

Carbon Reduction Plan of Kangtai Electric Co., Ltd.

1.Introduction

To actively respond to the national strategic goals of carbon peaking and carbon neutrality, conform to the global trend of green and low-carbon development, and earnestly fulfill the company's environmental and social responsibilities, our enterprise, as an electrical manufacturer, has formulated this Carbon Reduction Plan. Compiled in strict accordance with the GHG Protocol, this plan covers Scope 1, Scope 2 and Scope 3 emissions, and systematically identifies, quantifies and controls carbon emissions generated by the company's production, operation and the whole industrial chain.

2. Current Carbon Emission Status & Definition of Three Emission Scopes

Carbon inventory and emission reduction management of the company are divided into three dimensions:

- Scope 1 (Direct Emissions): Exhaust emissions from the company's own fuel trucks and fuel forklifts.

- Scope 2 (Indirect Emissions from Purchased Energy): Carbon emissions generated by power consumption purchased for production workshops and office areas.

- Scope 3 (Indirect Emissions from Upstream and Downstream Value Chains): Carbon emissions from the production of upstream raw

materials such as copper and plastic pellets, product logistics and transportation, product usage by downstream customers, and disposal of waste electrical equipment.

3. Phased Quantified Carbon Reduction Targets

To ensure measurable, traceable and enforceable carbon reduction work, the company has formulated binding phased carbon reduction targets based on carbon emission data of the base year:

(1) Short-term Target (Before 2028)

Complete a full industrial chain carbon inventory covering Scope 1, Scope 2 and Scope 3; cut carbon emission intensity of Scope 1 and Scope 2 by 20% compared with the base year; reduce carbon intensity of purchased upstream raw materials including copper and plastics by 15%.

(2) Medium-term Target (Before 2030)

Achieve a reduction of over 75% in the company's own Scope 1 and Scope 2 carbon emissions to realize near-zero operational emissions; build a standardized green supply chain system, with 100% of core raw material suppliers signing green procurement commitments; research, develop and promote low-loss, lightweight eco-friendly electrical products to help downstream customers cut overall carbon emissions by 25%.

(3) Long-term Vision (Before 2050)

Achieve net zero greenhouse gas emissions across the entire value chain of Scope 1, Scope 2 and Scope 3.

4. Phased Carbon Reduction Implementation Paths

4.1 Emission Reduction Measures for Scope 1 & Scope 2

(Decarbonization of Factory Production & Operation)

Green Transformation of Energy Structure

Launch the rooftop distributed photovoltaic plus energy storage project on the factory premises to raise the proportion of self-produced green power; take the initiative to participate in regional green power trading and increase the share of purchased green power year by year, with the long-term goal of replacing all production electricity with green power.

(1) Energy-saving Production Equipment & Process Upgrading

Phase out outdated high-energy-drawing machines and injection molding equipment; introduce a new generation of low-energy-consumption precision electrical processing equipment; carry out frequency conversion energy-saving transformation for all air compressors, transformers and circulating water pumps; optimize temperature and time parameters of core processes including electrical crosslinking, plastic molding and heat treatment of electrical components to continuously lower comprehensive energy consumption per unit product.

(2) Clean Transformation of On-site Logistics

Gradually replace fuel cargo vehicles and fuel forklifts in the factory with new energy trucks and electric forklifts to cut direct carbon emissions from fuel combustion on site.

4.2 Full-chain Emission Reduction Measures for Upstream & Downstream Scope 3

(1) Management of Upstream Green Supply Chain

Establish access standards and annual assessment evaluation mechanisms for green suppliers; prioritize purchasing low-carbon raw materials such as recycled copper and low-smoke halogen-free degradable plastics; require core suppliers to carry out energy-saving transformation and carbon inventory simultaneously.

(2) Recycling System for Waste Products

Build recycling channels for waste plastics and scrapped electrical equipment, cooperate with downstream customers to dismantle retired products and regenerate metal materials, form a closed-loop resource recycling system and reduce consumption of primary mineral raw materials.

(3) Full-life-cycle Control of Low-carbon Products

Increase investment in the R&D of energy-saving smart electrical products; mark product carbon footprint data on product nameplates and user manuals to provide a basis for downstream customers to select low-carbon products and guide green procurement across the industry.

5. Guarantee Mechanisms for Carbon Reduction Implementation

(1) Organizational Guarantee

Set up a Carbon Neutrality Management Committee led by the General Manager, and assign full-time carbon management posts to coordinate the whole process of carbon inventory, energy-saving transformation and low-carbon supply chain management.

(2) Capital Guarantee

Special funds for green R&D and energy-saving technical transformation shall be established, exclusively used for photovoltaic power station construction, energy-saving renovation of high-energy-consumption equipment, R&D of low-carbon new products and construction of carbon management systems.

(3) Talent & Low-carbon Culture Guarantee

Organize special training on energy conservation, carbon reduction and green production for all employees on a regular basis; fully implement paperless office work, enforce management systems for power saving, water saving and waste recycling in workshops, and foster a low-carbon corporate culture with all staff participation.

6. General Implementation Guidelines

(1) Decarbonization of Factory Operation: Complete the rooftop photovoltaic project, continuously raise the proportion of green power used, finish energy-saving transformation of all

high-energy-consumption equipment in the factory, and steadily reduce energy consumption per unit product.

(2) In-depth Carbon Reduction of Supply Chain: Improve the evaluation system for green suppliers, prioritize recycled low-carbon raw materials and build a low-carbon upstream industrial chain.

(3) Full-life-cycle Low-carbon Product Management: Continuously research and develop low-loss, lightweight eco-friendly electrical products, and establish a recycling system for waste products.

7. Initiative & Development Prospect

Tackling climate change requires joint efforts of the whole industrial chain, including upstream suppliers, end customers and industrial partners. Kangtai Electric sincerely calls on all partners to build a green low-carbon industrial chain together. The company will regularly release progress reports on carbon reduction to the public and voluntarily accept supervision from all sectors of society.

Let us work together to build a sustainable low-carbon industrial future!

Kangtai Electric Co., Ltd.

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