

ENVIRONMENTAL, ENERGY AND CLIMATE CHANGE POLICY

ElvalHalcor is committed to operate with responsibility and respect for the environment and society. Sound environmental management of production, storage installations and business processes is one of the most important operational goals and is essential to secure the sustainability of the company's activities. The policy has been developed taking into consideration the interests of key stakeholders of ElvalHalcor, and applies to all employees, officers, directors, contractors, and agents as well as all entities and subsidiaries controlled by the company. The policy applies to all operations and business activities, as well as the upstream and downstream value chain.

This policy is developed to address environmental potential negative and positive impacts, as well as relevant risks and opportunities. Potential negative impacts can be associated with consumption of non-renewable energy and GHG emissions, water withdrawal inadequate waste management, pollution of air, soil and water and natural habitat disruptions. Potential positive impacts can be associated with provision of products enabling the energy transition and decarbonization and reduced utilization of primary sources. The policy incorporates risks, acute and chronic physical climate related risks, risks related to environmental violations and consequent litigation and reputational damage as well as opportunities related to products and services. ElvalHalcor commits to operate responsibly, aiming to minimize potential impacts to the environment and biodiversity, and set up mechanisms for monitoring environmental aspects and risks. ElvalHalcor is committed to:

Compliance with environmental, climate and energy legal framework

- Operate in full compliance with applicable environmental laws and regulations at all levels, as well as ensure adherence to company-specific environmental commitments, including site-level operational terms.
- Report environmental performance regularly in alignment with recognized reporting frameworks.
- Comply with all applicable energy and carbon-related legislation, including EU climate directives, ESRS standards, and other national and international regulations. The company commits adherence to international climate related frameworks such as the Paris Agreement and Sustainable Development Goals #7 and #13, as well as mandatory reporting frameworks ensuring transparent and accurate disclosure of greenhouse gas (GHG) emissions, energy consumption, and climate-related risks.

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- Implement an Environmental Management System (EMS), based on recognized international standards (e.g. ISO 14001).
- Set targets of the company's environmental management systems, as well as goals for continuously improving its environmental performance and minimizing its environmental footprint.

Climate change

- Implement strategies for climate change adaptation and reduce carbon emissions, including setting and pursuing ambitious carbon reduction goals, addressing direct and indirect emissions (Scope 1, 2, and 3).
- Regularly disclose emissions data and climate adaptation plans through transparent reporting mechanisms.
- Prioritize the sustainable sourcing and use of renewable resources.
- Continuous Improvement in Energy Efficiency: ElvalHalcor will continuously improve energy efficiency by implementing and maintaining robust energy management. These energy efficiency systems will aim to reduce energy consumption, optimize resource use, and integrate renewable energy sources, all while maintaining a safe and comfortable working environment. Regular energy audits will be conducted to ensure improvements and compliance with best practices.
- Evaluation of Investments Based on Energy and Carbon Impact: All new investments in infrastructure, equipment, and production processes (new equipment, refurbishing of existing equipment) will be evaluated based on their energy consumption and carbon footprint. ElvalHalcor prioritizes technologies and practices that contribute to decarbonization and minimize its environmental impact, ensuring that the carbon intensity of new projects aligns with the company's climate goals.
- Carbon Footprint Reduction Strategy: ElvalHalcor will develop and implement strategies to identify and reduce the direct (Scope 1) and indirect (Scope 2 and Scope 3) carbon emissions associated with its operations. This includes setting targets for GHG reductions and developing decarbonization pathways that support EU and global climate goals. At the same time ElvalHalcor commits to transition to Renewable energy when economically and technologically feasible.
- Engagement in Value Chain Climate Change Mitigation Initiatives: ElvalHalcor will actively engage with industry-wide initiatives and collaborate with stakeholders across the value chain to reduce carbon emissions. This includes working with suppliers, customers, and partners to create and implement carbon reduction programs, ensuring that efforts to reduce GHG emissions extend beyond direct operations.
- Climate Change Adaptation: ElvalHalcor commits to perform robust climate and vulnerability risk assessments to identify potential areas of hazard and consequent actions to be followed with specific adaptation solutions.
- Training and Awareness on Energy Management: ElvalHalcor ensures that employees receive adequate training and guidance on energy management practices that promotes awareness of

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energy conservation, carbon footprint reduction, and environmental sustainability throughout the organization.

Circular economy & Waste Management

- Track and report metrics on resource efficiency, product lifecycle impacts, recycling rates, and resource optimization.
- Optimize and increase the use of secondary raw materials to reduce reliance on primary/virgin resources, contributing to circular economy goals.
- Apply circular economy principles, focusing on waste minimization, recycling, and develop new technologies that allow for minimum generation of waste.
- Manage operational waste according to the principles of the circular economy.
- Follow the waste hierarchy: (a) prevention; (b) preparing for re-use; (c) recycling; (d) other recovery, e.g., energy recovery; and (e) disposal.
- Prioritize the avoidance or minimization waste (Re-use, Repair, Refurbish, Remanufacture and Repurpose) over waste treatment (Recycling).

Pollution of air, soil & water

- Substitute and minimize (where applicable) the use of substances of concern, and phasing out substances of very high concern, for non-essential societal use and in products.
- Ensure the safe and responsible storage of hazardous substances, with proactive risk management and regular audits.
- Mitigate negative impacts related to pollution of air (incl. non GHG emissions), water and soil including prevention and control.

Water and Marine resources

- Contribute to good ecological and chemical quality of surface water bodies and good chemical quality and quantity of groundwater bodies, in order to protect human health, water supply, natural ecosystems and biodiversity.
- Recognize that water is a precious natural resource and that water resources must be conserved and aquatic life must be protected. Commit to efficient use, minimizing consumption through increased reuse and recycling and especially in areas at water risk and taking into consideration potential impacts on affected communities. Also, the company will take into account in the product design, evaluation of water-related issues and the preservation of marine resources.
- Conduct water risk assessments to ensure the protection of water sources and ecosystems for the prevention and abatement of water pollution resulting from the company's activities and establish targets for water use efficiency.
- Integrate water treatment in order to promote more sustainable sourcing of water.

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- Prevent further deterioration and protect and enhance the status of water bodies and aquatic ecosystems.
- Promote reduction of water withdrawals and water discharges.

Biodiversity

- Commit to protecting biodiversity and minimizing the operational impact on ecosystems and natural habitats, due to potential climate change, land use change, including land degradation, desertification and soil sealing, direct exploitation, invasive alien species, impacts on the state of species or pollution.
- Develop and implement biodiversity action plans, ensuring comprehensive assessment of land-use changes and ecosystem impacts.
- Support traceability of products, components and raw materials with material actual or potential impacts on biodiversity and ecosystems along the value chain.
- Address production, sourcing or consumption from ecosystems that are managed to maintain or enhance conditions for biodiversity.
- Address social consequences of biodiversity and ecosystems-related impacts.

Incident management

- Implement a formal environmental incident response plan, including prevention, mitigation, and reporting procedures.
- Conduct thorough incident investigations, ensuring transparent reporting of findings and corrective actions to stakeholders.

Stakeholder engagement

- Engage in regular dialogue with stakeholders, including employees, investors, regulators, and local communities, on environmental issues and strategies.
- Participate in industry initiatives and support global sustainability efforts, such as the EU Green Deal and the UN Sustainable Development Goals (SDGs).
- Encourage suppliers and subcontractors to adopt environmental principles aligned with ElvalHalcor's commitments.
- Integrate environmental criteria into procurement processes and monitor the environmental performance of business partners.

Regular Monitoring, Reporting, and Continuous Improvement

ElvalHalcor will regularly review, monitor, and report on its environmental, energy and climate performance. This includes publishing detailed reports on environmental metrics, goals, and impacts, ensuring transparency and accountability.

Governance and Accountability

Approval and responsibility for implementing this Environmental Policy lies with the most senior executive responsible. These executives will ensure that environmental considerations are fully

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integrated into corporate strategy and operations, with regular oversight by the Board of Directors. ElvalHalcor has established governance mechanisms to monitor, assess and manage environmental impacts, risks and opportunities. Environmental performance will be reported annually as part of the company's sustainability reporting obligations, ensuring compliance with both ESRS and applicable national and international standards.

Distribution and Communication

It falls into the responsibilities of ElvalHalcor's management to communicate the content and the spirit of this document to all personnel, direct and associated, also to stakeholders. This policy is published and posted on the company's intranet and websites. To increase awareness, ElvalHalcor will ensure that employees receive adequate training and guidance on environmental, energy and climate management practices, tailored to their roles and areas of influence.

The policy will be reviewed annually to ensure compliance with legal requirements and any other relevant updates.

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