
Environmental Management Policy

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Management Team	Process Quality Engineering Team

Kamtec Co., Ltd.

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1. Purpose

Kamtec enacts this environmental management policy to continuously improve environmental performance through eco-friendly management while minimizing negative environmental impacts across business activities and value chains.

Environmental Management Guidelines

As a company specializing in engine intake and exhaust control systems, Kamtec applies the requirements of customers, laws, and international standards to environmental activities based on the ISO 14001:2015 environmental management system and continues to push for the following to meet the needs and expectations of all stakeholders and reduce waste and environmental materials.

1. We actively strive to preserve the environment by complying with the company's standards, laws, requirements of stakeholders, and international environmental agreements.
2. We identify the needs of internal and external stakeholders, including customers, and the circumstances of the organization, and continuously implement improvements to prevent environmental pollution.
3. For the effective implementation of the environment management system, we set environmental goals, act on them through business plans, and conduct periodic performance assessments.
4. We conduct training and education to cultivate management skills for all employees and executives in order for them to understand the environmental policy and contribute to meeting the environmental policy goals.
5. We provide the necessary resources to all individuals carrying out activities that impact the environment, ensure smooth communication between all stakeholders, and maintain close partnerships based on mutual trust.
6. We actively strive to reduce greenhouse gas emissions through greenhouse gas emission and energy management and reduction activities to mitigate, adapt, and

respond to climate change.

7. We are committed to water reuse, water quality management, and water use reduction to overcome water scarcity and use sustainable resources.

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2. Scope

This policy applies to domestic and foreign corporations, executives, and in-house partners. In addition, it encourages all stakeholders in a business relationship to comply with this environmental management policy. Kamtec shall comply with each country's environmental laws and regulations prior to this policy, and shall conduct environmental management work in accordance with this policy if it is not covered by the local country's environmental laws and regulations or does not have special provisions.

- Kamtec executives and employees and in-house partners
- Kamtec Auto Romania executive and employees and in-house partners
- Zhangjiagang Kamtec executive and employees and in-house partners
- Kamtec Auto USA executive and employees and in-house partners
- Kamtec business partners (customers and partners, etc.)
- Other suppliers, consumers, local communities, and business associates

2.1 Supply Chain

Kmatec checks the environmental management performance and risks of the supply chain in accordance with the Partner Code of Conduct and supports the establishment of an environmental management system for high-risk supply chains or supply chains that have significant impact on business relations. It also expands the purchase of eco-

certified products (original materials) and services and establishes a cooperative ecosystem for the development and production of eco-friendly products with supply chains.

2.2 Workplace

Kamtec's workplace establishes an environmental management system based on internationally recognized standards or national guidelines, and at the same time introduces internal regulations to improve environmental impact and reduce environmental pollution to promote continuous performance improvement activities.

2.3 Distribution Network

Kamtec strives to reduce the environmental impact that occurs in the logistics and transportation process of raw materials, repurposed products, as well as final products. It prepares internal and external cooperation activities to reduce greenhouse gases, wastes, wastewater, and other pollutants generated during logistics and transportation while increasing energy efficiency or continuously expanding logistics and transportation networks that use eco-friendly energy.

2.4 Products and Services

Based on the Life Cycle Assessment, Kamtec promotes activities to improve the environmental impact of the entire process, from inputting raw materials and production/distribution of products by product unit, recovery and recycling of waste products. In addition, in order to transform into a low carbon/renewable energy society, we will focus on developing eco-friendly products and services, while strengthening the design and design of products and services from a recycling perspective.

2.5 Recovery and Recycling

Kamtec designs and develops products in consideration of the cyclical use of waste

products. Based on producer responsibility, waste product recovery and recycling activities are expanded, and resource reuse and recycling rates are expanded through collaboration with waste product processing companies.

2.6 Others

Kamtec operates procedures to identify and improve environmental impacts and risks in entering new businesses outside the scope mentioned above, promoting new projects, and other internal and external investment activities.

3. Implementation and Basic Principle

3.1 Implementation Plan

Kamtec's environmental management is operated by 1) compliance with environmental laws and regulations, 2) policy declaration for environmental management implementation, 3) introduction of environmental management system construction and management regulations, 4) environmental performance monitoring, 5) risk discovery and task promotion, and 6) continuous environmental performance improvement activities. Organizations related to environmental management periodically upgrade their implementation plans by reflecting amendments to laws and regulations and changes in social and corporate environments

3.2 Basic Principle

Kamtec strives to develop eco-friendly products and services, revitalize the circular economy, and create eco-friendly workplaces, and define the following basic principles for each environmental factor to promote environmental management.

3.2.1 Raw Materials

Kamtec establishes policies to minimize unnecessary consumption of natural resources

and ecosystems by using raw materials efficiently in the production of products and services, and to ensure ethical and environmentally friendly sourcing practices throughout the supply chain.

1) Efficient use of raw materials

Kamtec minimizes the input of raw materials by implementing planned production that comprehensively considers optimization of production processes, business strategies, production schedules, and inventory management.

2) Reuse and Recycling of Waste

Waste generated from the use of raw materials, such as ferrous and non-ferrous metal scraps (e.g., steel, aluminum), waste wood, waste paper, and other by-products, is reused within Kamtec's own production processes whenever possible, or transferred/sold to external facilities for recycling.

3) Sustainable Sourcing

Kamtec encourages the use of raw materials that are produced through environmentally friendly processes or certified as eco-friendly. The environmental and social impacts of production sites are assessed to prevent environmentally destructive sourcing such as biodiversity loss and illegal logging, and significant risks are addressed through corrective measures.

4) Biodiversity Protection

Kamtec implements policies to conserve biodiversity across all business operations, including raw material procurement and sourcing, by preventing habitat destruction and engaging in restoration activities.

5) Land Use and Prevention of Deforestation

Kamtec evaluates in advance the potential impacts of land use and development on ecosystems and local communities within its operations and supply chain, and establishes criteria to prevent deforestation.

6) Animal Welfare

Where there is a potential use of animal-derived raw materials within Kamtec's operations and supply chain, the Company adheres to the principle of ethical and sustainable sourcing in compliance with internationally recognized standards (e.g., the Five Freedoms). In cases where animal testing is necessary, Kamtec follows globally accepted animal welfare management standards, striving to minimize unnecessary animal suffering, and aims to reduce reliance on animal-based materials and testing.

3.2.2 Energy

Kamtec leads the energy transition across the value chain by establishing an eco-friendly energy-based production system, investing in renewable energy generation facilities, and expanding eco-friendly products. In addition, we will continue to promote daily energy-saving activities such as discovering and implementing energy efficiency tasks and energy-saving campaigns. Kamtec regularly measures and analyzes annual energy consumption and energy efficiency improvement performance, reporting the results to management and stakeholders, and establishes and discloses short-, medium-, and long-term energy reduction targets based on the findings.

1) Energy-saving Drive

It will promote energy use reduction activities such as replacing old facilities with reduced energy efficiency, introducing energy-efficient facilities, developing and applying eco-friendly construction methods to minimize energy use, and implementing energy campaigns.

2) Introduction of Renewable Energy

Kamtec considers renewable energy solutions suited to site conditions, including installation of renewable energy generation facilities, purchase of Renewable Energy Certificates (RECs), and entering into Power Purchase Agreements (PPAs) with energy providers.

3) Energy Management and Reporting Systems

Kamtec operates an integrated system for monitoring energy consumption and

greenhouse gas emissions. Measurement data undergo external verification and are regularly disclosed through ESG reports and other channels. Based on these insights, Kamtec develops and implements measures to improve energy management efficiency.

3.2.3 Water

Recognizing the need for sustainable water environment conservation, Kamtec seeks water reduction and recycling measures, and regularly inspects and improves water facilities to ensure timely use of high-quality water in the course of business operations.

1) Water Recycling

To improve the sustainability of water resources, we will continue 3R (Reduce, Reuse, Recycle) activities that save, reuse, and recycle water.

2) Water Monitoring

Strengthen monitoring of water usage, re-use capacity, and wastewater discharge for efficient use of water in the workplace.

3.2.4 Greenhouse gas

Kamtec actively responds to climate change and formulates concrete greenhouse gas reduction measures to achieve its Net Zero target, transitioning progressively to renewable energy systems. Kamtec establishes and implements greenhouse gas management and carbon neutrality policies, including carbon absorption and offset activities.

Kamtec calculates and reports greenhouse gas emissions across its operations and supply chain (Scope 1, 2, and 3) annually in accordance with international standards, and ensures data reliability through external verification.

1) Operational Emission Reduction

Kamtec reduces direct (Scope 1) and indirect (Scope 2) emissions through renewable energy transition and energy efficiency improvements, striving to achieve carbon

neutrality. Advanced manufacturing technologies, including eco-friendly smart factories and platform innovation, are leveraged to create carbon-neutral production sites.

2) Supply Chain Emission Reduction

Kamtec develops supply chain carbon neutrality guidelines and promotes their adoption, implementing joint reduction initiatives tailored to supply chain characteristics and monitoring and supporting progress.

3) Product and Service Emission Reduction

Kamtec expands the adoption of environmentally friendly products and services through green technology development and infrastructure enhancement, reducing Scope 3 emissions during the use phase of products and services.

4) Disclosure of Performance

Greenhouse gas reduction targets and achievements are transparently disclosed to stakeholders via ESG reports, the corporate website, and other public channels.

3.2.5 Waste

Kamtec minimizes waste generated during business operations, and contributes to the realization of a circular economy by recycling and reusing waste. Waste generation volumes are calculated and reported annually, with reduction targets established, managed, and transparently disclosed.

1) Waste Disposal Tracking Management

Waste discharged from the workplace shall be governed by the procedures, etc. prescribed by the relevant statutes so that it can be legally disposed of and tracked.

2) Improve Waste Recycling

The optimal treatment method is determined according to the type and amount of waste generated during the business operation process. Through this, the waste ratio to be buried/burned is minimized and the waste recycling rate is improved.

3) Recycling of Waste

It creates an upcycling ecosystem that creates value by discovering waste with a high landfill/burn ratio in the production process and recreating it into new products and services.

3.2.6 Environmental Pollutants

Kamtec strives to minimize the emission of environmental pollutants—such as those affecting air, water, soil, and noise—arising from business activities, in order to reduce negative impacts on the natural environment and local communities, while safeguarding the safety and health of customers and employees.

1) Air Pollutants

To monitor the emissions of air pollutants such as nitrogen oxides (NO_x), sulfur oxides (SO_x), and dust, and to manage them below the legal limit, invest in air pollutant reduction facilities and introduce new technologies.

2) Water Pollutants

Kamtec monitors the discharge of water pollutants, including Biochemical Oxygen Demand (BOD) and Chemical Oxygen Demand (COD), and installs and operates necessary facilities to ensure compliance with legal limits.

3) Soil Quality Management

Preventive measures are implemented to avoid soil contamination during the handling, storage, and disposal of hazardous chemicals. Regular soil contamination assessments are conducted, and remediation actions are promptly taken when contamination is identified.

4) Noise Management

Noise levels from plant operations and transportation activities are measured periodically, and noise control and vibration reduction facilities are implemented to maintain levels within legal limits, minimizing impacts on nearby communities.

3.2.7 Hazardous Substances

Kamtec monitors and maintains Material Safety Data Sheets (MSDS) for all chemicals used in business operations, and provides relevant information to stakeholders. Although Kamtec does not use chemicals regulated under REACH, RoHS, or GHS, the Company handles and stores chemicals safely in accordance with applicable laws and internal guidelines, continuously assessing potential risks and implementing preventive measures.

3.2.8 Environmental Responsibility in Local Communities

As a member of the local community, Kamtec recognizes the environmental and quality-of-life impacts of its operations on local residents, and establishes and implements measures to minimize such impacts. Kamtec engages in regular dialogue with local communities to collect environmental feedback and participates in collaborative initiatives such as environmental conservation projects, climate change response programs, environmental education, and volunteer activities for sustainable development. Kamtec also supports community recovery and relief efforts in the event of climate or environmental disasters, promoting long-term local development that harmonizes environmental, social, and economic aspects.

4. Propulsion system

4.1 Governance

4.1.1 Responsibilities

Kamtec shall manage environmental management risks and supervise overall performance improvement activities through a management meeting, etc. The main roles of the management meeting shall include reviewing environmental management risks, checking environmental management performance, discussing countermeasures for environmental management risks, and other matters deemed necessary for the

spread/spread of environmental management.

4.1.2 Implementation

Kamtec shall organize an organization for implementing environmental management and perform related tasks. The main roles of an environmental management organization shall be the establishment and operation of an environmental management system, the protection and restoration of environmental capital, the preparation and implementation of policies for the management of pollutants generated in the course of business operation, the identification and improvement of environmental risks, the spread/spread of environmental management, the receipt and processing of environmental grievances, and other external cooperation activities.

4.2 Training and Certification

4.2.1 Environmental Training

Kamtec conducts environmental management education for executives and employees and other stakeholders, and strives to improve awareness of the need for environmental management. In addition, through environmental management education, employees are encouraged to have an eco-friendly way of thinking in the process of performing their duties.

4.2.2 Environmental Certification

Through the international standard ISO14001 certification, Kamtec continuously improves the environment by establishing a system that sets environmental management as its management policy, defines organizations and procedures through specific goals, and efficiently allocates resources and manages them.

4.3 Communications

4.3.1 Government Agencies

Share environmental management performance with government agencies and respond preemptively by checking government policy directions. In addition, it correctly understands and complies with national environmental laws and regulations.

4.3.2 Shareholders and Investors

By creating environmental management performance that meets the requirements of shareholders and investors, continuous trust relationships are established and investment expansion to improve corporate value is achieved.

4.3.3 Supply Chain

It shares know-how and experience in promoting environmental management with the supply chain and operates a communication channel that continuously consults with the supply chain to create environmental value across the value chain.

4.3.4 Customer

It provides environmental information on products and services, and opinions collected through customer contact channels are reflected in the process of developing eco-friendly products and services.

4.3.5 Communities

In order to mitigate the environmental impact of business operations, opinions shall be collected from local organizations, public-private consultative bodies, etc., and efforts shall be made to identify and resolve the grievances raised by local communities.

4.3.6 Employees

Share environmental management policies and improve employees' awareness of

environmental management through environmental education. Opinions on environmental performance improvement are reflected when promoting environmental management.

4.4 Performance Management

4.4.1 Setting performance objectives

Kamtec sets mid- to long-term performance targets for environmental factors that have a significant environmental impact due to business operation. Mid- to long-term performance targets are set in consideration of external economic conditions, government policy directions, and internal business strategies as well as emission and use data forecasts.

4.4.2 Check Implementation Status

Kamtec regularly checks the implementation status of mid- to long-term performance improvement goals. In addition to the rate of implementation compared to the goal, it comprehensively checks the effectiveness of the activities promoted to achieve the goal, and difficulties in the process of implementing the goal.

4.4.3 Performance Management

Kamtec manages mid- to long-term environmental performance improvement goals and implementation status by reflecting them in ESG key indicators.

5. History of enactment and revision

No	Date	Contents	Remark
0	March 28, 2025	The first enactment	-
1	August 12, 2025	Revised 3.2.1 (Raw Materials), 3.2.2 (Energy), 3.2.4 (Greenhouse Gas), 3.2.5 (Waste), 3.2.6 (Environmental Pollutants), 3.2.7 (Hazardous Substances), 3.2.8 (Environmental Responsibility in Local Communities)	-
2	April 20, 2026	Revised 2. Scope	-
3	July 22, 2026	Revised 2. Scope	-