurement Department a 5% rebate on the contract value in order to secure a purchase order, procurement personnel must firmly refuse and report the offer to the Company.

Procurement personnel and related employees must proactively disclose any relationships with suppliers (such as familial ties or investment connections) and must not participate in procurement decisions where a conflict of interest exists.

Example: If a procurement employee has a direct family member who holds shares in a rubber processing additive supplier, the employee must report this to the Company and refrain from participating in the supplier's selection, negotiation, or contract signing processes.

Confidentiality of Business Information in Procurement personnel must strictly protect suppliers' business secrets obtained during the procurement process (such as technical specifications and pricing information), as well as the Company's own procurement plans, pricing strategies, and other commercial confidential information, and must not disclose them to unrelated third parties.

Example 1: Procurement personnel must not disclose a supplier's proprietary formulation technology or cost calculation data to other competing suppliers.

Example 2: A supplier's quotation is considered a business secret; procurement personnel must not forward it to internal staff not involved in the procurement project or to external parties without authorization.

Procurement activities shall adhere to the principles of openness, fairness, and impartiality. Collusion or bid-rigging with suppliers is strictly prohibited, and unreasonable conditions that exclude potential qualified suppliers must not be imposed. Once a contract is signed with a supplier, the Company must strictly fulfill its contractual obligations and must not breach the contract arbitrarily.

Example 1: During an equipment procurement tender, procurement personnel must not privately negotiate with any supplier or disclose the bids or technical proposals of other participants, ensuring the fairness of the tender.

Example 2: If the Company and a supplier agree on a 30-day delivery period for raw materials, the

Company must not unreasonably request early delivery or delay payment.

Sustainable Targets for 2024–2030: Achieve a 0% occurrence rate of business ethics violations and a 0% occurrence rate of business secret leaks.

5 Policy Update and Revision

- 5.1 The Procurement Department shall establish a dynamic policy tracking mechanism and designate personnel to collect updates on national environmental, labor, and procurement laws and regulations, as well as industry standards for sustainable procurement. In principle, this Policy shall undergo a comprehensive review every 2 years. However, a revision process shall be initiated within 30 days if any of the following circumstances occur: the introduction of mandatory new sustainable procurement regulations at the national or local level; significant changes in the Company’s business scope or product structure; failure to meet annual sustainable procurement targets for two consecutive quarters; or the occurrence of major procurement compliance risks or significant demands from relevant stakeholders.
- 5.2 The policy revision follows a five-step procedure of “research – drafting – solicitation of opinions – review – disclosure”. The Procurement Department conducts research and drafts the revision based on regulatory requirements, industry practices, and the Company’s actual situation. Feedback is solicited from all departments, employee representatives, and key suppliers for no less than 7 working days. After the draft is approved in a dedicated management meeting, it shall be published on the Company’s bulletin board, internal OA system, and supplier-exclusive platform for a minimum of 5 working days, with each piece of feedback addressed individually.
- 5.3 The formulation, updating, and revision process of the policy shall be fully documented, including research reports, draft revisions, consultation records, review minutes, and publication screenshots. Both electronic and hard copies (kept by designated personnel in the Procurement Department) shall be maintained, with a retention period of no less than 5 years. If a policy revision results in changes to existing operational procedures, the relevant systems shall be updated accordingly, and targeted training shall be organized.

6 Policy Implementation and Oversight

- 6.1 The Company shall break down the objectives of this Policy into the relevant departments and

annual work plans, regularly monitor and evaluate sustainable procurement performance, and report the results to management while publishing them to employees and key suppliers.

- 6.2 Strengthen policy communication and training to ensure that all relevant employees and suppliers understand the policy content as well as their rights and obligations, thereby enhancing awareness of sustainable procurement and compliance capabilities.
- 6.3 Accept supervision from government regulatory authorities, suppliers, customers, the public, and the media; regularly disclose information related to sustainable procurement; and promptly rectify any issues identified.

7 Grievance and Reporting Mechanism

- 7.1 The Company has established a convenient and confidential grievance and reporting mechanism. Employees, suppliers, and other relevant parties who identify any violations of this Policy (including environmental non-compliance, lapses in social responsibility, breaches of business ethics, etc.) may report through the following channels:

Grievance/Reporting Email: service@sinolegend.com

Grievance/Reporting Phone: 86-512-58326999-302

- 7.2 Upon receiving a grievance or report, the responsible department shall acknowledge receipt within 5 working days and complete the investigation and verification within 30 working days. The investigation process shall be strictly confidential, and any form of retaliation against the complainant or reporter is strictly prohibited. The investigation results shall be promptly communicated to the complainant or reporter. Verified violations will be addressed in accordance with applicable laws and regulations, corrective actions will be enforced, and the outcomes will be reported to management.