Sailun Group Co., Ltd.
Climate Response Policy

I. Purpose

Article 1 - Sailun Group regards climate response as a core strategic pillar for achieving sustainable development. Guided by the principles of "green innovation and low-carbon transition," the Group is committed to establishing a systematic climate governance framework. This Policy aims to comprehensively enhance the company's climate resilience and contribute to the achievement of global carbon neutrality goals through measures such as improving governance mechanisms, strengthening risk management, promoting energy conservation and emission reduction, and advancing green technologies.

II. Scope

Article 2 - This Policy applies to all production and operational activities within Sailun Group and to all employees. We also encourage our suppliers, contractors, distributors, partners, and other external stakeholders to comply with this policy.

III. Responsibilities

Article 3 - The Board of Directors, as the company's highest supervisory body for sustainable development, exercises overall supervisory authority across all areas of sustainable development. It also serves as the highest supervisory body for the company's climate governance and climate action, exercising the highest level of oversight over the entire process of formulating, implementing, evaluating, and improving the company's sustainable development strategy and climate-related action plans.

Article 4 - The Strategy and Sustainable Development Committee oversees and evaluates long-term strategies for climate response and supports the Board of Directors in decision-making and oversight.

Article 5 - The Sustainable Development Leadership Team is responsible for reviewing the specific manifestations of climate change issues within the Group and proposing measures to address climate risks and opportunities.

Article 6 - The Group Strategic Management Office of Sustainability is responsible for driving the implementation of climate change risk response measures and coordinating relevant initiatives to achieve climate goals; conducting organizational-level greenhouse gas verification and product carbon footprint verification; formulating climate response policies; establishing a climate risk management framework; and identifying climate change-related risks and opportunities.

Article 7 - The Group Sustainable Development Working Team is responsible for implementing the Group's action plan on climate change issues and reporting progress regularly to the Group Strategic Management Office of Sustainability.

IV. Detailed Rules

Article 8 - Risk Management

- In accordance with the International Financial Reporting Standards Sustainability Disclosures Standard No.2 Climate-related Disclosures (IFRS S2) issued by the International Sustainability Standards Board (ISSB), the Group will systematically identify physical risks and transition risks, establish a tiered climate risk response mechanism, incorporate high-risk projects into the Group's comprehensive risk management system, and conduct regular climate scenario analyses to assess potential financial impacts on our business operations.
- Strengthen climate resilience in the supply chain by incorporating climate

performance into the supplier onboarding and evaluation system, prioritizing low-carbon certified suppliers, avoiding procurement from highly vulnerable regions, and collaborating to promote emissions reductions across the supply chain.

Article 9 - Low-Carbon Transition

- Accelerate the adoption of clean energy, expand the scale of photovoltaic and biomass energy applications, actively procure green electricity, and reduce reliance on fossil fuels;
- Improve energy efficiency management, comprehensively advance the development of energy management systems (e.g., ISO 50001), and implement energy-saving retrofits of equipment and technology.
- Scale the deployment of green technologies such as "Liquid Gold" (EcoPoint[3]) technology, increase the use of renewable and recyclable materials, and achieve carbon emissions reduction across the entire product lifecycle.
- Deepen circular economy practices and improve tire retreading rates and the recycling of waste resources.

Article 10 - International Cooperation

- Align with international climate initiatives such as the Science Based Targets initiative (SBTi) and actively engage in the development of global carbon market mechanisms.
- Promote compliance with local emissions reduction at our all-global manufacturing facilities.

V. Targets and Metrics

Article 11 - Targets

- Emissions Reduction Target: Reduce carbon emissions per unit of tire product by 30% from 2022 levels by 2030.
- Energy Target: Reduce energy consumption per unit of tire product by 30% from 2022 levels by 2030.
- Materials Target: Increase the proportion of sustainable materials in tire products to 40% by 2030 and to 100% by 2050.

Article 12 - Metrics and Disclosure

- The Company commits to regularly disclosing GHG emissions data (Scope 1, Scope 2, and Scope 3), progress on emission reduction projects, and target achievement rates through channels including the annual sustainability report and responses to the CDP (Carbon Disclosure Project) questionnaire. All such disclosures will be subject to independent third-party assurance.
- The Company will also disclose strategic resilience, governance, risk management, and metrics and targets related to climate-related risks and opportunities.

VI. Grievance Mechanism

Article 13 - We maintain a zero-tolerance policy toward any form of violation of this Climate Change Policy, relevant laws and regulations, or internal management rules. Through fair and confidential reporting channel, we encourage employees and other stakeholders to monitor and report any suspected illegal or irregular acts, which will be subject to rigorous investigation and fair resolution.

If any violation of this policy is discovered, all internal and external stakeholders may report it anonymously through the following channels:

Email: jubaotousu@sailuntire.com

Tel: +86 17568911565

We adhere to the principle of confidentiality at every stage of the reporting and investigation process. We strictly prohibit the disclosure of a reporter's personal information and strictly prohibit disclosing the details of a report to the person or department being reported. We protect the legitimate rights and interests of reporters and prohibit any retaliation against them, including harassment, demotion, dismissal, disciplinary action, suspension from work, threat, or any other form of indirect retaliation based on the reason for the report.

VII. Review and Revision

Article 14 - The Group Strategic Management Office of Sustainability is responsible for formulating, revising, interpreting, and overseeing the implementation of this policy. Matters not covered herein shall be governed by relevant laws, regulations, normative documents, and internal company policies. This Policy is implemented upon approval of the Board Strategy and Sustainable Development Committee and is subject to a comprehensive annual review by the Board Strategy and Sustainable Development Committee to ensure its alignment with the Company's sustainable development strategy and direction; it may be reviewed and updated as necessary.