

ESG Policy of Bamo Technology Hungary

POLICY COMMITMENTS

Climate change

Bamo Technology Hungary has incorporated climate change issues into its ESG governance framework, the Board of Directors comprehensively supervises implementation, and Bamo Technology Hungary has established a top-down addressing plan to climate change. We pledge to achieve carbon neutrality of Scope 1 and Scope 2 emissions by 2050, in accordance with the European Climate Law. Our comprehensive plan includes specific greenhouse gas reduction targets, aligning with Hungary's National Energy and Climate Plan. We will analyse the short-, medium-, and long-term climate change risks (both physical risks and transformational risks) for all assets and propose strategies to address such risks. We are committed to exploring green financing opportunities offered by the Hungarian National Bank to support our climate projects and sustainable development goals. We will regularly disclose climate-related financial information as per the TCFD recommendations by 2026, including assessments of climate-related risks and opportunities, and our management strategies for these risks. International cooperation is integral to our approach, and we will actively engage with global stakeholders to share best practices and drive collective climate action. Furthermore, we ensure compliance with relevant Hungarian and EU policies, regulations, and standards, demonstrating our leadership and responsibility in the global fight against climate change.

Pollutant emissions

Bamo Technology Hungary is fully committed to aligning its operations with the stringent environmental standards of the European Union and Hungary. We will implement state-of-the-art technologies to significantly reduce pollutant emissions, including exhaust gases, wastewater, and solid waste, ensuring our operations not only meet but exceed the requirements set forth in the World Bank Group Environmental, Health and Safety Guidelines (WBG EHS Guidelines) as well as the specific standards mandated by the EU and Hungarian regulations. We are dedicated to the progressive disclosure of our pollutant emission levels, adhering to globally recognized standards such as the Global Reporting Initiative (GRI), the European Sustainability Reporting Standards (ESRS), and the Sustainability Accounting Standards Board (SASB)

In our pursuit of excellence in environmental management, we will continuously enhance the recycling rates and resource utilization of general solid waste, striving for a circular economy approach that minimizes waste. Additionally, we will invest in upgrading our exhaust gas and wastewater treatment facilities to ensure a substantial and continuous reduction in pollutant emissions. Our commitment extends to the adoption of best practices in environmental conservation and the promotion of sustainable development, reaffirming our role as a responsible corporate citizen within the European community.

Biodiversity

Bamo Technology Hungary is steadfast in its commitment to biodiversity conservation, adhering to stringent regulatory requirements for biodiversity impact assessment and management in Hungary. We integrate biodiversity impact management throughout the project lifecycle, ensuring that our manufacturing sites are designed and operated with minimal ecological disturbance.

In alignment with European standards, we ensure that our practices comply with the EU's Habitats Directive and the Birds Directive, which aim to conserve natural habitats and wild bird species. We respect and uphold the protection values of statutory protected areas as defined by the International Council on Mining and Metals (ICMM) and commit to not diminish these values with our projects. By adhering to these principles, Bamo Technology Hungary pledges to be a responsible steward of the environment, contributing positively to the ecological richness of the regions where we operate.

Water resource management

In strict accordance with the requirements of laws and regulations of the host country, Bamo Technology Hungary adheres to the principles of broadening source and saving cost, better water for better use and recycling of sewage, fully considers the carrying capacity of water resources and the carrying capacity of the water environment in production and construction, and actively adopts water conservation and alternative measures for the sustainable use of water resources.

Bamo Technology Hungary implements strong and transparent water resource management measures, in particular, including disclosure of the company's water in-taking and discharge, surface water hydrology and water quality monitoring, analysis of risks and opportunities of local water consumption, proactive communication with neighbouring communities and other stakeholders to avoid significant competition with neighbouring communities in terms of water resource use.

Resource use and circular economy

Bamo Technology Hungary is deeply committed to enhancing resource efficiency across our production and operational processes, adhering to the European Union's environmental standards and the guidelines set by the European Sustainability Reporting Standards (ESRS). We prioritize the conservation of scarce and non-renewable resources by implementing innovative technologies and processes that minimize resource wastage and promote reuse and recycling.

In line with the Best Available Techniques (BAT) reference documents under the EU's Industrial Emissions Directive, we continuously strive to adopt the most effective and advanced technologies for waste management and resource optimization. Our approach to material circularity involves designing recyclable products, incorporating recycled materials into our manufacturing processes, and extending product lifespans to reduce environmental impact.

We are dedicated to managing and reducing waste, particularly by increasing recycling and reuse rates, thereby decreasing the need for landfilling and incineration. Our waste management strategies are intersected with ESRS2 Waste Management standards, ensuring a holistic approach to environmental sustainability.

Community Relations and Development

Bamo Technology Hungary is committed to nurturing strong, sustainable relationships with the local communities where we operate. We approach our community engagement with the understanding that our operations must benefit and uplift the social fabric of the regions we inhabit. Our ESG policy emphasizes respectful dialogue, fair practices in land acquisition, and proactive measures to address the concerns of residents, ensuring that our presence leads to positive, lasting change.

We are vigilant in managing the environmental footprint of our projects, strictly adhering to Hungarian national standards and EU directives on environmental impact assessment and management. We strive to minimize disruptions during construction and operation, implementing strategies that reduce noise, dust, and traffic impacts, and upholding the highest standards of safety and security. Furthermore, we support community health and well-being through targeted investments and partnerships that aim to improve local infrastructure and quality of life. Our dedication to community development is a cornerstone of our operations, reflecting our belief in the integral role businesses play in fostering social progress and sustainability.

Responsible supply chain

Bamo Technology Hungary adheres to the principle of doing business only with legal and compliant suppliers, and strives to enhance and promote sustainable management of the supply chain.

Bamo Technology Hungary undertakes to screen suppliers, and avoid as far as possible cooperating with the key suppliers where there is employment or use of child labour, forced labour or where there are significant safety concerns.

Health and safety

Huayou Cobalt Industry adheres to the host country's occupational health and safety laws and regulations. By establishing a Safety Management Committee, we identify and assess safety and occupational health risks in our operations, manage and monitor the impact of these risks, and ensure the health and safety of our employees and contractors working on project sites, aiming for a goal of "zero deaths and zero occupational diseases."

To prevent occupational diseases and work-related injuries, Huayou Cobalt Industry will identify, assess, and manage the risks associated with occupational hazards and unsafe behaviors and conditions present at the workplace. We will regularly monitor and report on the health and safety status of our employees.

Once the company enters the operational phase, a Joint Health and Safety Committee or equivalent body composed of the company and worker representatives will regularly inspect the work environment. This is done to identify potential hazards that workers may face in the workplace and to evaluate the effectiveness of occupational health and safety controls and protective measures.

Labor and Human Rights

Bamo Technology Hungary is fully committed to respecting and upholding the highest standards of labor and human rights. We are dedicated to creating a work environment that is free from any form of modern slavery, as defined by the UK Modern Slavery Act 2015, and we strictly prohibit the use of all forms of forced labor. We ensure that our operations are conducted in a manner that does not engage or tolerate child labor, adhering to the local legislation's limits and, where these are not specified, not employing individuals under 15 years of age or those who have not completed compulsory education.

We are committed to eliminating discrimination in hiring and employment practices and fostering a workplace that is intolerant of any form of violation and abuse of personality. The protection of our employees' occupational health and safety, as well as the health and safety of the communities surrounding our project sites, is a top priority.

Bamo Technology Hungary respects the rights of employees to freedom of association and collective bargaining to the extent permitted by the regulations of the host country. We actively engage in information disclosure and maintain an ongoing interactive relationship with stakeholders, responding positively to relevant complaints.

Our policy strictly complies with the labor law requirements of the host country, adhering to principles of open, fair, and just hiring and employment. We sign labor contracts in accordance with the law, guarantee reasonable working hours and remuneration, and protect employees' personal privacy and information security. We also provide safe and decent working and living conditions.

Bamo Technology Hungary resists any form of discrimination and violence and insists on treating employees equally, regardless of their genders, races, religions, ages, disabilities, nationalities, and gender orientations. We actively provide employment opportunities for vulnerable groups and safeguard the legitimate rights and interests of female employees.

We regulate labor employment management, strictly prohibit the employment of child labor, and resist all forms of forced labor. Furthermore, we establish an effective and safe employee grievance mechanism for employees, including contractors' employees, regularly analyze and summarize employee grievances, and enhance and optimize our existing fair labor and working conditions management system based on the analysis results.

By integrating these commitments, Bamo Technology Hungary ensures that our Labor and Human Rights policy is comprehensive, stringent, and in full compliance with European and Hungarian standards, fostering a culture of respect, equality, and safety within our organization and the communities in which we operate.

Consumers and end users

Bamo Technology Hungary is dedicated to upholding a Consumer and End User ESG policy that reflects European standards and Hungarian principles. We focus on ensuring the quality of our products and services through stringent quality control measures and transparent communication with our supply chain partners. We are committed to responsible practices in supply chain management, addressing any product issues with a swift recall process and resolving accidents and complaints through efficient and accountable procedures. Our policy emphasizes indirect consumer impact and stakeholder responsibility, promoting the well-being of end-users and environmental sustainability.

Business conduct

Bamo Technology Hungary is committed to maintaining exemplary corporate governance practices that reflect the high standards of the European Union and Hungarian business regulations. Our governance structure, while closely aligned with our parent company's principles, operates with transparency and accountability, ensuring that all business conduct adheres to the principles of integrity, compliance, and ethical behavior. We embrace a unified governance framework that encompasses the roles of executive, management, and supervisory bodies in fostering a culture of corporate responsibility. This includes the establishment of a business conduct policy that promotes honesty, respect, and fairness in all our operations, as well as the implementation of stringent measures against corruption, bribery, and anti-competitive practices.

Business Ethics

At Bamo Technology Hungary, we uphold a stringent business ethics policy that underscores our commitment to integrity, transparency, and zero tolerance for corruption. In line with our parent company's conviction that honesty, cleanliness, and transparency are the cornerstones of success, we vehemently oppose any form of bribery or corrupt practices, ensuring severe repercussions for such actions. We are dedicated to maintaining a fair and incorruptible business environment, with a strong emphasis on compliance with Hungarian and EU regulations. We have established an effective whistleblower system to encourage the reporting of any unethical conduct, reinforcing our dedication to ethical business practices that safeguard our reputation and align with our ESG strategy.