



NT's Inaugural ESG Report

*Foundations of
Sustainability*



This document is the property of NT Recycling kft and is protected by copyright and/or intellectual property rights. All rights reserved. Unless expressly stated in writing, you do not receive any license regarding the content of this document. This document may not be reproduced or transmitted for any purpose, by any means, including electronic or mechanical, without our prior written permission.

This document is for reference only and is not intended to constitute legal or any other professional advice and therefore should not be considered as consultation and/or advice. Before making any decisions, taking any action, or refraining from any action based on any matter covered in this document, the user of this document should seek appropriate legal or other professional advice. NT Recycling, or its employees, other contributors, or their respective companies, do not accept any responsibility, nor make any express or implied representations or warranties.



ABOUT THE REPORT

NT Recycling Kft (hereinafter referred to as "NT" or "the Company") is committed to proactively reporting the company's Environmental, Social, and Governance (ESG) status to the public, enabling society to understand and monitor NT's progress towards sustainable development. Reflecting NT's deep understanding of corporate sustainability and its commitment to building a sustainable business model, NT will, starting from 2024, disclose an annual "Environmental, Social, and Governance Report (ESG Report)." This report will comprehensively present NT's performance in environmental, social, and governance aspects to all stakeholders. Through an open, transparent, and factual approach, NT is dedicated to sustainable development and making significant progress in ESG.

During the reporting period, NT established the Environmental, Social, and Governance Committee (hereinafter referred to as the "ESG Committee"), tasked with providing sustainability advice to the company's board of directors. The committee sets ESG objectives and action plans in response to the concerns of various stakeholders and the international community, thereby enhancing the company's value and competitiveness. The NT ESG Committee comprises company executives and external advisors, working in coordination with all business lines and functional departments to drive the implementation of ESG initiatives. The committee also continuously develops and optimizes relevant risk management mechanisms to ensure close communication and collaboration with all stakeholders, with a strong commitment to improving NT's environmental, social, and governance practices.

ABOUT THE REPORT (CONTINUED)

This report is NT's first ESG report, disclosing the company's performance in fulfilling social responsibilities and committing to sustainable development since its establishment (with some content extending beyond this scope, which will be explained in the main text). The report covers NT and its subsidiaries.

This report has been prepared with extensive reference to the disclosure requirements and key points mentioned in the following standards and guidelines:

- Global Reporting Initiative (GRI) Sustainability Reporting Standards by the Global Sustainability Standards Board (GSSB)
- Task Force on Climate-related Financial Disclosures (TCFD)
- International Organization for Standardization (ISO) 26000:2010 "Guidance on Social Responsibility"

The data presented in the report is sourced from the company's official documents and related statistics and has not been audited. All monetary amounts mentioned in the report are measured in euros unless otherwise specified.

NT highly values the opinions of its stakeholders and welcomes feedback via email at info@ntrecycle.com. Your input will help us to further improve our ESG performance. Thank you very much!



Stakeholder Engagement and Materiality Assessment

Our business operations impact a wide range of individuals, groups, and organizations, while at the same time, these stakeholders also influence NT's sustainable development outcomes. Therefore, we identify stakeholders based on the extent of their impact on our business.

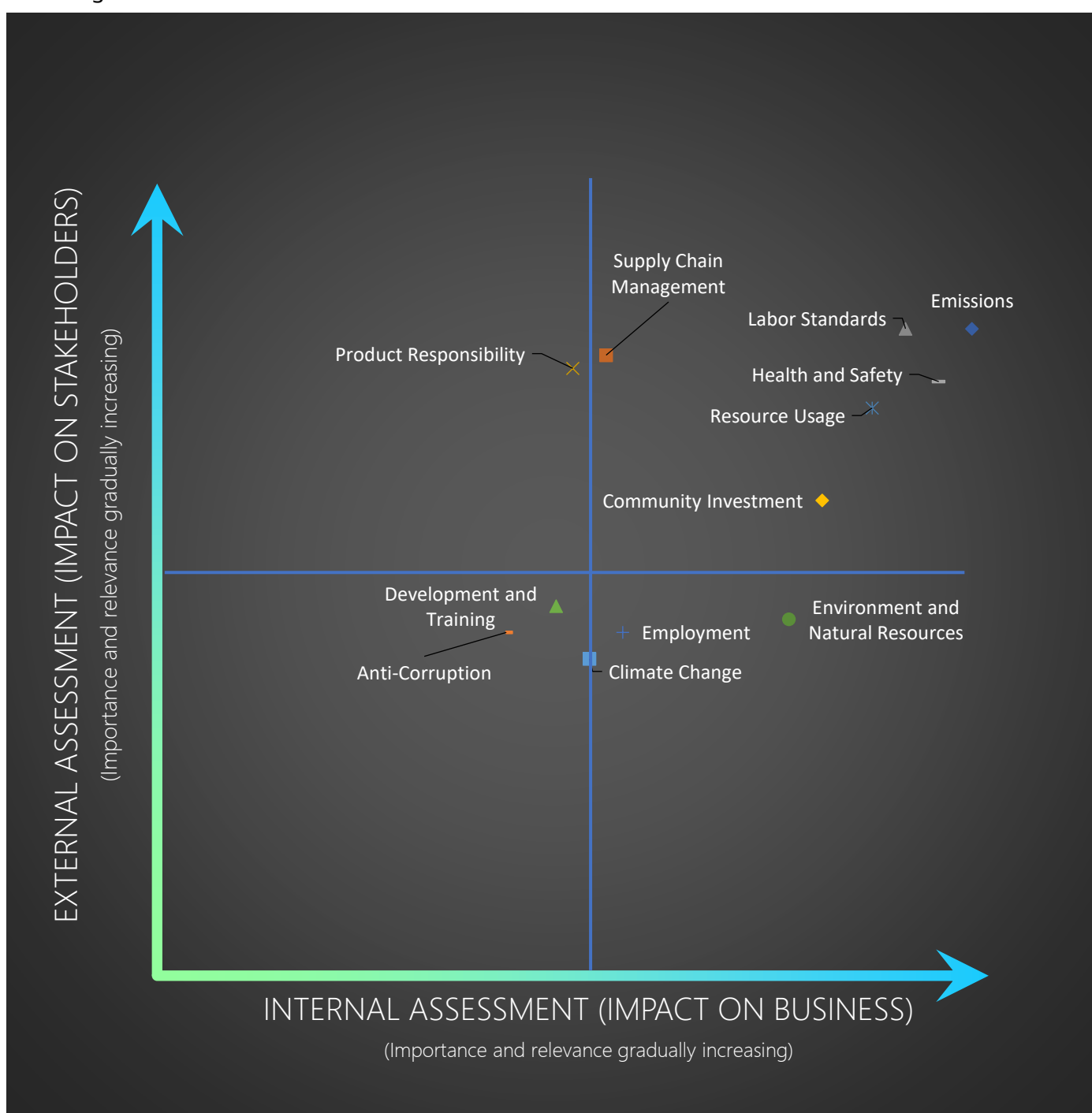
Stakeholder engagement is an integral part of NT's environmental, social, and governance (ESG) development strategy. It ensures that we can effectively address both current and emerging risks and opportunities in the markets where we operate. This process helps us prioritize ESG-related issues and develop corresponding policies.

Our key stakeholders include employees, customers, investors, shareholders, communities, non-governmental organizations (NGOs), industry associations, suppliers, regulatory bodies, and governments. We implemented various strategies to engage with stakeholders, including focus groups, thematic discussions, and one-on-one meetings.



Materiality Matrix

Through research on the expectations of NT's internal and external stakeholders, and by comprehensively considering factors such as NT's business scope and the current state of ESG development, NT has identified relevant issues that reflect the impact on the company's ability to create economic, social, and environmental value, as well as those that have a significant influence on stakeholder evaluations and decisions. This process utilized relevant domestic and international standards, guidelines, and initiatives related to social responsibility. After management review, conducting stakeholder surveys, and inviting stakeholders to participate in the process of determining material issues, the final material issues and materiality matrix were determined, as shown in the following diagram. The issues in Quadrants I, II, and III will be the focus of this report, with detailed coverage and disclosure.



Stakeholder Concerns

Stakeholders	Key Concerns or Expectations	Response Methods
Shareholders	Long-term stable returns	Regular communication Transparency
Customers	Quality and safety of products	Customer service Feedback mechanisms
Employees	Career development, benefits	Training programs Employee benefits
Suppliers	Fair procurement practices	Fair contracts Regular assessments
Communities	Community welfare	Community engagement Social projects
Government & Regulators	Compliance with laws, regulations	Compliance programs Regular reporting
NGOs	Environmental protection	Collaboration Transparency
Media	Accurate information	Press releases Media relations
Academic & Research Institutions	Collaboration on innovations	Joint research projects Partnerships
Industry Associations	Industry standards	Active participation Adherence to standards

MESSAGE FROM THE MANAGEMENT

Since its establishment, NT's performance has been encouraging. Beyond objective factors such as the broader environment, our success has been driven by the relentless efforts of our board members, management team, and all employees in advancing the company's growth. While striving to secure ideal returns for our shareholders, we have always adhered to the belief of "taking from society, giving back to society," adopting a sustainable development model in areas such as product safety, supply chain management, environmental protection and energy conservation, employee growth, and community affairs.

Quality First. We firmly believe that a reputable brand is crucial for the sustainable development of the company. NT is committed to independently developing safer, more energy-efficient, and environmentally friendly lithium battery recycling equipment.

By continuously optimizing both upstream and downstream supply chains, we work with high-quality, competitive suppliers and business partners, strictly control product quality and safety, and integrate superior durability into every detail of our daily operations. We work hard to provide our customers with reliable, safe, and high-quality products and services.

Green Operations. As society places increasing emphasis on environmental protection, we will never overlook the potential impact of our business processes on the environment. Through continuous improvement of our internal energy-saving and environmental protection systems, fostering environmental awareness among employees, and recycling and reusing waste generated by our operations wherever possible, we reduce the adverse impact of our activities on the environment.

People-Oriented. The growth of the company depends on the support of our employees. We advocate for a fair and harmonious working environment, continuously improve our talent development system, and provide employees with comprehensive learning opportunities and development space as much as possible. We also place great importance on the safety and hygiene of the working environment. By continuously refining accident prevention mechanisms and measures, and providing occupational safety training, we create a safe and comfortable working environment for our employees. Only by showing care and dedication can we bring sufficient passion and attention to our customer base, allowing the company and its employees to grow together.

With Gratitude. NT aspires to be a responsible company, encouraging employees to actively participate in community service activities, organize volunteer efforts, do good deeds, and take concrete actions to help vulnerable groups, fulfilling corporate social responsibility and bringing positive impact to the community. The long-term development of the company is closely related to the environment and society. While we will continue to strive to generate stable returns, we will also assume corporate social responsibility, maintain sustainable business development and competitiveness, and grow together with society and the environment.

Aleksandar Dzombic

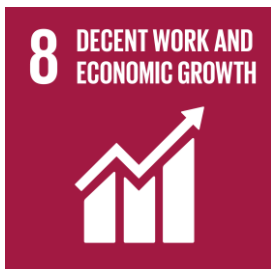
Head of the Environmental, Social, and Corporate Governance (ESG) Committee

NT Recycling Kft.

SUSTAINABLE DEVELOPMENT GOALS

NT Supports the United Nations Sustainable Development Goals (SDGs)

NT's ESG governance efforts are most closely aligned with three of the United Nations Sustainable Development Goals (SDGs): Decent Work and Economic Growth, Responsible Consumption and Production, and Partnerships for the Goals. These goals encompass promoting inclusive and sustainable economic growth, achieving productive and full employment, ensuring everyone has a decent job, and strengthening the means of implementation and revitalizing the global partnership for sustainable development.



Economic Growth and Prosperity provide employment opportunities and decent working conditions for all people of working age. NT's logistics are development-oriented, supporting productive activities and decent employment, while actively promoting business diversification, technological upgrading, and innovation.



Responsible Production highlights our strong commitment to sustainable development. This means that we are not only responsible for our products, environment, and region, but also for our customers and employees. "Responsible Production" has become an indispensable part of our corporate culture.




As the demand for technology and knowledge grows, global cooperation and close connections become increasingly essential. Strengthening learning and innovation, promoting sustainable global relationships, and ensuring that development goals are transformed into broader cooperation and more transformative global partnerships will help us achieve the sustainable development goals.

A wooden chessboard with a light-colored wood frame and a dark wood grid. The board is set up with chess pieces. The top row (black pieces) includes a king, queen, rook, knight, and pawns. The bottom row (white pieces) includes a king, queen, rook, knight, and pawns. The word "Governance" is overlaid in a large, blue, serif font in the center of the board.

Governance

With the development of human society, the business ecosystem is also constantly changing. For enterprises, it is especially important to focus on providing value to society, promoting the dissemination of technology and talent development, and enhancing activities that may drive economic and social development.



In recent years, society and the public have increasingly emphasized the social value of business organizations. There is a growing expectation that business organizations can combine social impact and contribution with financial performance and align these two goals through integration and management. We believe that inaction is a costly choice, and therefore, NT Logistics has also entered a phase of transformation.

Corporate governance achieves long-term value by aligning financial and social performance. To achieve this alignment, management and specialized bodies must oversee operations concerning expectations for the planet, people, and prosperity, ensuring that risks and opportunities related to these dimensions are managed and accepted over time, and that the interests of stakeholders, including shareholders, are protected.

In our governance process, our primary focus is always on risk management. Through a series of research and analysis, we have explicitly integrated environmental and social-related risks and opportunities into the company's governance and related processes. Over time, we continuously optimize the risk control system to ultimately identify, mitigate, and resolve ESG-related risks.

ESG committee

NT' main achievements

Tie-up resources

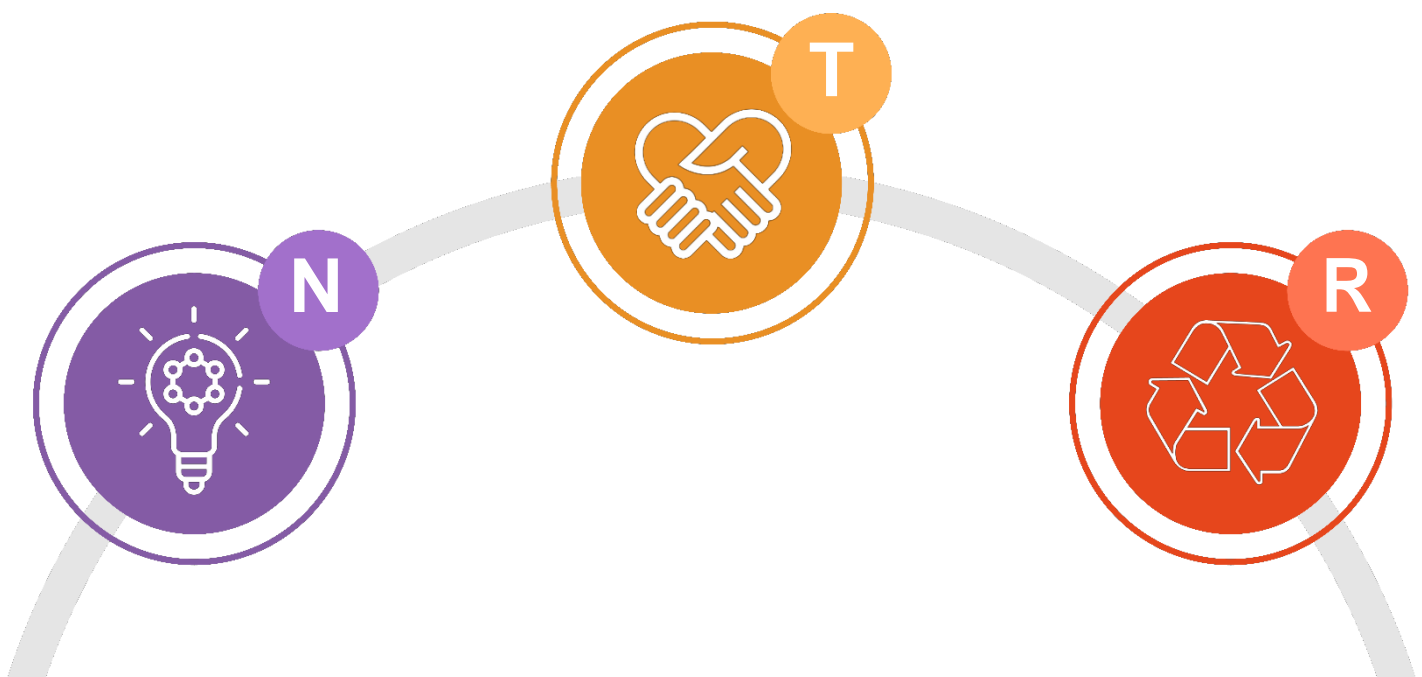
NT Recycling is **Strategical partner** with Technical Committee of New Energy Battery Recycling of China, which is the leader and innovator in China's battery recycling industry. Meanwhile NT has also established solid cooperation relations with many top tier Hungarian/Chinese/Korean/German companies & institutions.

New Technology

NT Recycling has independently developed dust-free, low-emission crushing and sorting equipment, collaborated with hydrometallurgical companies to develop extraction technology, and is currently independently developing **Europe's first physical lithium supplementation technology**.

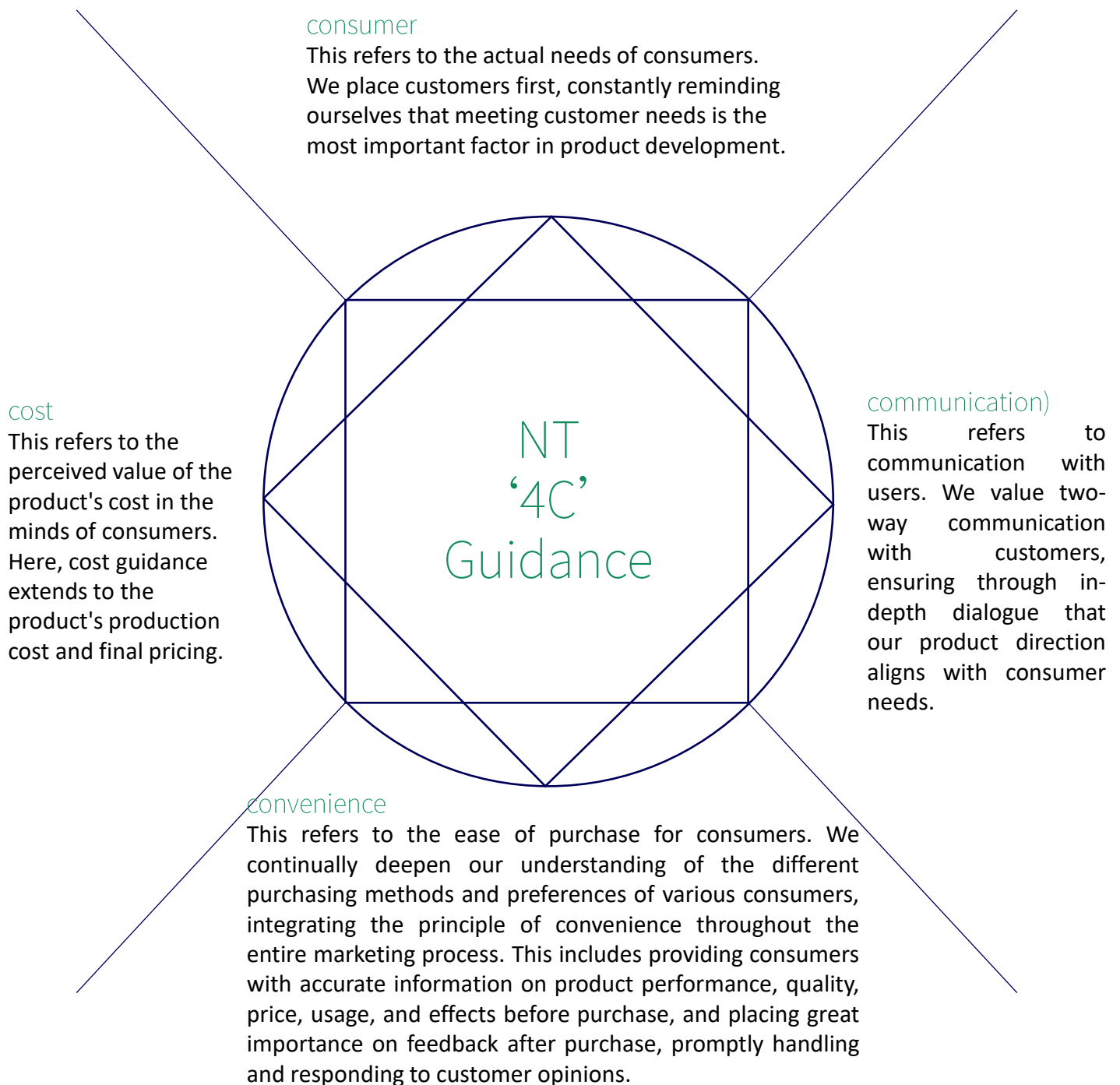
Recycler

NT Recycling has set up a mechanical crushing and sorting plant in Hungary, with operations also starting in Spain and Norway. Through partnerships, it plans to expand similar facilities and hydrometallurgical plants across Hungary, Germany, Austria, France, and Denmark, aiming to become **Europe's largest lithium battery recycler by the end of 2025**.



NT's ESG Governance Approach

We employ a management framework for ESG governance centered around four core guiding objectives, known as the 4Cs: **Consumer**, **Cost**, **Convenience**, and **Communication**. All of the company's performance settings, institutional reforms, and related activities are focused on these four core objectives.



NT's

100% Security Module

For NT, safety, quality, and environmental management will always be the management points we value the most. Safety awareness will be ingrained as a part of our corporate culture, flowing through the veins of every employee. To make the company's safety philosophy clearer and easier for all employees to understand, we refer to our safety management as the "100% Safety Module," with the following core points:

- Implement and enforce national, industry, and company-related health, safety, and environmental laws, regulations, and policies.
- Organize, compile, and approve various safety production management systems. In line with the characteristics of the projects and the nature of the construction, develop targeted safety production special management systems and supervise their implementation.
- In accordance with company regulations, assign dedicated (or part-time) safety production management personnel; clarify the safety production management responsibilities and assessment indicators for each level of management and construction personnel within the project department, and ensure their implementation.
- Organize the establishment of labor management systems and supervise the conduct of third-level safety education and training for new construction personnel entering the site.
- Organize the preparation of construction organization designs, special construction plans, and safety technical measure documents, and establish and supervise the safety technical disclosure system and equipment acceptance system for engineering projects.
- While planning, deploying, inspecting, summarizing, and evaluating production, ensure the simultaneous deployment and inspection of safety production work.
- Organize a monthly safety inspection of the construction site and promptly supervise the rectification of any identified safety hazards.
- In the event of an accident, organize the protection of the site and report it promptly as required. Additionally, organize the investigation of the accident, conduct an analysis, summarize the findings, and develop preventive measures to learn from the accident.





Innovations

Since establishment,
Self-developed recycling line

1

Cooperative R&D tech project

3

Patents under progress

6

R&D revenue share

30%

NT implements an innovation-driven corporate development strategy, continuously improving the technological innovation system, and establishing a technology innovation system that is enterprise-centered, market-oriented, and deeply integrated with industry, academia, and research. The company continually explores and optimizes innovation management processes and methods to enhance the quality and effectiveness of technological innovation management.

Supported by the Strategic Innovation Business Committee, the company establishes organizational guarantees and operating mechanisms, formulates and issues regulations such as the "Innovation and Application Management Measures" to provide safeguards for innovation management and foster a culture of technological innovation. By providing platforms for innovation through forums, technology awards, and creative competitions, the company actively promotes innovation.

The company has established a comprehensive intellectual property management system to effectively manage and protect its technological innovation achievements and to promote internal technological innovation. During the process of technology introduction and cooperation, the company stays informed about the development status of similar technologies domestically and internationally by reviewing patent literature. It evaluates and forecasts introduced projects, queries patent information to understand the scope and content of patent protection, as well as information regarding patent holders, patent validity, and protection regions, ensuring respect for and avoidance of infringement on others' intellectual property rights.

NT's ESG Investment management system

Since NT's establishment, we have actively promoted the integration of responsible investment standards into the investment process and will continue to do so. We recognize that we have a responsibility to improve our society and environment through more proactive investments. Therefore, we have developed a set of clear principles related to environmental, social, and governance (ESG) factors for the operations of our investments. These principles have been incorporated into the organization and governance structure,

corporate culture, and operational processes at every stage of our investment lifecycle. We are committed to strengthening and promoting this commitment through sustainable and resilient capital flows. Over the past year, by communicating with some of our stakeholders, they have also established ESG-related principles. Just as our work supports the development of outstanding entrepreneurs, we hope to showcase our institutional characteristics to all sectors of society: excellence, innovation, passion, and resilience.



At NT, ESG governance will not only be a tool to help mitigate investment risks but also a powerful structured approach that can create long-term investment value, thereby benefiting both our investors and society.

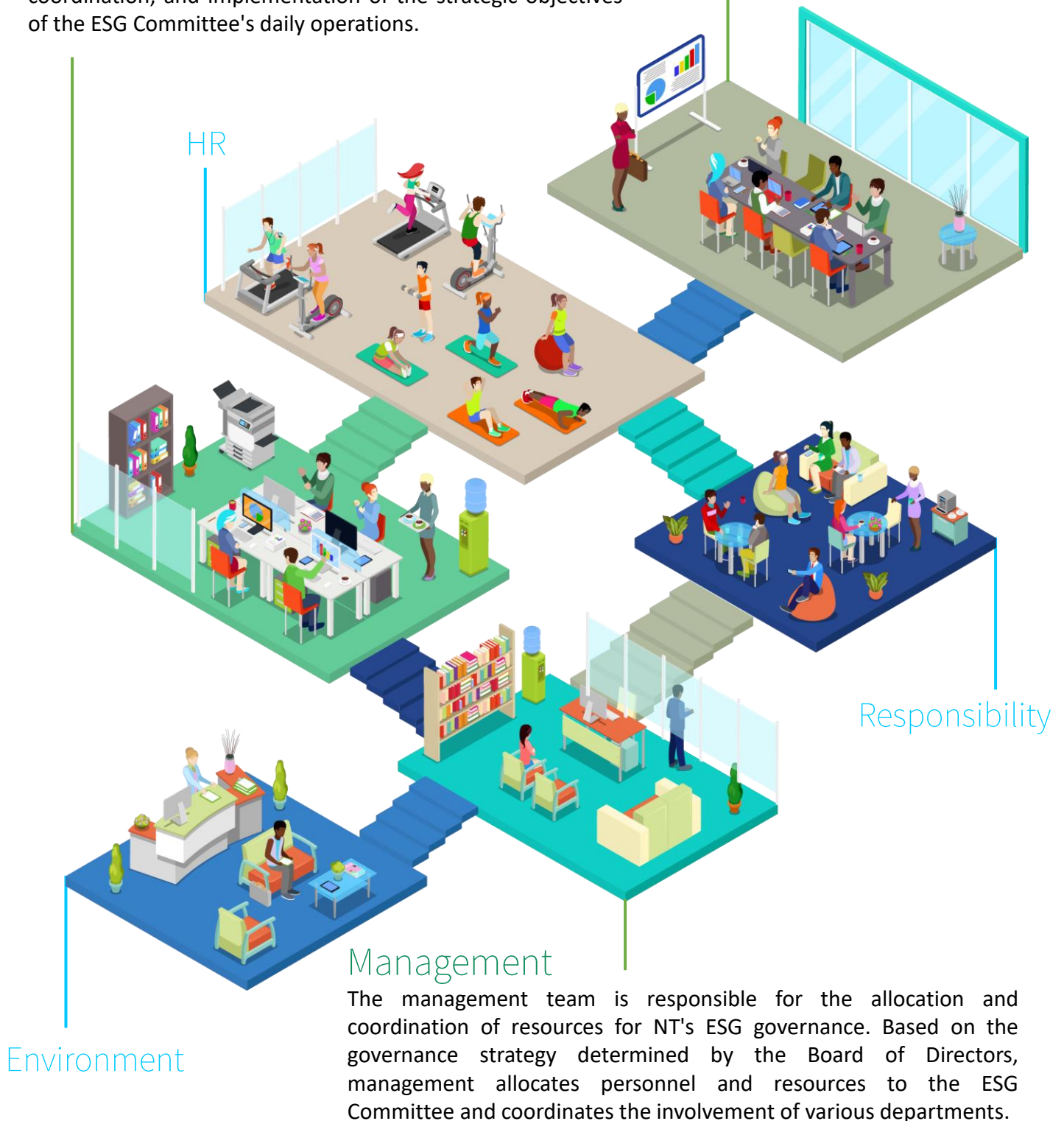
NT's ESG governance structure

ESG Committee

The NT ESG Committee is composed of members from various departments, including Human Resources, Manufacturing, Administration, Procurement, and Research & Development. The committee has established a working group, led by Aleksandar Dzombic, the head of the company's Environmental, Social, and Corporate Governance (ESG) Committee, who is responsible for the execution, coordination, and implementation of the strategic objectives of the ESG Committee's daily operations.

Board of Directors

The Board of Directors is responsible for the overall leadership and decision-making related to the company's ESG governance. They determine the company's ESG governance work guidelines, strategic planning, and annual work plan.



NT's ESG governance structure

A background image showing a person's hands holding a small green seedling with soil. The seedling has several green leaves and a thin stem. The background is a blurred green field, suggesting a natural, outdoor setting. The image is used to illustrate the concept of growth and sustainability, which aligns with the ESG governance structure discussed in the text.

We have established a systematic corporate governance framework that encompasses stakeholder relationship management, board governance, and corporate management. In coordinating stakeholder relations, we engage in close communication with stakeholders from various sectors of society to seek mutually recognized values and balance the interests of all parties. In our pursuit of excellence in corporate governance, we uphold traditional core values while actively embracing various innovations, allowing heritage and innovation to go hand in hand as we navigate a rapidly changing business environment.

We also ensure diversity in the composition of our Board of Directors and continue to invest in advanced technology and infrastructure. By conducting timely and thorough business performance analysis, we improve the efficiency of corporate management, enabling us to continuously enhance our organizational and management structure. We are currently integrating risk assessment and mitigation plans into our risk management framework to strengthen accountability at all levels of management. Additionally, we have enhanced data governance by reviewing data structures, quality, and access permissions, thereby building a reliable and consistent database that promotes the effective application of data analysis.



Environment

In recent decades, global warming has reached dangerous levels, and environmental challenges such as climate change and resource scarcity will continue to pose physical and financial risks to businesses worldwide. Governments around the world are implementing stricter environmental regulations, forcing companies to reduce their ecological footprint. We hope to work hand-in-hand with our stakeholders to transition to a low-carbon economy and adopt a sustainable operating model to protect the planet.



Environmental protection, as one of the triple bottom lines of sustainable development, is closely related to various sustainability goals. The current unsustainable production and lifestyle practices have led to increased waste pollution, accelerated depletion of resources and energy, and a rise in extreme weather events, all of which have had a significant negative impact on the environment. The development of human society should not come at the expense of the natural environment. We need to work together to safeguard a sustainable future.

Therefore, all countries, regions, businesses, and even individuals around the world must take immediate action. This includes setting environmental protection goals, actively adopting effective measures to reduce harm to the natural environment and resource extraction, increasing the use of renewable energy, and exploring low-carbon, environmentally friendly production and lifestyle practices to collectively address the impacts of climate change.

NT also commits to adhering to the following principles in the course of its development:

- Promoting a circular economy
- Increasing the use of renewable energy
- Reducing carbon emissions



NT's expected co2 emission

Total Annual Carbon Emissions

349,593 kg CO₂

Emissions per Tonne of Recycled Material

186.33 kg CO₂/tonne

Comparison of New Lithium Material

94%

Lower CO₂ emission

Compliance with environmental regulations

The Environmental Protection Analysis for the battery recycling project is a comprehensive process that integrates detailed assessments, mitigation strategies, and ongoing monitoring to minimize environmental impacts. This process is essential for ensuring that our operations align with both regulatory requirements and our commitment to environmental stewardship.

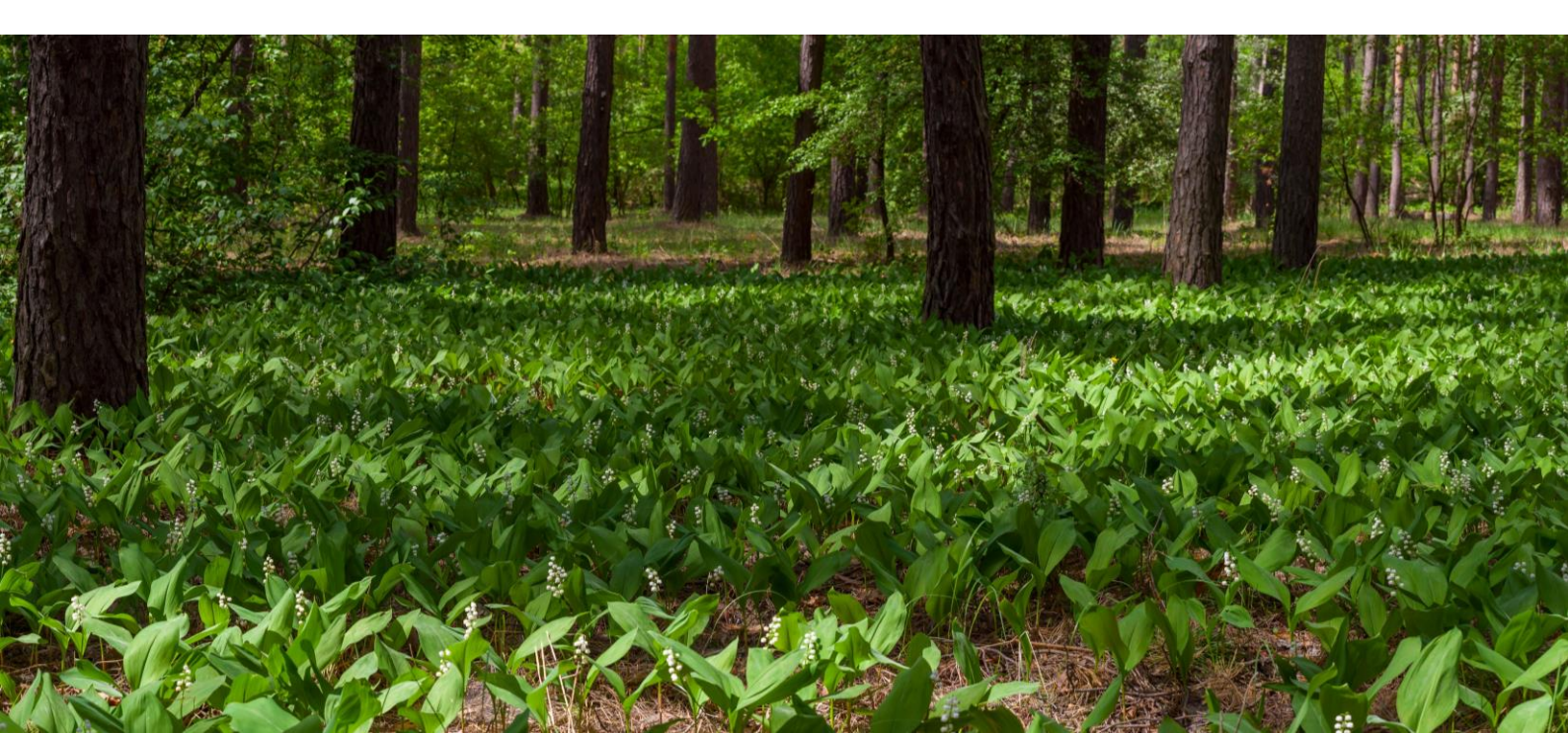
By commissioning an independent, local engineering agency to conduct a thorough Environmental Impact Assessment (EIA), we ensure that all potential environmental risks are identified and meticulously addressed. This independent assessment provides an objective evaluation of the project's impact on air quality, water resources, soil health, and local biodiversity, ensuring that appropriate mitigation measures are implemented from the outset.

Our approach goes beyond compliance, encompassing a strong commitment to local citizenship support and community engagement. By prioritizing the hiring of local residents, providing training and skill development opportunities, and supporting local businesses, we are actively contributing to

the economic and social well-being of the community. Furthermore, our initiatives in environmental education and infrastructure development demonstrate our dedication to fostering a sustainable and resilient community.

Ongoing monitoring and reporting ensure that our environmental protection measures remain effective and that we continuously improve our practices. Regular air, water, and soil quality testing, coupled with biodiversity monitoring, will help us detect and address any potential environmental issues promptly. Transparent reporting and community consultations further reinforce our commitment to accountability and responsiveness.

In conclusion, the battery recycling project is designed not only to operate within the highest environmental standards but also to serve as a model of responsible industrial development. Through our comprehensive Environmental Protection Analysis, rigorous mitigation strategies, and strong focus on community engagement, we aim to achieve a balance between industrial progress and environmental preservation, ultimately benefiting both the environment and the local community.



Greenhouse gas emissions



	Emission	Unit
Scope 1	0	kg CO2
Scope 2	349593	kg CO2
Scope 3	188040	kg CO2
Emission density	33602	CO2/person

Scope 1 Emissions (Direct Emissions)

Scope 1 emissions typically include direct emissions from fossil fuel combustion. Since NT’s factory does not use natural gas or other fossil fuels, the Scope 1 emissions can be considered **zero** or negligible.

Scope 2 Emissions (Indirect Emissions from Electricity)

Scope 2 emissions are from purchased electricity. Based on the data provided, the factory consumes 1,500,400 kWh/year with an emission factor of 0.233 kg CO2/kWh.

Scope 3 Emissions (Other Indirect Emissions)

Scope 3 emissions include emissions from the supply chain, transportation, and other indirect sources. We've previously calculated Scope 3 CO2 emissions to be 188,040 kg CO2. For N2O and CH4, we'll use typical emission factors.

	Carbon Dioxide (CO2)	Nitrous Oxide (N2O)	Methane (CH4)
Scope 1	0 kg CO2	0 kg N2O	0 kg CH4
Scope 2	349,593.2 kg CO2	4.5012 kg N2O	36.0096 kg CH4
Scope 3	188,040 kg CO2	56.412 kg N2O	188.04 kg CH4

The calculation of Nitrous Oxide (N2O) and Methane (CH4) emissions for the NT lithium battery recycling facility reveals specific insights into the indirect environmental impact of the operation. For Scope 2 emissions, which account for the purchased electricity, the N2O emissions are estimated at approximately 4.5 kg per year, while CH4 emissions are around 36 kg per year. These figures are derived using standard emission factors for electricity generation.

In terms of Scope 3 emissions, which include indirect emissions from activities such as raw material transportation and employee commuting, the N2O emissions are calculated at approximately 56.4 kg per year, and CH4 emissions are about 188 kg per year. These emissions reflect the broader impact of the supply chain and logistics associated with the factory's operations, highlighting the importance of considering both direct and indirect sources of greenhouse gases in the overall environmental assessment.

Waste Management

Waste Type	EWC Code	Estimated Volume	Collection Method	Disposal Method
Packaging Materials	15 01 02 (plastics), 15 01 01 (cardboard)	200 kg (Installation)	Designated bins/containers	Sent for recycling at an authorized facility
Metal Scraps	17 04 05 (iron and steel)	150 kg (Installation)	Metal recycling containers	Sent to a metal recycling facility
Electrical and Electronic Waste	16 02 14* (hazardous electronic waste)	50 kg (Installation)	Secure containers	Sent to a specialized hazardous waste recycler
Bearing Grease, Engine Oil	13 02 08* (other oils)	Variable (Operation)	Sealed, labeled containers	Collected by authorized hazardous waste handler
Scrap Iron from Maintenance	17 04 05 (iron and steel)	20 kg/month (Operation)	Scrap metal container	Sold as scrap iron for recycling
Daily Dust Sweeping	15 01 02 (plastic packaging dust)	1 kg/day (Operation)	Sealed bags	Disposed of in general waste or recycled if possible
HEPA Filter Screens	15 02 03* (absorbents, filter materials)	Variable (Operation)	Labeled hazardous waste containers	Collected by specialized waste handler
Municipal Waste (Office and General)	20 03 01 (mixed municipal waste)	50-100 kg/month (Operation)	General waste bins	Disposed of through municipal waste services

During Operating

The facility will generate different types of waste, including hazardous waste like bearing grease, engine oil, and HEPA filter screens, as well as non-hazardous materials such as mixed lithium battery shells, scrap iron, and office waste. The total municipal waste generated is estimated at 50-100 kg per month. All waste will be collected in clearly labeled containers, with hazardous materials handled by specialized waste handlers and non-hazardous materials sent for recycling or disposal according to regulatory guidelines. This comprehensive waste management approach ensures that all waste is managed responsibly, with a focus on environmental protection and regulatory compliance.

Waste Management

During the installation and operation of the NT lithium battery manufacturing scraps processing facility, various types of waste will be generated. Installation activities are expected to produce approximately 800 kg of waste, including packaging materials, metal scraps, electronic equipment waste, wood pallets, and general construction waste. These wastes will be carefully segregated, collected in designated containers, and sent to authorized recycling or disposal facilities, ensuring compliance with environmental regulations and minimizing the environmental impact of the installation process.

**THINK
BEFORE YOU
PRINT**



We strive to involve every employee in waste management and encourage recycling in the workplace. In our office building, the property management company has appointed a recycling collection service to handle used paper, plastic bottles, aluminum, glass, fluorescent tubes, and computer equipment. Recycling bags have been placed in the office to collect waste paper for recycling.

We promote a paperless work environment, as going paperless not only reduces environmental impact but also offers business benefits, such as saving office space, facilitating information sharing through IT networks, and simplifying complex processes. We plan to implement the "Think Before You Print" campaign to actively raise awareness among all employees about minimizing paper usage. Double-sided printing and copying have become our standard practice, significantly reducing paper consumption and cutting costs. The company's ESG management committee regularly collects and evaluates office printer usage data to monitor the implementation and effectiveness of the paperless office initiative.

The background of the slide is a close-up photograph of green palm fronds, showing their characteristic fan-like structure and vibrant green color. The fronds are arranged in a way that creates a sense of depth and texture, with some fronds in the foreground being more prominent than others.

Impact of climate change on NT

Climate change, particularly the increase in global temperatures and the frequency of extreme weather events, poses potential risks to NT's business and operations. Adverse climate conditions could disrupt our supply chain, affecting the availability and cost of raw materials essential for lithium battery recycling. Additionally, extreme weather events could impact our facility operations, leading to potential production delays or increased operational costs due to the need for enhanced infrastructure resilience and safety measures.

As a company in the lithium battery recycling industry, NT is also exposed to the shifting demand for recycled materials driven by climate change. Changes in regulatory environments, driven by global climate policies, may alter the demand for our products. For example, increased emphasis on reducing carbon footprints could lead to a rise in demand for recycled materials, while fluctuations in energy markets may affect the cost-effectiveness of our recycling processes. To manage these risks, NT must stay agile, closely monitoring climate-related trends and adapting our operations and strategies to ensure long-term sustainability and resilience.

Responses to climate change

NT is committed to the environmental philosophy of "living in harmony with nature" and will focus on the following three areas of investment:

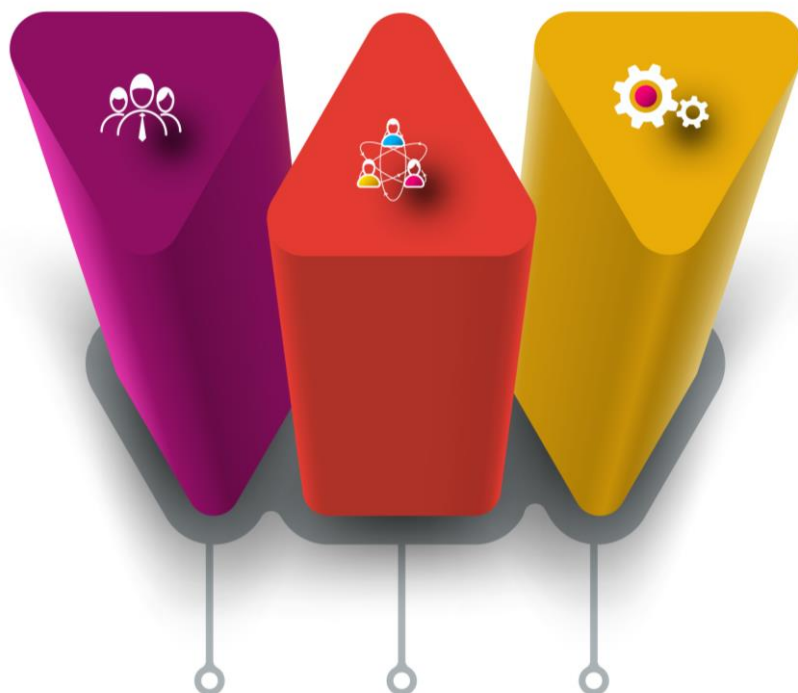
•Reducing Carbon Emissions:

Continuously strengthening our green operations and supply chain, responsibly taking every step to reduce carbon emissions.

•Increasing the Use of Renewable Energy:
Continuously improving the efficiency of renewable energy use and collectively transitioning towards renewable energy sources.

•Promoting a Circular Economy:

Achieving greater benefits for humanity with fewer resource costs.



Reducing Carbon Emissions

Promoting a Circular Economy

Increasing the Use of
Renewable Energy

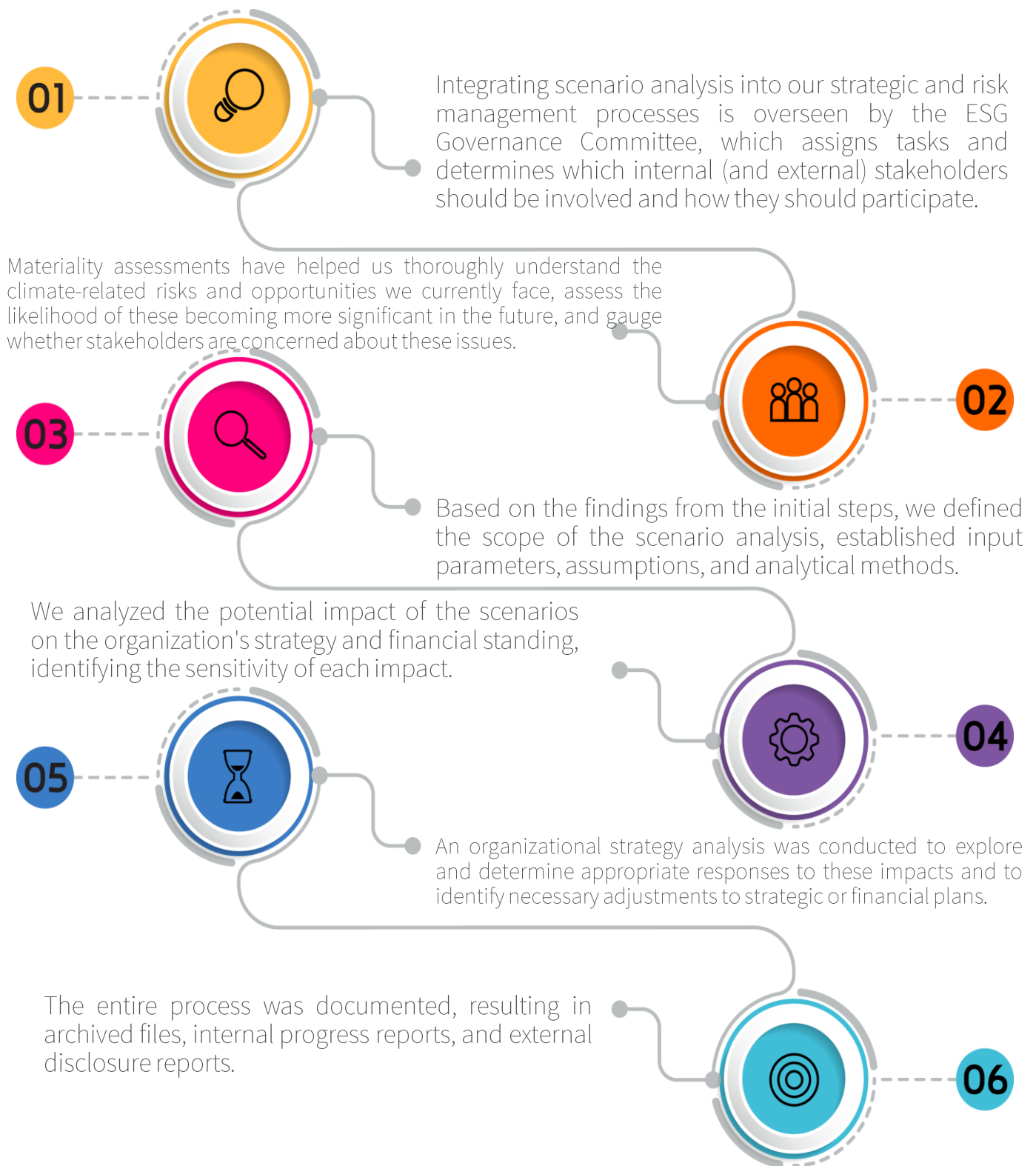


Energy Conservation In the office, energy-efficient appliances are selected and set to power-saving mode. All lights and air conditioning must be turned off when not in use, and reminders are placed in appropriate areas to encourage employees to switch off energy sources.

Green Break Room We do not provide disposable utensils and paper cups for visitors, encouraging employees to bring their lunch in reusable containers to reduce the use of disposable packaging and utensils from takeout. A comfortable environment is provided for employees to enjoy their meals during lunch.

Minimizing Unnecessary Business Travel We encourage employees to use public transportation for business trips and to rely more on video conferencing to reduce travel and thereby decrease carbon emissions.

Application process of scenario analysis



Harmonious Ecology

随着人类社会的发展，商业生态也随着不断变化，对于企业来说，尤其要重视为社会提供价值，促进技术传播和人才培养，增进可能推动经济社会发展的活动。



Talent structure

NT strictly adheres to EU and Hungarian labor regulations, fully upholding the legal rights of its employees. We recognize and respect employee diversity, and are committed to fostering a work culture that is inclusive and diverse, ensuring that employees of different regions, ages, and genders have equal opportunities for development.

NT regularly conducts employee surveys using anonymous questionnaires, in-depth communication sessions, and sharing meetings. Based on the survey results, improvement plans are formulated to address identified areas of concern.

To promote gender balance and drive cultural diversity, NT has established a Women's Leadership Committee. The mission of this committee is to ensure that female employees at NT receive equal training, promotion opportunities, and can maintain a "work-life balance." Additionally, the committee is responsible for helping NT's women overcome career obstacles, build self-awareness and confidence, and enhance their influence and effectiveness in the workplace.



Talent attraction and employee turnover

NT deeply understands that employees are our most valuable asset and one of the key factors in our continued success. We have consistently adhered to the mission of "enabling employees to reach their full potential" and the "people-oriented" human resources management strategy. Our focus is on attracting and retaining diverse talent, fostering a sense of belonging, investing in professional training, and maintaining a comfortable and pleasant work environment. We also respect and are committed to upholding the legal rights of every employee.

The NT ESG Committee works in collaboration with the Human Resources Department to create a united and harmonious corporate culture, allowing employees to utilize their strengths and grow alongside NT. Relevant employment practices and policies are formally outlined in the employee handbook, covering areas such as recruitment and compensation, work hours and rest periods, diversity, and equal opportunities. In addition, NT has developed the "Employee Code of Ethics," which sets forth various ESG-related requirements and recommendations, embedding them as part of our corporate culture. The Human Resources Department and ESG Committee regularly review these employment practices and policies to ensure that our employment standards are continuously improved.



30岁以下占比30%，30-50岁占比10%，50岁以上占比30%

Talent attraction and employee turnover

Attracting and retaining the talent needed by NT is one of the key factors in implementing the company's projects. To address these challenges, NT is committed to providing unparalleled value to our employees. However, we recognize that the expectations of today's top talent are evolving, and we are working to adapt accordingly. We have held discussions through the ESG Governance Committee focused on several key initiatives, including employee benefits, employee engagement, flexible work models, and office environment design. These discussions have identified crucial strategies such as involving employees in company decision-making processes and giving them more control and flexibility over how, when, and where they work.

Responsible Compensation Policy

NT's compensation policy is designed to ensure external competitiveness and internal fairness, strengthen the link between individual performance and rewards, enhance employee motivation, and fulfill NT's commitment to corporate social responsibility.

Firstly, NT ensures that the base salary for all employees exceeds the legally mandated minimum wage in the local market. We regularly assess base salaries in relation to external market conditions and the current competitive environment of the company. Employees at certain responsibility levels are also eligible for performance-based compensation, aimed at encouraging contributions to collective performance. Specifically, HSE (Health, Safety, and Environment) goals are set for each business unit, making up to 10% of the variable compensation component.

Maintaining Long-Term Employability

Maintaining long-term employability for employees is another key factor in successfully implementing the company's projects. To achieve this goal, NT invests in the development of its employees through targeted training policies, focusing on two main areas:

1. Helping employees acquire and enhance work skills.

2. Supporting employees in staying informed about industry and technological advancements.

We believe that maintaining employees' long-term employability not only enhances their sense of security and corporate responsibility but also continuously improves the organization's management and technical capabilities. This is crucial for the long-term operation and sustainable development of the company.

Equal Work Environment

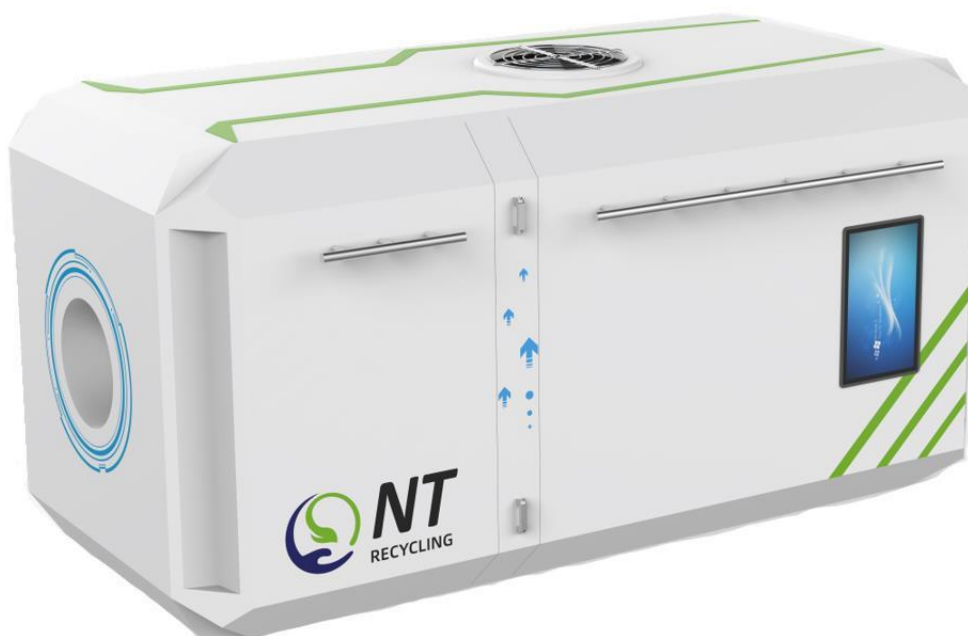
An equal work environment is essential for employees to reach their full potential. We are committed to fostering such an environment at NT, where all employees are respected, free from discrimination and harassment. All employees enjoy equal opportunities in employment, compensation, promotion, transfer, evaluation, training, disciplinary actions, and dismissal. We believe it is the company's responsibility to create a suitable work environment that provides equal career opportunities for all employees, allowing the company to benefit from the diverse skills and approaches they bring.

Health and Safety

In NT's lithium battery scrap recycling process line, we have implemented an additional layer of environmental safety by integrating a high-efficiency intelligent HEPA air filter, specifically designed by NT. Although our dust emissions already comply with EU standards after preliminary processing, this advanced filtration system has been added to exceed even the most stringent emission requirements. The HEPA filter is engineered to provide exceptional air purification in complex industrial settings, effectively capturing fine dust particles and other pollutants that may arise during the recycling process. This enhancement ensures that our operation not only meets but surpasses current environmental standards, reflecting our commitment to sustainability and safety.

These HEPA filters are classified with a filtration level of H13, in compliance with the European EN 1822 standard. H13 filters are capable of capturing 99.995% of particles as small as 0.3 microns, ensuring that even the tiniest contaminants are effectively trapped. This level of filtration is crucial in the lithium battery recycling process, where dust and particulates, especially those containing metals like lithium, nickel, and cobalt, can pose significant health risks and environmental hazards.

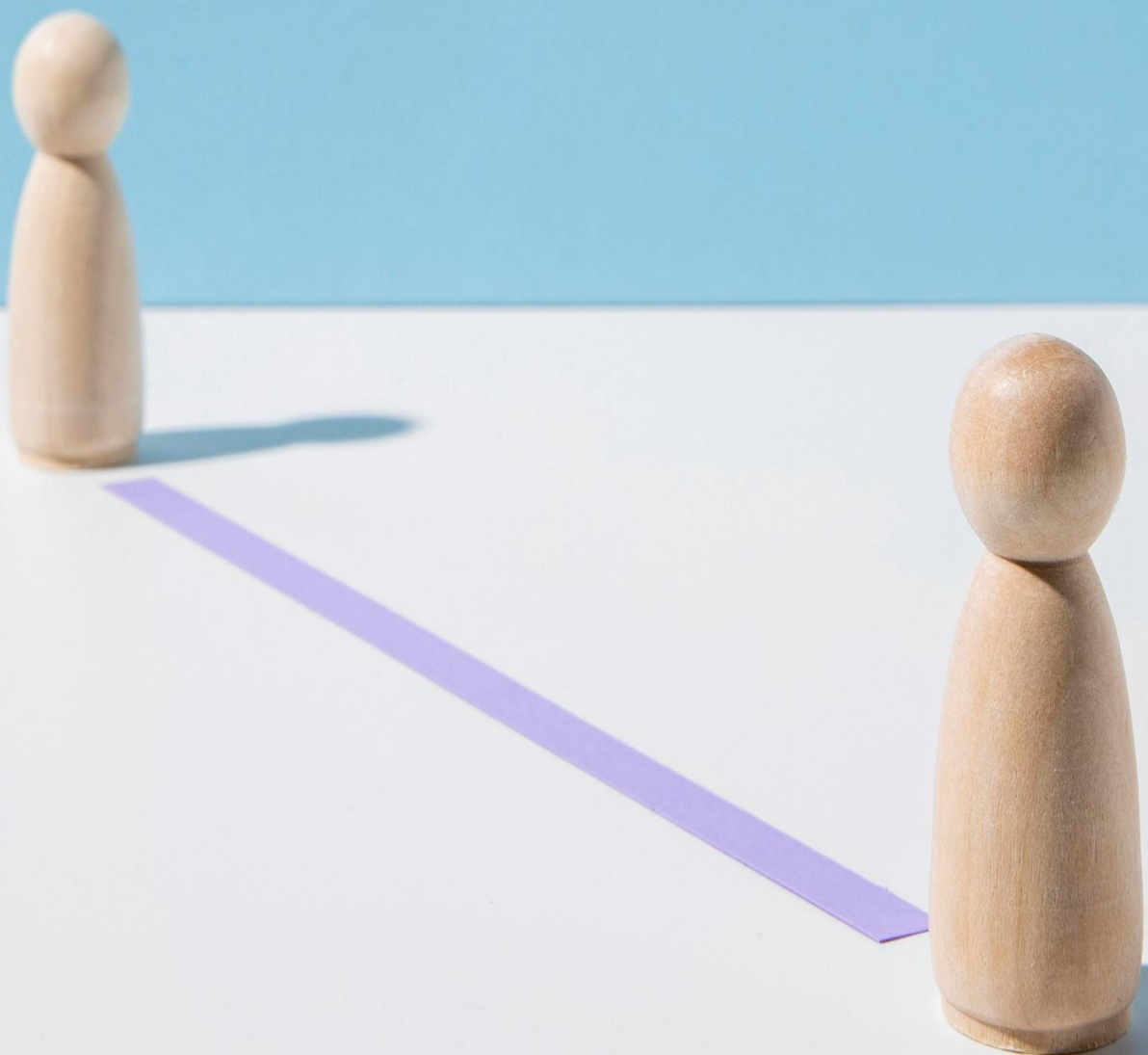
Moreover, these filters are equipped with intelligent monitoring capabilities that allow for real-time air quality assessment. Advanced sensors continuously detect variations in particle concentrations in the air, with the data displayed in real-time on an interface screen. This feature enables operators to quickly understand the filter's performance and make adjustments as needed to ensure that the emissions remain within safe and compliant limits.



Health and Safety

NT places the utmost importance on the safety and health of its workforce, particularly in the context of operating machinery in our lithium battery recycling facility. We recognize that working with heavy machinery and complex processes presents inherent risks, and we are committed to minimizing these through rigorous safety protocols. All employees receive comprehensive safety training that covers the correct operation of machinery, the identification of potential hazards, and the use of personal protective equipment (PPE). Regular safety drills are conducted to ensure that every worker is prepared to respond effectively in case of an emergency. Additionally, machinery is equipped with advanced safety features, including emergency stop buttons, safety guards, and sensors, to prevent accidents and protect workers from harm.

To further enhance workplace safety, NT has implemented a strict maintenance schedule to ensure that all machinery remains in optimal working condition. Regular inspections are carried out by trained technicians to identify and rectify any potential mechanical issues before they pose a risk to employees. We also encourage a culture of safety, where employees are empowered to report any safety concerns or near-miss incidents without fear of reprisal. By fostering an environment where safety is a shared responsibility, NT aims to create a workplace where the well-being of every employee is prioritized, and risks associated with machinery are effectively managed.



Training

At NT Recycling, we deeply understand the importance of developing and training our talent, which is why we continually strive to empower our employees to reach their full potential. We have established a comprehensive training strategy that includes departmental training, workshops, and on-the-job training programs designed to foster employee growth and development. Internal training sessions are typically organized by department heads and cover a wide range of topics, including but not limited to business case studies, software proficiency, and job-specific skills training. In addition to our internal training programs, we encourage employees to participate in external training and certification exams, offering reimbursement for any associated costs.

To help new employees adapt to the workplace and our company culture, we have implemented an onboarding mentorship program. On their first day, each new hire is assigned a mentor by the Human Resources department. This mentor plays a crucial role in helping the new employee navigate their work environment and understand their job responsibilities. The mentor's duties include, but are not limited to:

- Providing guidance on work-related questions and challenges;
- Serving as a supportive peer to help the new employee integrate smoothly into NT Recycling;
- Identifying the new employee's strengths and areas for improvement to help enhance their job performance;
- Offering challenging opportunities that allow the new employee to realize and develop their full potential.

This approach ensures that our employees not only acquire the necessary skills to excel in their roles but also feel supported and valued as they grow within the company.

Equal Workplace at NT

NT is committed to strictly adhering to Hungarian labor laws and regulations, as well as relevant international standards, in order to establish and maintain comprehensive human resource management systems and processes. This includes implementing detailed policies such as the "Labor Contract Management Guidelines" and ensuring their rigorous enforcement. We are dedicated to safeguarding our employees' rights in areas such as labor protection, working conditions, wage payments, social insurance, rest and vacation, female employee rights, dismissal procedures, equal opportunities, diversity, and anti-discrimination.

NT is committed to signing written contracts with all employees in a timely manner. These contracts will include essential terms such as working hours, rest and vacation, labor remuneration, social insurance, labor protection, working conditions, and occupational hazard prevention. We pledge to pay our employees their wages on time and in full each month, and to make all necessary social insurance contributions in accordance with the regulations of the local social security authorities.

NT is fully committed to upholding ethical labor practices, including a strict policy against the employment of child labor and forced labor.

This future-oriented approach underscores NT's ongoing dedication to maintaining a fair, safe, and inclusive workplace for all employees.

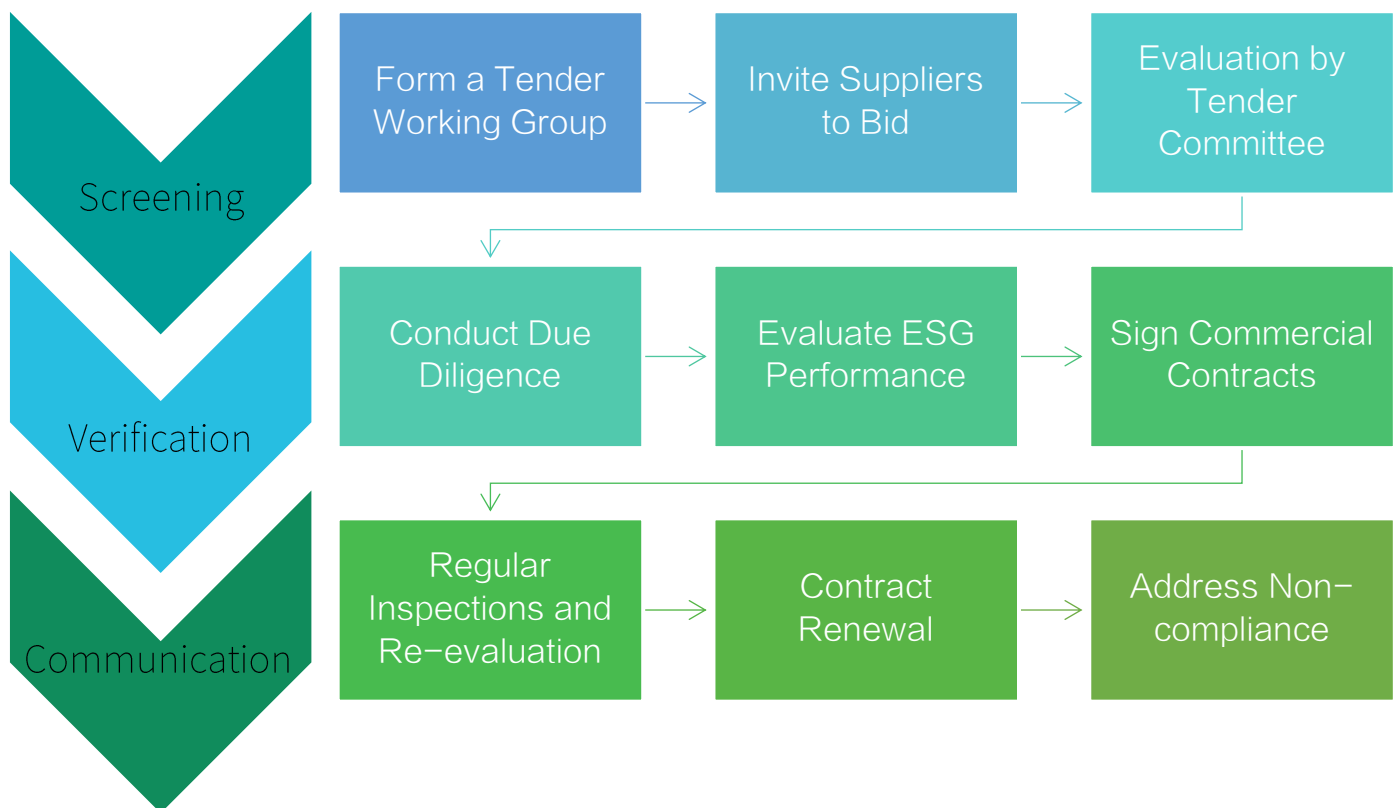


Responsible Procurement Management

At NT, we are committed to responsibly managing our supply chain through a robust supplier management framework. The NT Supplier Management Model is designed with the following objectives:

- To ensure that we select suppliers who best meet our requirements and adhere to our ethical standards.
- To thoroughly understand our suppliers and mitigate the risk of non-compliance.
- To ensure continuous improvement in supplier performance.

Under the supervision of the cross-departmental Supplier Management Committee, we consistently manage the procurement process through a comprehensive supplier management framework. The Supplier Management Committee is specifically tasked with overseeing supply chain processes, including regularly reviewing the procurement department's policies and procedures for supplier selection, validation, and evaluation. This ensures that effective control measures are appropriately integrated into the procurement process.



Data Security and Privacy Compliance

NT is committed to protecting customer privacy throughout our operations. We strictly adhere to privacy-related laws and regulations, including but not limited to the General Data Protection Regulation (GDPR). We proactively inform customers about the purposes for which their data is collected and explicitly outline confidentiality clauses and privacy policy statements in contracts, informing customers of the general policies and practices applicable to the collection, storage, and use of personal data.

Apart from retaining customer company names in our client list for future business promotion purposes, all communications, transaction records, documents, and reports provided by customers (if not publicly disclosed) are treated as confidential. These details are strictly prohibited from being disclosed to third parties without the explicit authorization of the customer. Additionally, customers retain the right to review and amend their information and to opt out of any direct marketing activities. We are firmly committed to protecting customer privacy, thereby maintaining NT's competitiveness in the market.

Furthermore, NT places a high value on customer feedback, recognizing it as a driving force for our sustainable business development and service quality assurance. Upon receiving a customer complaint, we promptly address the issue according to established procedures. A dedicated team takes follow-up actions to resolve any related problems swiftly, thereby earning the trust and confidence of our customers. Our complaint handling process generally involves first providing the customer with a detailed explanation of the issue, followed by a proposed timeline for resolving the matter. During the reporting period, NT received no significant complaints regarding violations of customer privacy.





Intellectual Property Protection

We recognize the importance of intellectual property (IP) protection and are committed to safeguarding both NT's and our clients' intellectual property rights. Our Employee Code of Ethics outlines our intellectual property policies, clearly defining the relationship between NT and our employees regarding intellectual property. It states that all creations (including trademarks, inventions, patents, designs, and copyrights) made by employees during their employment are exclusively owned by NT.

At the same time, NT's intellectual property policy is designed to protect third-party intellectual property rights and ensure that we do not infringe upon the rights of any third party, particularly in matters related to intellectual property. We obtain the appropriate licenses for the software and materials used by NT in its business operations. Before copying or downloading materials, software, or images from the internet, approval must be obtained from the relevant department. Additionally, we closely monitor the market for any infringement activities and take action against any infringing activities, such as counterfeit trademarks.

We believe that the management of intellectual property is closely linked to our corporate brand strategy. Therefore, NT places great importance on protecting the company's intellectual property. The relevant functional departments are responsible for managing and maintaining the company's copyrights, trademark rights, patent rights, and trade secrets. We also engage professional agencies as legal advisors for intellectual property matters, actively conducting IP consulting, awareness, and training activities. These advisors provide or issue professional opinions regarding NT's business activities, ensuring the effective protection of the company's intangible assets.

Social Responsibility and Community Engagement

NT is deeply committed to being a socially responsible company, recognizing that our operations have a significant impact on the communities in which we operate. We actively seek to contribute to the social and economic well-being of these communities by engaging in meaningful partnerships and supporting initiatives that align with our corporate values. Our approach to social responsibility includes providing employment opportunities, supporting local businesses, and participating in community development projects. By fostering strong relationships with community stakeholders, we aim to create a positive and lasting impact that extends beyond our business activities.

In addition to our economic contributions, NT is dedicated to promoting environmental stewardship and sustainable practices within the community. We collaborate with local organizations to raise awareness about environmental issues, encourage recycling efforts, and support green initiatives. Through these efforts, we strive to build a more sustainable future for the communities we serve. NT believes that by integrating social responsibility into our core business strategy, we can help to create a better quality of life for our employees, their families, and the broader community, ensuring that our growth is both inclusive and sustainable.

NT also places a strong emphasis on education and skill development within the communities we serve. We believe that by investing in education, we can empower individuals and contribute to long-term community resilience. To this end, NT supports local educational programs, offers scholarships, and provides training opportunities that equip community members with valuable skills relevant to our industry. By fostering a culture of continuous learning and development, we not only help individuals achieve their personal and professional goals but also contribute to the broader social and economic advancement of the community. Our commitment to education and skill development reflects our belief that a well-informed and skilled community is essential for sustainable growth and prosperity.



Feedbacks

NT Recycling kft
info@ntrecycle.com

To provide you and other stakeholders with more professional and valuable ESG data and information, and to enhance the quality of NT's ESG report, we kindly ask for your assistance in completing the feedback form. You may choose one of the following methods to submit your feedback:

- Mail: Please indicate "ESG Report Reader Feedback Form" on the envelope.
- Email: Please include "ESG Report Reader Feedback" in the email subject line.

We sincerely appreciate your support of NT, and we look forward to and welcome your feedback.

Are you satisfied with the report? Please give your evaluation.

Do you think we have full disclosure on our environmental, social and governance (ESG) issues?

Is the information you want to know fully disclosed in this report?

Do you think the length of this report is appropriate?

Do you think the content structure and wording of this report are reasonable? Do you have any suggestions for improvement?

Are you satisfied with the design style of this report? Do you have any suggestions for improvement?

What other suggestions do you have regarding our ESG-related disclosures?

Other questions or suggestions
