

GCL Technology Holdings Limited

Initiative on Water Conservation, Energy Saving, and Waste Reduction in the Supply Chain

1. Foreword

Against the backdrop of intensifying global climate change and the advancement of the "dual carbon" goals, sustainable development has become a core requirement for the high-quality development of industrial chains. GCL Technology consistently practices the philosophy of green manufacturing and is committed to building a sustainable supply chain system characterized by zero-carbon, low-carbon, and highly efficient resource utilization.

To propel the green transformation across the entire chain, we hereby issue this initiative to all core suppliers, calling for collaborative efforts in the three key areas of **water conservation, energy saving, and waste reduction** to jointly establish an environmentally friendly industrial ecosystem. We encourage suppliers to actively benchmark against industry leaders, continuously optimize production and operations, and collectively achieve a win-win situation for both economic and environmental benefits.

2. Three-Dimensional Initiative

a. Water Conservation Management Initiative

We encourage suppliers to actively initiate water resource conservation management actions and set clear water - saving targets:

- Using 2025 as the baseline year, achieve a steady reduction in water intake/water use intensity per unit product by 2030.

We encourage suppliers to actively implement the following water conservation management measures to promote sustainable water resource management:

- Establish water usage ledgers and a water - saving performance monitoring system;
- Prioritize the adoption of low - water - consumption processes and implement water - saving measures;
- Continuously track water usage data, including water consumption and water withdrawal.

b. Energy Saving Management Initiative

We encourage suppliers to actively initiate actions to enhance energy efficiency management and set clear energy - saving targets:

- Using 2025 as the baseline year, achieve a steady reduction in comprehensive energy consumption per unit product by 2030.

We encourage suppliers to actively practice energy efficiency improvement and green, low - carbon transformation by implementing the following energy - saving management measures:

- Establish management processes with reference to the Energy Management System (ISO 50001);
- Strictly prohibit the use of high - energy - consuming equipment explicitly phased out by the state, and prioritize the procurement of energy - saving equipment;
- Consider utilizing renewable energy in new construction/renovation projects;
- Continuously track energy usage data, including energy consumption data.

c. Waste Reduction and Resource Utilization Requirements

We encourage suppliers to implement full - lifecycle waste management, promote resource recycling, and achieve the goals of reduction, harmlessness, and resource utilization:

- Implement waste classification management and cooperate with qualified third - party treatment agencies for compliant disposal of hazardous waste;
- Implement waste reduction measures, prioritizing biodegradable and recyclable materials;
- Continuously track waste data, including type, quantity, and disposal volume.

3. Execution and Collaboration Mechanism

To ensure the effective implementation of this initiative, we will undertake the following actions:

- **Information Disclosure and Data Reporting:** We require core suppliers to submit key data and improvement cases related to their water usage, energy consumption, and waste management from the previous year to GCL Technology at least annually, starting from 2026.
- **Integration into Supplier Management:** Performance in water conservation, energy saving, and waste management will be incorporated as a significant factor in supplier qualification, annual evaluations, and contract renewals. Suppliers demonstrating outstanding performance will be prioritized for cooperation and receive multi-dimensional incentives.
- **Capacity Building and Experience Sharing:** We will assist suppliers in enhancing their capabilities in water and energy conservation as well as resource recycling by organizing

thematic training sessions, on-site exchanges, and best practice sharing events on an irregular basis. This collaborative effort aims to jointly foster a green supply chain ecosystem.

4. Concluding Remarks

We will join hands with our suppliers to build a green supply chain, based on water conservation, focused on energy saving, and grounded in emission reduction, driving efficient resource utilization and environmentally friendly transformation to forge a sustainable future through cooperation.

This initiative shall take effect from December 1, 2025. GCL Technology will prioritize deepening cooperation with suppliers who endorse the philosophy of this initiative and actively put it into practice. We look forward to working with our partners to respond to the call of our times with action and build a sustainable future together through collaboration.