

# Onewo Inc.

## Sustainable Supply Chain Policy

### I. Purpose

Onewo Inc. (hereinafter referred to as “Onewo” or “the Company”) is dedicated to constructing a transparent, eco-friendly, and sustainable supply chain. This policy aims to refine the supply chain management system, improve supplier product quality and service capabilities, deepen the concept of green procurement, and effectively identify and reduce potential environmental, social and safety risks within the supply chain. The Company actively promotes and monitors supplier adherence to social responsibility, firmly commits to a foundation of openness and transparency, and embodies the “long-term value” ethos with all business partners.

### II. Applicable Scope

The Policy covers the whole procedure of procurement demand management, sourcing management and supplier management of Onewo and its business units. The **Supplier Code of Conduct** section of the Policy sets out the minimum standards Onewo expects from suppliers.

Onewo’s employees involved in procurement decision-making shall comply with the **Sustainable Procurement Policy** section of the Policy.

### III. Terms and Definitions

**Sustainable Procurement:** Sustainable procurement refers to the practice of ethical and sustainable procurement in a way that takes into account compliance with regulatory requirements, stakeholders’ expectations and sustainability objectives throughout the supply chain.

**Supply Chain Procurement:** A suit of management activities, tasked with acquisition of goods, works and services (including digitalisation projects) by procurement departments from external entities on a compensatory basis, which are undertaken to address business needs, including but not limited to demand, sourcing and supplier management activities from purchase, leasing, entrustment and employment, as well as all operation and management activities from this process.

**Supplier:** A legal entity that, in order to cater for procurement needs of Onewo and its business units, can not only render material, work and service resources in conformity with the Company’s requirements, but also meet the Company’s qualification requirements.

### IV. Measures Principles of Sustainable Supply Chain

Onewo’s executive management, serving as the highest level supervising sustainable supply chain

efforts, integrates sustainability, eco-friendly practices, anti-fraud, and anti-corruption measures into every aspect, from supplier accreditation to on-site assessments and performance appraisals. The Company standardises supplier management, aiming to regulate procurement activities across business units and mitigate internal control risks.

Onewo is committed to facilitating the construction of a sustainable supply chain by providing explicit management practices for suppliers and rigorously adhering to internal policies, such as the *Onewo Supply Chain Procurement Management System*, the *Supplier Management Procedures*, the *Supplier Certification Operation Guideline*, the *Supplier Certification Guidelines*, and the *Supplier Breach of Contract Handling Regulations (Trial)*.

## V. Supplier Code of Conduct

### 1. Business Ethics

To uphold transparency, fairness and legality of transactions within the supply chain, the Company roots out unfair business competition, and enforces strict policies against bribery, unfair competition, money laundering and conflicts of interest. The Company will work with suppliers to jointly promote, develop, and maintain a set of effective anti-corruption policies and programmes, and clearly define expectations for and prohibitions on business activities of both parties by executing the *Anti-corruption Cooperation Agreement*, the *Integrity Pledge* and the *Supplier's Declaration*. Suppliers are expected to take the initiative to disclose any possible conflicts of interest and commit to refraining from engaging in any form of bribery or corruption. The Company performs routine audits on suppliers to ascertain their compliance with the code of business ethics. In the event of violations, Onewo will take necessary corrective actions, which may encompass warnings, suspension of cooperation up to termination of the contract, among other measures.

### 2. Human Rights Protection

The Company respects and upholds human rights, and demands that suppliers align with international conventions and regulations such as the *Universal Declaration of Human Rights*, the *UN Convention on the Rights of the Child*, and the *ILO's 1998 Declaration on Fundamental Principles and Rights at Work*, as well as Chinese laws and regulations while eradicating forced labour, child labour, and discrimination and harassment, to ensure that their business activities do not violate fundamental rights of employees. Suppliers shall follow all applicable laws and regulations with respect to working hours and days of rest.

### 3. Health and Safety

Suppliers are required to provide a safe work environment designed to eliminate the risk of occupational accidents and health impairment. The Company advocates for suppliers to adopt occupational health and safety management systems, such as ISO 45001, and to conduct routine safety inspections of their workplaces. It is mandatory for suppliers to supply essential personal protective equipment (PPE), deliver health and safety training, and develop emergency response plans aimed at safeguarding the physical and mental well-being of their workforce.

#### **4. Risk Management**

The Company has instituted a robust supply chain risk management mechanism to identify and assess potential risks inherent within the supply chain, including a sound procurement risk mitigation system coupled with a risk mitigation process. To make certain that suppliers adhere to the Company's criteria regarding compliance, business continuity and brand reputation, the Company considers potential supply chain risks through periodic risk assessments. Furthermore, the Company prompts suppliers to take appropriate risk mitigation measures and to promptly report any potential risk events timely via transparent communication channels.

#### **5. Biodiversity Protection**

The Company categorically rejects any business activities destructing biodiversity, and demands that suppliers conserve natural ecosystems by complying with biodiversity protection laws and regulations in raw materials procurement, production process, four pests extermination and waste disposal.

## **VI. Sustainable Procurement Policy**

### **1. Supplier Screening**

By establishing a quantifiable, comparable and traceable supplier assessment system for supplier screening and admittance, the Company measures overall performance of suppliers in ESG compliance, adherence to national laws and regulations and business relevance during screening, and gives priority to suppliers with better performance on the ground.

### **2. Supplier Assessment and Appraisal**

The Company has constructed a rigorous supplier assessment and appraisal system. Through regular review, improvement tracking and training, Onewo ensures that suppliers adhere to the Company's standards in terms of quality, cost, delivery and services. Quarterly questionnaires are created to solicit performance assessments from demand departments and procurement departments, and the assessment process involves measuring compliance, social responsibility, environmental protection, and various risks of suppliers. In its relentless quest for ongoing improvements among suppliers, the Company aligns its collaborative strategy closely with assessment results, and interviews those with unqualified results for rectification. Additionally, the Company carries out audit supervision of procurement operations through on-site assessment (which may be performed by an independent auditor or employees) and desk assessment in line with the procurement management system. In performing supplier assessments, whether desk-based or on-site, the Company adheres to the established standards and methodologies recognised by the industry or endorsed by multi-stakeholder initiatives.

### **3. Supplier Rectification**

The Company regularly reviews suppliers for quality deficiencies or breaches such as safety incidents, falsifications, and ESG non-conformities; and collects facts of non-compliance and investigates and obtains evidence to determine whether the conditions for elimination and blacklisting are met. For suppliers found to be non-compliant with the Company's standards in the audit process, the Company will impose different levels of penalties based on the severity, and

provide guidance on rectification, such as interviews, targeted training and support for rectification plans, as well as reasonable rectification deadlines. Where any supplier fails to meet ESG and other relevant rectification requirements within the specified period, the Company will activate the withdrawal mechanism and terminate the partnership. To maintain both integrity and efficiency of the supply chain, the Company has established a supplier blacklisting system, constructed a digital supplier lifecycle management platform, and instituted a continuous review mechanism to enforce blacklist management policies. Suppliers with serious violations, non-performance of contractual obligations or continued poor performance will be blacklisted and prohibited from engaging in any procurement activities of the Company for a certain period of time. Moreover, the Company takes a zero-tolerance stance against suppliers involved in fraudulent activities or non-performance, severing collaboration with such entities.

#### **4. Supplier Communication**

The Company attaches importance to communication with suppliers and maintains interaction and communication through digital procurement platform, revisit questionnaires, supplier conferences, and email advocacy, so as to deliver real-time, swift communication of essential information to suppliers. Moreover, nationwide, the Company executed tailored training sessions, and conducted irregular online or offline training on common procurement process issues, business cooperation specification and business risk tips; and maintained contact through a hybrid supply chain remote customer service, occasional interviews, among other communication methods to convey ethos of sustainable development and management expectations, thus catalysing the entire value chain's sustainable evolution. For internal staff, Onewo has formulated the *Procurement Training Operation Rules*, which stipulates that training related to supply chain procurement management system should be conducted at least once a quarter for the procurement work-related personnel of each business unit, in order to improve the quality of procurement service business and guarantee business compliance.

#### **5. Green Procurement**

The Company prioritises green initiatives, aiming to advance green procurement practices, it encourages its suppliers to utilise eco-friendly materials and processes to minimise ecological footprint throughout the product lifecycle. Preference is given to suppliers offering energy-saving, emission-reducing, recyclable or degradable products. Moreover, the Company assists its suppliers in comprehending and adopting eco-friendly management practices, curbing pollution emissions and enhancing resource efficiency through green procurement publicity. To maintain consistency between sustainable procurement management and the *Supplier Code of Conduct*, the Company will persistently review supplier procurement practices and strive to avoid potential discrepancies with ESG requirements.

## **VII. Others**

Suppliers may report any suspected or actual acts of misconduct regarding Onewo.

Report Acceptance Department: Integrity Monitoring Centre (Anti-Corruption Centre) of Onewo Inc.

Mail Address: Onewo, T3 Building, Chuangzhi Cloud Center, No. 1 Guangxia Road, Futian District, Shenzhen City, Guangdong Province, China

Reporting E-mail: [22198798@vanke.com](mailto:22198798@vanke.com)

Vanke Transparency Website: <http://5198.vanke.com>

## **VIII. Review and Revision**

The Company will review and update the Policy from time to time or at least once a year in accordance with changes in China's laws and regulations, actual operations of the Company, and results of performance appraisal.