

# Seres Group Sustainable Raw Materials Policy

Seres Group Co., Ltd. and its subsidiaries (collectively referred to as "Seres" or "the Company") have established the *Seres Group Sustainable Raw Materials Policy* (hereinafter "this Policy") to proactively fulfill social and environmental responsibilities in raw material procurement, in accordance with national laws and regulations, international conventions, and industry standards.

## 1. Scope

This Policy applies to all procurement activities involving raw and auxiliary materials across the Company, covering Seres' own operations, all tiers of suppliers, and relevant partners. The Board of Directors serves as the highest oversight body for sustainable raw materials matters, responsible for supervising and regularly reviewing the implementation of this Policy.

## 2. Principles

The Company strictly complies with laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Circular Economy Promotion Law*, and the *Automotive Hazardous Substances and Recyclability Rate Management Requirements*. By identifying, assessing, and managing supply chain risks, the Company is committed to minimizing the negative impacts of raw materials across their full life cycle on natural resources, ecosystems, and social and community rights.

## 3. Commitments

- The Company commits to minimizing the environmental and social impacts of raw material use, reducing water consumption, energy use, and waste generation during procurement and production, while avoiding human rights violations or harm to local communities.
- The Company commits to collaborating with external stakeholders to adopt and implement best practices in sustainable raw materials management.
- The Company commits to increasing the use of third-party verified raw materials.
- The Company commits to increasing the use of recycled raw materials.
- The Company commits to avoiding sourcing raw materials from globally or nationally important biodiversity sites, preventing habitat destruction, pollution, and over-exploitation of natural resources.

## 4. Actions

- **Prioritize low-risk raw materials:** The Company assesses the priority of raw materials used and gives preference to materials with lower environmental and social risks, such as those sourced from suppliers certified to ISO 14001, ISO 45001, and ISO 9001, or materials recognized under the Responsible Minerals Initiative (RMI).
- **Establish traceability systems:** The Company builds a transparent supply chain traceability system to track key raw materials from origin, through processing, to transportation. The Company conducts regular audits of suppliers' traceability systems to ensure legality, compliance, and transparency.
- **Enhance compliance and due diligence:** The Company strengthens compliance

reviews of raw materials and conducts supply chain due diligence in line with regulations such as EU Conflict Minerals Regulation and other relevant frameworks.

- **Minimize the negative environmental impacts of raw material production:** The Company establishes traceability for key raw materials and prohibits or restricts sourcing from ecological conservation red line areas, nature reserves, illegal mining operations, and heavily polluting sources, thereby protecting the environment to the greatest extent.
- **Minimize the negative social impacts of raw material production:** The Company conducts due diligence on critical mineral supply chains, including risk assessments for forced labor, child labor, and unfair recruitment fees.
- **Set targets for the share of third-party verified sustainable raw materials:** The Company establishes measurable goals for the use of third-party verified sustainable materials (e.g., FSC-certified wood) and regularly reports progress.
- **Set targets for the share of recycled raw materials:** The Company defines and monitors targets for the use of recycled materials (e.g., recycled aluminum) and publicly discloses progress.
- **Internal training and capacity building:** The Company regularly trains relevant internal stakeholders, especially procurement staff, to enhance understanding of their responsibilities for sustainable raw materials and improve their ability to identify and manage environmental and social risks in procurement.