

***Raycap***

ENVIRONMENTAL POLICY



## Table of Contents

1. Document Management .....	4
2. Purpose and Scope.....	4
3. Governance and Oversight.....	4
4. Policy Statement .....	5
4.1 Compliance with Laws and Regulations.....	5
4.2 Environmental Management.....	5
4.3 Climate Change.....	5
4.4 Pollution & Biodiversity .....	5
4.5 Water Stewardship & Land Use.....	5
4.6 Waste Management.....	5
4.7 Hazardous Materials & Chemicals .....	5
4.8 Responsible Products.....	6
4.9 Environmental Stewardship .....	6
4.10 Value Chain Compliance .....	6
5. Grievance Mechanism .....	6

## 1. Document Management

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## 2. Purpose and Scope

At Raycap, we recognize our role in protecting the planet, conserving natural resources, and combating climate change. We strive to reduce our impact, promote environmental stewardship, and produce innovative products that help our customers decrease their energy and resource use.

This policy applies globally to all Raycap entities, including subsidiaries, manufacturing sites, offices, and logistics operations. Aligned with Raycap’s Code of Conduct, it outlines our environmental principles and guidelines, applying to all aspects of our operations and binding for all Raycap employees. Additionally, this policy extends to our interactions with third parties, including suppliers and service providers, ensuring that our environmental commitments are reflected throughout our business relationships.

## 3. Governance and Oversight

Ultimate responsibility for this policy lies with the Board of Directors, with the CEO overseeing its formal approval.

A cross-functional working group, the “Environmental Taskforce”, led by the Chief Supply Chain and Sustainability Officer (CSCSO) and including the ESG & Sustainability Manager and regional EHS Managers (ISO 14001 leads), supports policy implementation, ensures compliance, monitors progress, recommends improvements, and aligns with regulatory and corporate sustainability commitments. The CSCSO regularly reports key developments to the CEO and Board of Directors.

The policy is reviewed at least annually to ensure continued relevance, effectiveness, and regulatory compliance. Updates or improvements are made based on management review outcomes.

## 4. Policy Statement

### 4.1 Compliance with Laws and Regulations

We comply with all applicable environmental laws, regulations, and industry standards in the countries and jurisdictions where we operate. We proactively monitor regulatory developments to ensure compliance and integrate new requirements into our operations, aiming for continuous improvement and minimizing environmental risks.

Beyond compliance, we seek to adopt best practices that enhance environmental performance across our operations.

### 4.2 Environmental Management

We operate in accordance with ISO 14001 environmental management system standards, ensuring continual improvement, regulatory compliance, and environmental awareness across all operations.

Our approach includes regular environmental impact risk assessment and audits, as well as employee training programs that raise awareness and build practical skills on topics such as energy conservation, climate change mitigation, responsible resource use, and proper waste management.

These trainings are tailored by role and site, and are regularly updated to reflect evolving environmental priorities and best practices, helping employees contribute meaningfully to our sustainability goals.

### 4.3 Climate Change

We are committed to reaching net-zero greenhouse gas emissions across the value chain by 2040. Our near-term targets include a 55% reduction in absolute Scope 1, 2, and 3 emissions by 2030, from a 2022 base year. In the long term, we aim for a 90% reduction in absolute Scope 1, 2, and 3 emissions by 2040.

To support this commitment, we track our carbon footprint annually in accordance with recognized international methodologies, ensuring transparency and accountability. Our strategy includes improving energy efficiency, optimizing manufacturing processes, increasing renewable energy use, and engaging with suppliers and partners to collaboratively reduce climate-related risks.

Additionally, we are committed to developing products that contribute to global decarbonization efforts by enhancing our client's operational efficiency and supporting the deployment of renewable energy solutions.

### 4.4 Pollution and Biodiversity

We are committed to preventing pollution and minimizing environmental impact on biodiversity and ecosystems. We prohibit activities that cause measurable environmental degradation, including air, soil, and water pollution, excessive water consumption, deforestation, and destruction of natural resources.

Our operations must not impair food production, restrict access to clean water or sanitation, damage land use, negatively impact ecosystem services, or disrupt legally protected natural heritage sites, ecological reserves, or wetlands. Our environmental risk assessments help us continuously enhance our pollution prevention measures while promoting ecosystem protection in areas where we operate.

### 4.5 Water Stewardship and Land Use

We ensure responsible water management through conservation, optimized consumption, and reuse and recycling initiatives. We conduct annual water footprint assessments to evaluate usage patterns, efficiency measures, and potential risks.

Raycap does not engage in or support unlawful land acquisition, eviction, deforestation, or resource exploitation that disrupts communities or ecosystems. All land and water use is conducted in compliance with national laws and international environmental standards, ensuring sustainable and ethical development.

### 4.6 Waste Management

We prioritize waste reduction, reuse, and recycling, ensuring that all waste is managed in an environmentally responsible manner. We work with certified waste management partners to ensure the safe handling, transportation, and disposal of all waste streams, preventing pollution and minimizing landfill impact.

Our hazardous waste management practices comply with the Basel Convention, ensuring that no hazardous waste is exported to restricted countries or locations without environmentally sound treatment infrastructure. We continuously improve waste reporting and tracking to enhance circular economy initiatives across our operations.

### 4.7 Hazardous Materials and Chemicals

Raycap is committed to responsible chemical management, minimizing hazardous substances, and ensuring compliance with international regulations. We prioritize substituting hazardous chemicals with safer alternatives, reducing environmental impact while improving material traceability and reporting.

We adhere to key regulatory frameworks, including EU REACH, EU RoHS, the Stockholm Convention on POPs, global PFAS restrictions, California Proposition 65, TSCA (Toxic Substances Control Act), and other applicable regulations on chemicals of concern.

Raycap also prohibits the manufacture, import, export, or use of chemicals and substances restricted under international agreements, including mercury-added products (Minamata Convention), ozone-depleting substances (Montreal Protocol), and hazardous chemicals subject to trade restrictions (Rotterdam Convention).

## 4.8 Responsible Products

Raycap designs products with safety, sustainability, and durability at the core. We apply eco-design principles to minimize environmental impact across our products' lifecycle—from design and manufacturing to use and disposal.

We prioritize recyclability, material efficiency, and the use of responsibly sourced materials in alignment with circular economy principles. Our products comply with RoHS, REACH, and other applicable directives and undergo internal and independent safety evaluations to verify compliance with hazardous substance restrictions and industry-recognized safety and environmental standards.

We also provide customers with guidance on safe use, maintenance, and disposal to extend product lifecycles and reduce environmental impact.

## 4.9 Environmental Stewardship

We actively engage in sustainability initiatives, collaborate with industry stakeholders, and advocate for policies that promote environmental responsibility. Raycap participates in key environmental initiatives such as the CDP, SBTi, and UNGC, driving industry-wide sustainability advancements.

Through partnerships and continuous improvement, we support environmental progress across our operations and value chain.

## 4.10 Value Chain Compliance

We collaborate closely with our value chain partners to uphold high environmental, health and safety, and ethical standards. Our engagement with suppliers and service providers includes regular assessments, capacity-building initiatives, and targeted collaboration to enhance environmental aspects of the supply chain, including reducing the environmental footprint of raw materials and components, optimizing packaging, and maximizing loading and transportation efficiency.

Additionally, we actively cooperate with clients through joint R&D initiatives and alignment on sustainability targets. Further details are outlined in Raycap's Sustainable Procurement Policy.

## 5. Grievance Mechanism

We encourage employees to report in good faith any suspected violations of this policy through the established channels, as outlined in our Whistleblower Protection Policies and the Raycap Code of Conduct. We are committed to maintaining a safe and transparent reporting environment, ensuring strict confidentiality and strong protections against any form of retaliation for those who come forward.

Concerns or incidents related to this policy may be reported anonymously or with identification via the following dedicated reporting channels:

 [codeofconduct@raycap.com](mailto:codeofconduct@raycap.com) (General)

 [speakup@raycap.com](mailto:speakup@raycap.com) (For Raycap employees)

Employees may also use subsidiary-level or local reporting lines in accordance with regional whistleblowing regulations.

Raycap ensures that all reports undergo a prompt, thorough, and impartial investigation, with appropriate corrective actions taken as necessary to uphold ethical business practices. Depending on the severity of the violation, remediation efforts may involve risk mitigation, additional training to prevent recurrence, strengthened compliance measures—including enhanced monitoring or contractual actions for third parties—and, where necessary, disciplinary measures such as termination or legal proceedings.

By embedding accountability at all levels, Raycap reinforces its commitment to environmental stewardship.



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