

<b>Department</b>	Finance	<b>Revision Date</b>	16.02.2024
<b>Approved By</b>	CFO	<b>Revision No.</b>	00

## 1. Purpose

To meet customer needs and adhere to relevant industry policies, MTL actively engages in conferences, seminars, and exchange activities organized by various industry organizations and associations. Through these events, we formulate corresponding standards and norms. Additionally, such activities enable us to expand our business networks, discover new opportunities and partnerships, and enhance the quality and compliance of our products or services through knowledge sharing and experience exchange.

To ensure alignment with our vision, mission, and sustainability goals and in active pursuit of decarbonization, MTL responds to the goal of the Paris Climate Agreement to limit the global temperature rise this century well below 1.5°C. In August 2023, MTL committed to the Science-based Targets initiative (SBTi) for net-zero emission and setting up targets to achieve the same by 2050. To effectively manage our external involvement in lobbying, industrial organizations, and trade associations, we have established a dedicated "Management Committee." The Chief Finance Officer serve as the chairman and directly report to the Board of Directors. This committee primarily aims to consolidate and oversee our company's engagement with these entities. Through its efforts, we aim to improve our overall management capabilities and enhance our performance in sustainable development.

We actively participate in a wide range of lobbying, industry organizations, and trade associations in accordance with our organizational and business needs. These engagements cover various topics, including industry associations, environmental concerns, legal matters, certification, manufacturing, and healthcare. Most lobbying, industry organizations, and trade associations focus on addressing industry-specific issues such as establishing and implementing standards, technology sharing, and professional development. Our participation typically involves key leadership roles within management committees and technical working groups, allowing us to both learn from the experiences of others and share our perspectives and principles. We gain valuable insights and collaborative opportunities that contribute to our growth and success through these engagements.

## 2. Review Mechanism

**Application mechanism:** The company and its subsidiaries establish evaluation criteria for external participation in lobbying, industry organizations, and associations. These criteria are based on organizational goals, objectives, climate concerns, cost-effectiveness, technological advancements, and corporate image.



## LOBBYING AND TRADE ASSOCIATIONS

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At our organization, we uphold the highest standards of integrity and transparency. We firmly reject any form of bribery, including through lobbying efforts. Our commitment to ethical conduct is enshrined in our Anti-Corruption & Anti-Bribery Policy. Through this policy, we ensure that all our lobbying activities are conducted with integrity and in compliance with legal and ethical standards. We do not engage in any practices that could compromise the fairness or integrity of regulatory processes. Our dedication to combating corruption underscores our unwavering commitment to conducting business with honesty, integrity, and accountability.

Once the evaluation is completed, the management committee is invited to review the applications.

### **Management mechanism:**

The company conducts an annual classification management review meeting and publicly reports the outcomes. If lobbying, industry organization, or trade association is deemed to contribute to climate policy formulation no longer actively, we will disclose the relevant details and action taken in response.

We will continue communicating policy principles with the lobbying, industry organizations, and trade associations we participate in. We understand that policy positions may differ with each industry organization and trade association. Nevertheless, we encourage the industry organizations we collaborate with to align their efforts with our net zero initiatives, encompassing the objectives outlined in the Paris climate agreement, policies to reduce carbon emissions, and establishing targets for achieving zero emissions. While acknowledging the potential divergence in policy positions, we are dedicated to fostering consensus through ongoing dialogue and communication. Our aim is to advance the shared objective of green and sustainable development.

### **Our approach is based on several guiding principles:**

We acknowledge that there may be divergent viewpoints among the lobbying, industry organizations, and trade associations we have joined regarding climate-related legislative, regulatory, and other public measures.

When an industrial organization may be inconsistent due to specific elements or certain policy positions, we will consider potential risks to shareholder relations, laws, finances, and corporate reputation to maintain or withdraw support rights to the industrial organization.

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1. Belief in the positions and perspectives of industry organizations and trade associations: We believe that engaging in lobbying activities and participating in industry organizations and trade associations enables us to support our positions and share our perspectives on climate change.
  
2. Support does not imply endorsement of every policy position or viewpoint: Our support for participating industry organizations and trade associations does not indicate agreement with every policy position or perspective they express. We maintain our independence in thinking and judgment.
  
3. Regular reviews to ensure alignment: We regularly review our membership in participating industry organizations and trade associations to ensure alignment with climate-related policy issues and other topics. If there is a discrepancy, we can start communicating with the organization to address the concerns. After 18 months, we review the progress and aim to reach an agreement. If consensus cannot be achieved through communication or if the industry organization and trade associations fail to participate in the improvement process actively, we will discontinue our membership with that organization and trade association.

**Assessment methods:**

Based on the assessment of the lobbying, industry organization, and trade association's climate change-related policy positions and advocacy actions, determine the degree of consistency with the vision of a zero-emission future, including complete consistency or inconsistency. This assessment should consider several factors, including:

- (1) Review publicly stated policy positions: Examine the publicly displayed policy positions of lobbying, industry organizations, and trade associations to determine whether they recognize climate change risks and support the goals of the Paris Agreement and this will cover all jurisdictions where we have operations.
  
- (2) Relevance of the issue: If the lobbying, industry group, and trade association have yet to express a position and we do not consider the topic relevant to the association, we will not assess the degree of agreement.
  
- (3) Constructive dialogue: Engage in a constructive dialogue to comprehensively understand the domain bases and rationale for disagreement with various lobbying, industry organizations, and trade associations.



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- (4) Monitoring development and external statements: Closely monitor lobbying, industry organizations, and trade associations' development and external statements, assessing whether they address climate change risks and support the Paris Climate Agreement and the same will be reported.
- (5) Promotion of technological innovation: Assess whether the industry organization and association actively promote and support its members' efforts in technological innovation, particularly in the research, development, and application of low-carbon technologies.
- (6) Disclosure of non-participation: If lobbying, industry organization, or trade association is no longer considered constructively participating in climate policy formulation, we will disclose the relevant situation and the actions taken.