



Sustainable Procurement Policy

Purpose

Delton Technology firmly adheres to the triple bottom line of environmental responsibility, social responsibility and economic efficiency, and is committed to leading our supply chain partners towards a sustainable future. To achieve this vision, Delton Technology released its Sustainable Procurement Policy for the first time in December 2024. Delton Technology expects to work with suppliers and their partners to leverage the power of innovation and collaboration to achieve efficient use of energy resources and minimize the impact on society.

Scope of application

This policy applies to all directors, officers and employees of Delton Technology (Guangzhou) INC. and its subsidiaries, as well as business partners.

Our Principles and Positions

(1) Strictly abide by the bottom line requirements

Delton Technology is committed to complying with all applicable laws and regulations of the countries in which it operates, requiring suppliers to comply with the same, and taking this as a prerequisite for cooperation with Delton Technology.

Delton Technology requires suppliers not to violate the red line content of Delton Technology 's "Supplier Code of Conduct", including but not limited to: the use of child labor, forced labor, infringement of employees' life safety, illegal discharge of pollutants, corruption and bribery, procurement or use of conflict minerals, etc.

(2) Supplier access

The supplier qualification review is strictly in accordance with the company's management system, and the supplier's ESG qualification is reviewed. Key disqualification criteria include, within the past year, any major environmental penalty, administrative penalty, listing as an abnormal business operation, or inclusion on a court blacklist for dishonesty.

(3) Supplier management

In strict accordance with the Company's Supplier Audit System, an annual review of suppliers' ESG performance shall be conducted. This review ensures that suppliers achieve scores exceeding the predefined thresholds across all assessment modules—including Environmental Management, Occupational Health & Safety, Information Security, Labor Rights, Business Ethics, Hazardous Substances, and Management Systems—and that no critical violations (red-line incidents) have occurred. Suppliers with poor performance, particularly those that breach red-line requirements, will be required to rectify the issues within a specified timeframe, while concurrently facing reductions in procurement allocations or restrictions on business cooperation opportunities. Should a supplier fail to complete the required rectification within the stipulated period, the cooperative relationship shall be terminated.

(4) The principle of sustainable procurement

The procurement process is strictly approved in accordance with the company's procurement strategy, system and process, and the requirements of the supplier's sustainable procurement charter/supplier code of conduct, environment, labor and human rights are included in the contract terms. Procurement personnel should strictly abide by the company's business management ethics and should not engage in corruption for personal gain.

The purchased materials should meet the requirements of the national and industry environmental protection laws and regulations where the company is located, including compliance with RoHS2.0, REACH regulations, etc., and provide third-party environmental protection testing reports or certification documents and statements that meet relevant requirements for the corresponding materials.

Priority is given to the purchase of products or materials with renewable attributes and green environmental protection, including but not limited to products made from recycled raw materials certified by GRS, RCS, SCS, ISO 14021, UL 2809, etc.

Under the same assessment level, suppliers with excellent ESG performance will be prioritized for procurement, including but not limited to.

- Set carbon neutrality goals and take corresponding climate actions.



- During the annual audit, the ESG score in environmental management, occupational health and safety, information security, labor rights, business ethics, hazardous substances, etc. reached A grade.
- Fully comply with the "Supplier Code of Conduct" of Delton Technology, and comply with the requirements of the Code of Conduct in terms of labor human rights, occupational health and safety, environmental protection, business ethics and social responsibility management.
- Establish internationally recognized corporate social responsibility management systems, such as ISO14001, ISO45001, SA8000, RBA management system and other equivalent management systems.

(5) Management guarantee

Delton Technology has established a complete supply chain management system and set up a supply chain management center to be responsible for overall strategic planning and decision-making. It has functional departments such as supply chain management department, operation support group and purchasing department of each factory, which are responsible for supplier quality supervision, supply chain coordination and procurement execution.

Delton Technology integrates ESG considerations into the entire lifecycle of supply chain management and procurement operations—spanning supplier qualification, performance evaluation, and annual review—with the goals of mitigating ESG risks across the supply chain, establishing a world-class sustainable procurement system, and fostering collaborative development with our suppliers.

Policy Issuance and Review

This policy has been reviewed and approved by the General Manager of Delton Technology Group, and its implementation will be subject to ongoing supervision. Following its issuance, the ESG Office and the Supply Chain Management Center will conduct periodic reviews and revisions based on changes in the external environment, laws, regulations, and other relevant factors. Any amendments shall be released after review and approval by the Group General Manager.