

# **Sinochem HK Sustainable Procurement Policy**

As the offshore financing platform and a key overseas asset holding company of Sinochem Holdings, Sinochem Hong Kong (Group) Company Limited (“Sinochem HK” or the “Company”) is fully aware of the far-reaching environmental, social and economic implications of procurement activities, and understands its responsibility to manage such impacts. Therefore, Sinochem HK prioritizes the procurement of green and healthy materials, products and services with a view to promoting sustainable supply chains.

## **Purpose**

The Company has formulated and released this policy with a view to strengthening procurement management, providing guidance for the Company’s procurement activities, managing the environmental responsibility that should be undertaken in procurement activities on a comprehensive scale, promoting the establishment of sustainable supply chains, and reducing the adverse impacts on society and the environment.

## **Scope of Application**

This policy applies to all employees (including informal employees such as contractors, interns, and rehired retirees) of Sinochem Hong Kong (Group) Company Limited and its affiliates, and the Company encourages all business partners and other stakeholders, including business associates, related companies, contractors and suppliers, to comply with this policy.

## **Policy**

1. Improve design, operations and processes to enhance the recyclability of materials used in business operations, reduce the demand for non-essential products and services, and reduce environmental footprint.
2. Promote sustainable sourcing, and where appropriate, prioritize the procurement of materials and products that meet the following conditions:
  - Minimal use of raw materials during the production process and minimal use of packaging materials
  - Reduction of energy and water consumption
  - Minimal environmental impact throughout the product or service life-cycle
  - Reusability or recyclability
  - Non-toxic and non-polluting to human body and the environment

3. During project development and construction, priority shall be given to suppliers, raw materials and products located in the place where the project is carried out, so as to reduce carbon emissions and environmental impacts during the production and transportation processes.

4. Incorporate sustainable development principles into the supplier selection process, and where appropriate, prioritize suppliers who meet the following conditions:

- Suppliers who have established and clarified their sustainable development values and commitments
- Suppliers who have adopted internationally recognized management systems and guidelines relating to sustainable development, such as ISO9001 Quality Management System, ISO14001 Environmental Management System, ISO50001 Energy Management System, ISO26000 Social Responsibility Guidelines, OHSAS18001 Health and Safety Management System and other equivalent management systems

5. Integrate sustainable development into supply chain management, encourage and guide suppliers to comply with laws and regulations and relevant procurement standards, strengthen suppliers' awareness of sustainability, and jointly build a sustainable supply chain.

The Company will review and update this policy from time to time or at least every three years.

Should there be any discrepancy between Chinese and English versions, the Chinese version shall prevail.