ENVIRONMENTAL POLICY

HORSE POWERTRAIN LTD

Table of Contents

1 Introduction 2

2 Commitments and expectations 2

3 Consequences of violations of this policy 3

4 How to report a concern 3

5 Guidance and assistance 4

1 Introduction

The scope of this policy covers Horse Powertrain[1] and all its entities where the company exercises financial and operational control, with no geographical or technological exceptions.

At Horse Powertrain, we recognize the critical role we play in powering a more sustainable future for generations to come, through protecting the environment. As a key player in the fair mobility transition, we are dedicated to preventing and reducing our environmental footprint with proactive and responsible practices in the design, manufacture and operation of our products. Energy efficiency is both a guiding principle and a core mindset at Horse Powertrain, supporting our commitment to more sustainable next-generation powertrains.

2 Commitments and expectations

2.1 Environmental compliance and governance

- Our Executive Management Team is committed to full compliance with local, national and international regulations, standards, and other requirements, concerning all environmental aspects such as quality of soil, water, air, as well as depletion of natural resources and ecosystems.
- Human and material resources are allocated for implementing this policy, helping a better environmental performance and stronger risk planning towards continual improvement.

2.2 Carbon footprint reduction

- We prioritize reducing our carbon footprint by improving energy use and efficiency from a broad perspective. Our goal is to achieve measurable reductions in greenhouse gas emissions from our supply chain, manufacturing processes and product lifecycle.

[1] "Horse Powertrain" means Horse Powertrain Ltd and its subsidiaries (i.e. all persons and entities directly or indirectly controlled by Horse Powertrain Ltd, where control may be by management authority, equity interest or otherwise).

For purposes of this policy, the notion of "employees" includes:

I. all Horse Powertrain employees, regardless of function, position or location, whether working full-time or part-time, under a permanent contract or on a temporary basis, as well as

II. consultants and agency personnel who work at Horse Powertrain premises or under the direction of Horse Powertrain (who usually have a Horse Powertrain identification and/or a Horse Powertrain email address). Note that this policy shall not be construed as an employment contract and does not give consultants or agency personnel any right to continued employment by Horse Powertrain; and

III. the members of the Horse Powertrain Board of Directors of any Horse Powertrain entity.

2.3 Water and biodiversity conservation

As part of our climate change adaptation and resilience strategy, we make every effort to minimize water usage in our manufacturing processes, especially in areas where water resources are scarce, preserving ecosystems and reducing our impact on biodiversity across the value chain.

2.4 Waste management and recycling

We promote waste reduction, reusing and recycling strategies across our operations, to encourage the reuse and recycling of parts, materials and packaging in both our production processes as well as at the end of the product life.

2.5 Supply chain stewardship

We collaborate with suppliers who share our responsibility to environmental stewardship and sustainable practices. Our supply chain is regularly assessed to ensure that materials are sourced responsibly and sustainably, reducing environmental harm and waste.

2.6 Stakeholder engagement and transparency

We are committed to transparent communication on our environmental efforts, providing regular updates on progress and challenges. We foster a culture of awareness, responsibility and innovation by engaging with all stakeholders to support the reduction of environmental impact both in and out of the workplace.

3 Consequences of violations of this policy

Failure to comply with this policy could cause significant harm to Horse Powertrain such as loss of business, substantial fines and reputational damage; and may lead to sanctions for the violating employee(s), up to termination of employment as well as substantial fines and in some cases criminal prosecution.

4 How to report a concern

If you notice any activity or conduct that may result in a violation of this policy, you are expected to report the issue promptly to either your direct manager or your local HR representative. If for some reason you are not comfortable with this reporting procedure, you can also contact another manager or Legal & Compliance or report via the whistleblowing reporting line[2]. For more information about reporting, please refer to the Internal Reporting Policy.

Horse Powertrain will ensure that there are no adverse work-related consequences for any employee who, in good faith, alerts management to possible violations of this policy.

[2] Note that in some countries there can be legal restrictions on what can and cannot be reported through the whistleblowing reporting line. Details of these restrictions are presented when accessing the system. If you wish to report concerns about wrongdoing or malpractice, please refer to our Internal Reporting Policy, which contains full details of how to raise a concern, including the reporting channels and further guidance.

See Internal Reporting Policy

5 Guidance and assistance

This policy is an overriding policy document, which sets the framework for managing and protecting information.

Guidance and assistance regarding this policy should be sought, first and foremost, from your manager. For further guidance, you may also refer to the corporate directives and guidelines related to this policy.

Inquiries about this policy may also be directed to Legal & Compliance at legal-compliance@horse-powertrain.com

