Sustainable Supply Chain Management Policy 
China Jushi is committed to building a sustainable supply chain and 
expanding its sustainable development requirements to business 
partners, sharing and disseminating sustainable behavior, and 
gradually establishing a unified sustainable supply chain development 
value system. Therefore, the Company has developed the Sustainable 
Supply Chain Management Policy to standardize all aspects of the 
supply chain and make it meet the Company's sustainable development 
needs. All levels of affiliated companies of the Company can refer to this 
Policy to develop sustainable supply chain management policies on 
their own. 
1. Supplier access 
① The Company uses a due diligence process to evaluate and select 
suppliers, and conducts risk assessment and admission assessment 
through a combination of qualitative and quantitative scoring. Among 
them, suppliers with principled problems, such as those involved in 
unfair competition, industrial monopoly, corruption, etc., will not be 
adopted; 
② The Company focuses on evaluating the performance of suppliers in 
ESG, especially in terms of environmental governance benefits, 
employee rights protection, work environment, and management 
structure, and examines the relevant policies and governance

capabilities of enterprise management. Under the same conditions, the 
Company will prioritize selecting suppliers with excellent ESG 
management and performance for cooperation; 
③ The evaluation results are publicly disclosed and subject to 
inspection and complaints from other departments. 
2. Classification of Suppliers 
The Company’s supplier management system operates on a permit-to-entry basis. The Company further manages its suppliers through a 
classification, based on the critical importance of the supplies, supply 
and delivery capabilities, credit evaluations, and supply-and-demand 
relations. The suppliers must fulfill the following requirements to be 
granted entry: 
① Has a legal personality; 
② Has obtained relevant mandatory national qualifications on 
quality, safety, environment, along with other necessary 
requirements; 
③ Has a respectable commercial reputation and a strong track 
record regarding its performance, with no records of violations in 
its business operations in the past three years; 
④ Has a sound and functioning quality assurance system, with no 
failures in the quality inspections conducted by national and local

authorities and the industry authorities in the past three years; 
and 
⑤ Any other requirements that may be dictated by this Company’s 
supervising entities. 
 
3. Supplier management 
① Every year, the entity responsible for procurement operating under 
the Company’s rules and requirements, or a third-party agency hired by 
the Company shall conduct sustainability risk assessments on key 
suppliers in accordance with the Company's Supplier Code of Conduct. 
For suppliers with high sustainability risks (such as potential labor issues, 
high energy consumption, integrity issues, etc.), the Company shall 
develop rectification and improvement plans, and pay attention to their 
subsequent rectification and improvement actions. For suppliers who 
fail to rectify in place, the Company reserves the right to suspend and/or 
revoke business relationships in advance; 
② In order to better enhance the sustainable development performance 
of suppliers, the Company regularly organizes sustainable development 
training for suppliers, such as the latest policies and awareness raising 
activities, and should cover all key suppliers as much as possible. 
4. Procurement personnel training

The Company regularly conducts training on supply chain ESG issues for 
procurement personnel, including the promotion and implementation of 
the Company's Sustainable Supply Chain Management Policy and the 
specific implementation process of sustainable procurement, to 
enhance the Company's procurement personnel's awareness of 
sustainable supply chain.