



TOYA GROUP 2023 SUSTAINABILITY REPORT

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The following
designations are
applied in the
report:

GRI
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GRI (Global Reporting
Initiative) indicator numbers

GRI
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LETTER FROM THE PRESIDENT

Dear All,

Here is your first TOYA GROUP ESG report.

However, this does not mean that we have previously been unfamiliar with social, environmental and organisational responsibility issues. For years, guided by our values and beliefs, we have been engaging in smaller and larger initiatives that make us a responsible organisation.

We are aware of the changes in social and legislative expectations that are associated with the ESG requirements. We monitor them closely within the company and welcome them with appreciation. Some of them are part of our existing practices, while we are intensively preparing our organisation to implement others.

In the report, you will find basic data on our operations, but more importantly, information on our practices, policies and procedures that make the TOYA GROUP a sustainable company. We provide stable, modern and engaging workplaces, oppose any form of discrimination and respect human rights. We act transparently and systemically prevent corruption and conflicts of interests. We are also reducing our adverse impact on the environment within the scope of our activities, as exemplified by the practice related to the circular economy outlined in the report.

I would like to emphasise that the topics selected for the report are a collection of the most important sustainability topics identified by the key stakeholders. At this point, I would like to thank all the companies, individuals and institutions for participating in the significance survey – we have used the responses, tips and recommendations to create this report. We will also use them in the implementation of our ESG activities in the years to come.

I am convinced that, as the Group, we are able to combine our economic success with sustainable development and care for our neighbours, employees and the environment.

Yours faithfully,

Grzegorz Pinkosz

**President of the Management Board of TOYA
S.A.**

1. TOYA GROUP



ABOUT THE TOYA GROUP

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We distribute tools, power tools, professional catering equipment and appliances that prove useful in the kitchen, bathroom and garden. Our products can be found in almost every Polish home and in millions of flats, workshops and construction projects in more than 100 countries around the world. Welcome to the TOYA Group.

We have nearly 13,000 products in our portfolio. They are used by, among others, construction workers, plumbers, electricians, the OHS industry, as well as keen DIY enthusiasts. Affordability coupled with quality, safe and effective solutions and a differentiated product range are the TOYA Group's "tools" for success. Our corporate values are RESPONSIBILITY, FOCUS ON GROWTH AND PROFIT, CUSTOMER-ORIENTED APPROACH, INNOVATION.

At the end of 2023, all TOYA Group companies employed

550 people



We have come a long way in more than 30 years to grow from an ambitious local firm to a rapidly expanding group of companies operating in markets around the world.



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The TOYA Group is comprised of entities operating in different countries. The organisational structure provides a global reach and facilitates expansion into additional markets. The Group consists of:

TOYA S.A.

The parent company with its registered office at ul. Sołtysowicka 13/15 in Wrocław. It manages the strategy and portfolio value creation of subsidiaries. It has two logistics centres, in Wrocław and Nadarzyn. Established in 1990 (as TOYA IMPORT-EKSPORT S.C.) and transformed into a joint-stock company, TOYA S.A., in 2001. TOYA S.A. shares have been listed on the Warsaw Stock Exchange since 2011. The Company is a member of the Association of Stock Exchange Issuers.

The largest sales in Poland are made through traditional distribution channels, i.e. distributors, wholesalers and specialist shops. The main sales target group is professional users. TOYA S.A. works with a number of distributors whose network is constantly being expanded, as well as with dozens of wholesale customers throughout Poland. Recent years have also seen dynamic growth in retail sales, through the toya24.pl online shop and via popular e-commerce platforms.

The domestic tool market's is specific due to its strong fragmentation. Apart from Toya, Polish industry leaders are: Topex, Profix and Dedra. As for the foreign manufacturers selling their products on the Polish market, the best known ones are: Bosch, Makita and Hilti. The aforementioned entities are direct competitors of the Group.

TOYA Romania S.A.

Founded in 2003, with its registered office and logistics centre in Romania's capital, Bucharest, the subsidiary has been operating since 2019 in a new office centre with a warehouse of more than 7000 sq. m.

The product range, brands offered and distribution channels (with the exception of exports) are the same as for the Polish company. The Company is strengthening its position in the local market, helped by the expansion of its network of sales representatives who acquire customers among specialist retail shops and institutional customers.

YATO Tools (Shanghai) Co., Ltd.

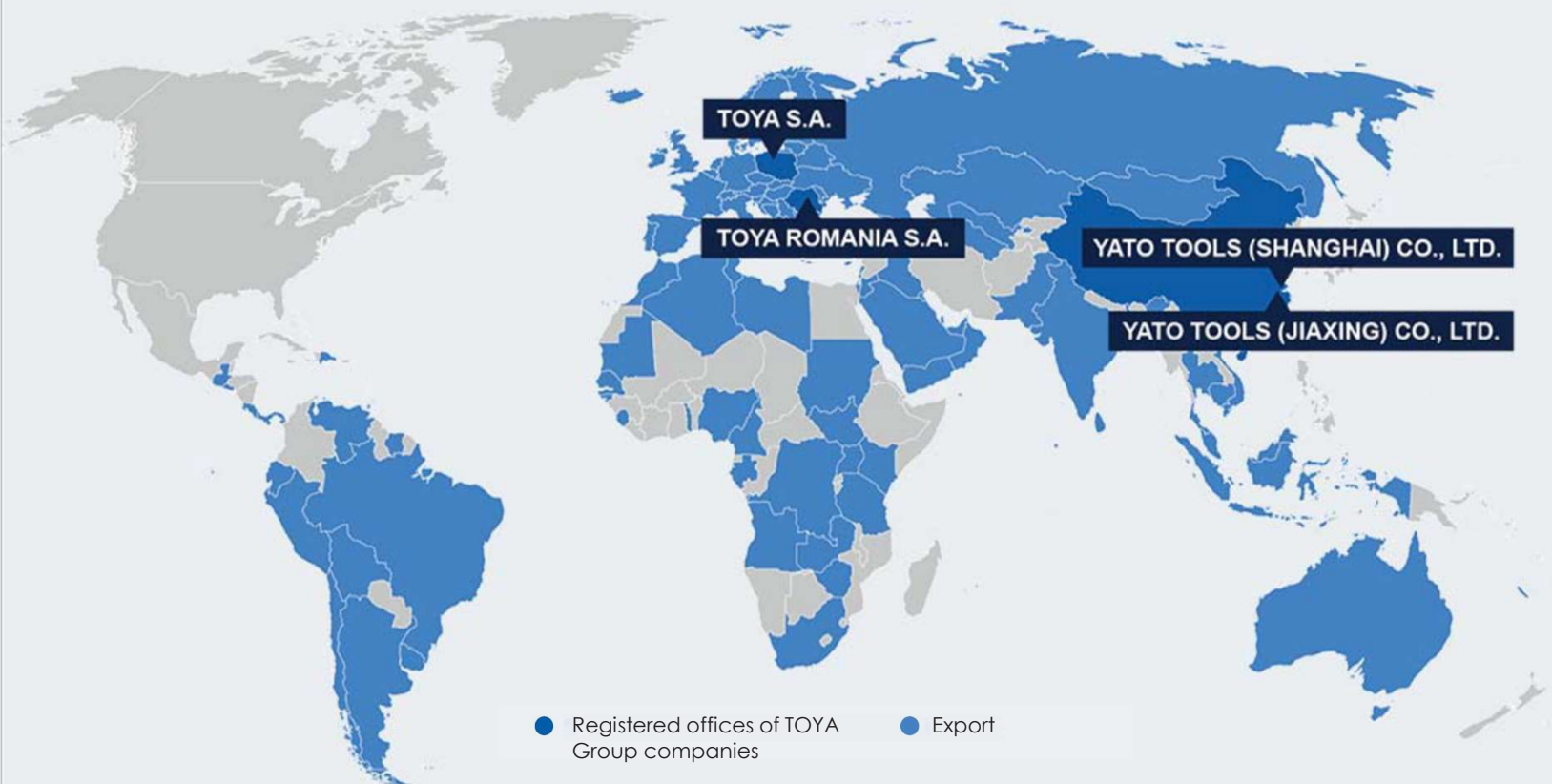
Established in 2008 as a jointly controlled company with its registered office and logistics centre in Shanghai, China. In 2013, TOYA S.A. took over full control of the company.

YATO Tools (Shanghai) has built a distribution network in 31 of the 34 administrative divisions in China which are home to some 1.4 billion people. The company is also developing sales in the online channel, both through its own shop and through existing large specialised online shops. In addition, YATO Tools (Shanghai) has built a structure to export Yato products to customers and distributors in Southeast Asia, Africa and Australia. Moreover, it is the main supplier of goods to Toya S.A. and TOYA Romania S.A.

YATO Tools (Jiaxing) Co., Ltd.

It was established in 2019 as a subsidiary with its registered office in Baibu Town, China. 100 percent of the company's share capital (total value of USD 12.5 million) is held by TOYA S.A. Since 2023, the company operates a modern logistics and distribution centre.

The company's export sales range includes countries in Asia, Africa, Europe, Australia and South America.

TOYA Capital Group

Cooperation with local distributors and sales networks, as well as handling the wholesale and retail markets, is complemented by the company online shops, available, among others, at toya24.pl, toya24.ro and yatogastro.com.



We own the tool industry's well-known brands whose production is carried out by our Partners. As a Group, we have a say in the selection of the product range, the technical specification of each manufactured batch and the designs and visual aspects. We look at, among other things, usability, ergonomics, innovation, durability, safety and potential demand for specific equipment.

Professional staff handles the development of the product range, its positioning, image and quality control. A team of Product Managers develops appropriate strategies, specifies the product range and influences the effectiveness of sales and marketing activities.

TOYA Group's own brands and product range



YATO

(power tools, cordless, electric, diesel, pneumatic and hand tools, as well as OHS products)



VOREL

(hand, workshop and construction tools)



FLO

(gardening hand and diesel tools, gardening power tools)



STHOR

(power tools and workshop tools)



LUND

(small household appliances, household products)



FALA

(bathroom and kitchen fittings, accessories)

In 2023 we had

5 distribution centres

nearly **74,000 sq.m**
of warehouse space

28 product categories

13,000 products

We distributed products for

10 industries



Automotive
industry



Construction



Plumbing



Electrical
system



Industry



HoReCa



Bathroom



Kitchen



Garden



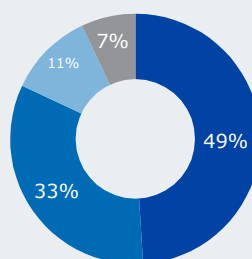
OHS

TOYA Group revenue in recent years

2021	2022	2023
EUR 150 million	EUR 163 million	EUR 162 million

2023 revenue and market share of total sales

	2023	Percentage share
Wholesale market	358,906	49%
Export	245,375	33%
Retail chains	75,729	11%
Retail sales	52,386	7%
TOYA Capital Group consolidated sales revenue	732,396	100%



- Wholesale market
- Export
- Retail chains
- Retail sales

MANAGEMENT

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In accordance with the TOYA S.A. Articles of Association, the bodies of the Group's parent company are:

- Management Board
- Supervisory Board
- General Meeting

The Management Board of the parent company consists of one to seven members, including the President of the Management Board and, if the Management Board is composed of more than one person, the Vice-President of the Management Board. The number of Management Board Members for a given term of office is determined by the Supervisory Board which is also responsible for appointing and dismissing Management Board Members. The Management Board Members are appointed for a joint term of office of three years, and the mandates of the Management Board Members expire at the latest on the date of holding the General Meeting which approves the financial statements for the last full financial year in office. The selection of the Management Board Members takes into account, first and foremost, competences relevant to the impact of the organisation and diversity.

Composition of the TOYA S.A. Management Board in 2023:

- **Grzegorz Pinkosz**, President of the Management Board, Chief Operating Officer [simultaneously President of the Management Board of TOYA Romania S.A., Vice-President of the Management Board of YATO Tools (Shanghai) Co., Ltd. and Member of the Management Board of YATO Tools (Jiaying) Co., Ltd.];
- **Maciej Lubnauer**, Vice-President of the Management Board, Chief Financial Officer [simultaneously Supervisor YATO Tools (Jiaying) Co., Ltd. and Censor TOYA Romania S.A. with its registered office in Bucharest];
- **Robert Borys**, Vice-President of the Management Board, Head of IT [simultaneously Censor TOYA Romania S.A. with its registered office in Bucharest].

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The powers of the Management Board include handling all matters of the parent company that have not been reserved for the General Meeting or the Supervisory Board. The Management Board operates on the basis of the Regulations of the Management Board approved by the Supervisory Board, as set out in the TOYA S.A. Articles of Association. In 2023, the company was in the process of implementing the initial stage of developing sustainability-related strategies and policies. The organisation faces the challenge of a detailed division of responsibilities in this area and in appointing a person responsible for managing the organisation's environmental, economic and human impact.

In 2023, the TOYA S.A. Management Board took part in training, educational workshops and courses organised by professional third party suppliers to improve knowledge and skills related to sustainability. The TOYA S.A. Management Board also plays a key role in determining, approving and overseeing the Group's sustainability area issues, and is responsible for reviewing and approving reported data. The TOYA S.A. Supervisory Board is appointed by the General Meeting. The Board's term of office is three years and at least two members of the Supervisory Board meet the independence criteria. The Supervisory Board is responsible for the ongoing supervision of the company's activities. The board meets at least once per quarter of the financial year.

Members of TOYA S.A. Supervisory Board in 2023:

- **Piotr Mondalski**, Chairman of the Supervisory Board (as an independent member until February 2023);
- **Jan Szmidt**, Vice-Chairman of the Supervisory Board;
- **Beata Szmidt**, Member of the Supervisory Board;
- **Dariusz Górka** (as an independent member until February 2023);
- **Michał Kobus**, independent member;
- **Grzegorz Maciąg** (as an independent member until February 2023);
- **Wojciech Bartłomiej Papierak**, independent member.

The biographies of the members of the Management and Supervisory Boards are available at: <https://toya.pl/en/company-authorities>.

As part of the Supervisory Board, the Group's parent company has an Audit Committee. It is responsible for advising and supporting the Supervisory Board in the performance of its control and supervisory duties with regard to broadly defined financial reporting in accordance with the Act on Auditors, Auditing Firms and Public Oversight.

Despite the lack of a formal diversity policy, the General Meeting and the Supervisory Board are guided in their selection of the Supervisory Board and the Management Board, respectively, by the need to ensure a diverse resource pool of talents necessary to meet the challenges. The current composition of the Supervisory Board and the Management Board ensures diversity both in terms of education, expertise and age.

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In 2023, the evaluation of performance of the highest-level management body of the Group's parent company covered only financial results. **However, TOYA Capital Group has taken steps to create a structure for impact management responsibilities within the organisation. This has resulted in the adoption of the ESG Management Policy, which will be implemented in 2024.**

At the same time, work is underway at TOYA S.A. to develop a diversity and human rights policy. Among other things, we want to formally guarantee the prohibition of discrimination in any respect, respect for diversity and full respect for human rights.

Human rights issues are included in the Code of Conduct for Suppliers which takes into account the provisions of the Universal Declaration of Human Rights with regard to working conditions, the prohibition of child labour and OHS, among others. Ultimately, the Code of Conduct for Suppliers will be replaced by the Code of Ethics – a single document applicable to everyone in the TOYA Capital Group.

ETHICS AND COMBATING CORRUPTION

The TOYA Capital Group Code of Ethics was approved in December 2023. The document contains the most important principles for the Group's activities, including those related to respect for human rights, concern for the environment and compliance with applicable laws and market standards. The Code of Ethics provides a guideline for daily work and aids in day-to-day decision-making.

In the document's preamble we underline that, as TOYA Capital Group, we are committed to conducting our business and building customer trust while respecting generally applicable laws and ethical business practices. We presume to operate in compliance with the law and the recommendations of the regulatory authorities, and each company within the TOYA Group is obliged to comply with the regulations of the country in which it operates.

The Code of Ethics is based on the findings of, among others, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, including the principles and rights set out in the eight fundamental conventions identified in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the principles and rights set out in the International Bill of Human Rights. However, the main basis for defining the principles of conduct contained in the document were the TOYA Capital Group's values: responsibility, growth- and profit-oriented approach, focus on customer needs and expectations, and innovation.

All employees of the TOYA Group are required to comply with the principles of the Code of Ethics without exception: members of the Management Board, managers, executives as well as professionals and all other persons associated with our organisation. We also encourage all other market participants, including, above all, our customers and stakeholders, to act in accordance with the provisions of the Code of Ethics.

Our Code of Ethics defines such matters as:

- rights and obligations of employees;
- compliance culture principles;
- the need to counter corruption;
- customer relations, including attention to quality, development, expansion and improvement of the product range and ethical sales and marketing activities;
- corporate responsibility, including adherence to the principles of fair competition;
- ethical relations with suppliers;
- transparency of actions;
- local involvement;
- concern for the environment.

The implementation of the TOYA Capital Group Code of Ethics and information and education activities aimed at employees began in 2023 and will continue in 2024.

ANTI-CORRUPTION ACTIVITIES

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The TOYA Group is opposed to any signs of corruption and bribery. The parent company complies with the provisions of the Anti-Corruption Code which precisely defines the meaning of corruption and unequivocally opposes all its manifestations. The Code applies to members of the Company's corporate bodies and all employees of the TOYA Group, regardless of their position or function. It prohibits, among other things, offering and accepting any extralegal benefits in relations with representatives of the administration and other companies. Additionally, it prohibits any relations with business partners whose information is incomplete or indicates that they are operating in a dishonest manner.

Our Anti-Corruption Code sets out, among other things, the basic principles for avoiding conflicts of interest within the Group, and also governs the matter of giving or receiving gifts in connection with performance of official duties. This is because we recognise that in certain situations, this issue may constitute an act of corruption and affect the ability to make objective business decisions. Among other things, the document prohibits the giving or accepting of gifts in the form of cash or cash equivalents, as well as the giving of any gifts to public sector employees.

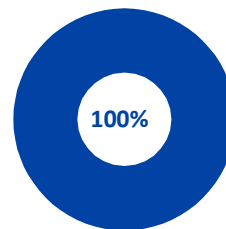
The Group's parent company maintains an appropriate register to record information related to gifts and entertainment expenses. Small gifts, customarily given at business meetings, are an exception.

The Anti-Corruption Code also obliges employees to avoid activities and relationships which go against the interests of the company.

It is in particular forbidden to use one's position or internal information for personal gain and to enter into agreements with entities in which the employee holds shares or interests. The above applies to all employees, including members of the top management bodies.

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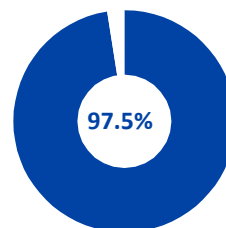
Training for employees and managers on anti-corruption policies and procedures



Percentage of Management Board members who have received anti-corruption training

3 persons

Number of Management Board members who have received anti-corruption training



Percentage of employees who have received anti-corruption training

317 persons

Number of employees who have received anti-corruption training

97.5%

employees have received anti-
corruption training



100%

members of the Management Board
have received anti-corruption
training



WHISTLEBLOWING PROCEDURE

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TOYA S.A. has solutions in place to report incidents regarding activities which go against the law or internal regulations. Employees have the right and duty to report any irregularities they notice. They can report in person to the Compliance Officer, by e-mail to compliance@yato.pl or, also anonymously, via a dedicated online platform which is active 24 hours a day. Notifications are handled by the Compliance Officer and the Management Board or, if the notification relates to the Management Board, the Supervisory Board is informed of the initiation of proceedings. The basic deadline for processing cases is 30 days, however this deadline may be extended in particularly complex cases. The notifications are handled under uniform rules for all employees.

At TOYA Group, we ensure full data confidentiality and whistleblower protection. Employees who have reported in good faith can be sure that they will not face any retaliation, sanctions or reprisals as a result.

The Management Board of TOYA S.A. is responsible for the effectiveness of the whistleblowing process. The Compliance Officer reviews the procedure at least once a year and, if necessary, updates it.

Using the same channels employees can also address their questions and concerns to the Compliance Officer. In 2023, the whistleblowing channels were only available to employees. We plan to extend their availability to external stakeholders as well.

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The Office for Competition and Consumer Protection imposed a fine of PLN 65,000 on TOYA S.A. for marketing a product (charcoal barbecue) that did not meet safety requirements. When information about the safety hazard reached us, we removed its cause which was announced by the Office in its decision.

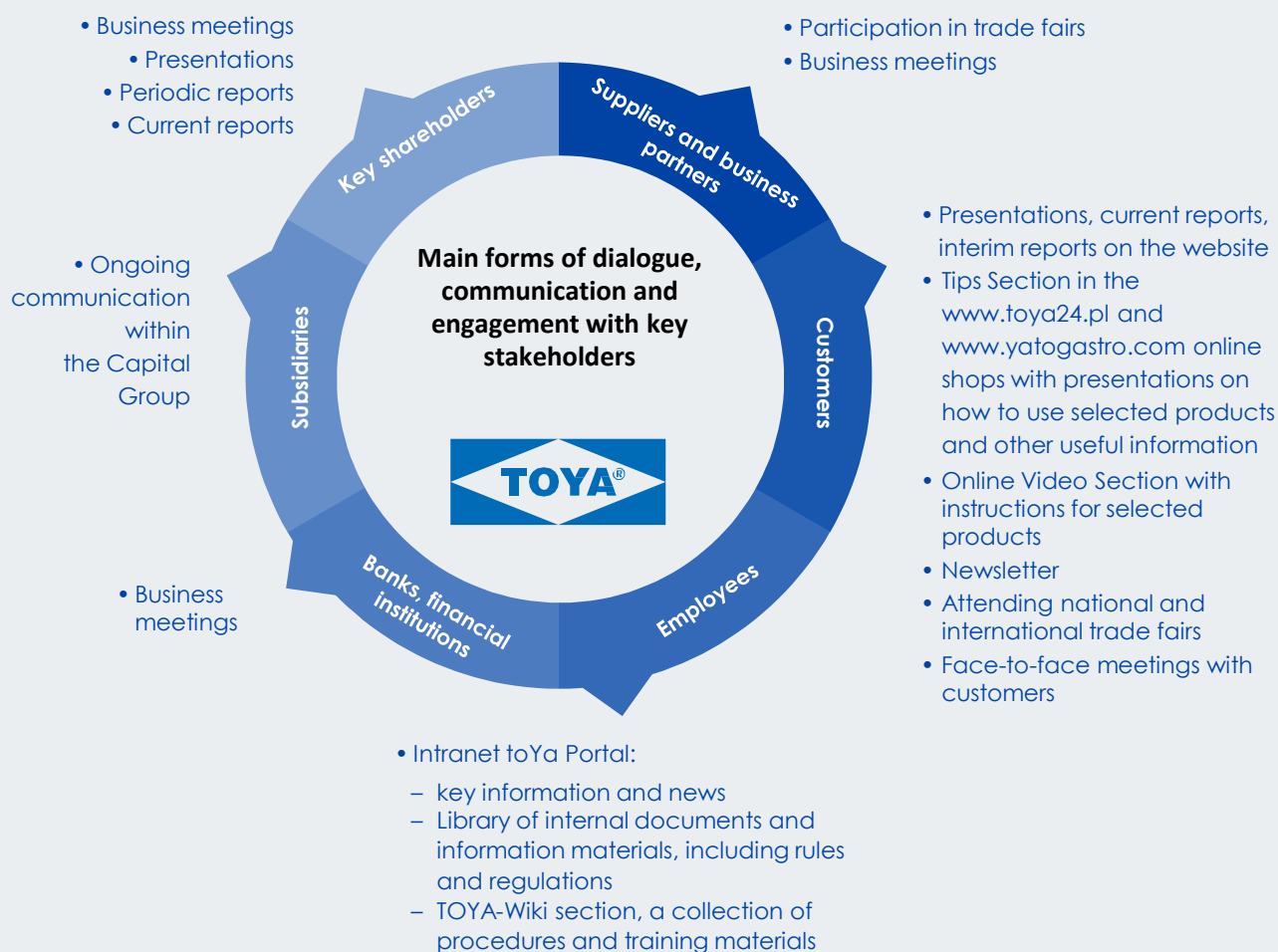
2. RELATIONS WITH STAKEHOLDERS



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We know our stakeholders. We want to hear their opinions and we want them to hear our opinions. Within the Group, we have formally identified a list of key stakeholder groups and we base our relations on dialogue and mutual communication. We inform the stakeholders of current activities, plans, achievements and challenges.

In terms of subject matter, delivery channels, data presentation, location and time communication is tailored to the expectations of each stakeholder group. TOYA S.A., the parent company of our Group, is a listed company and, as such, complies with its reporting and information obligations. Current and interim reports are published at <https://toya.pl/raporty-biezace> and <https://toya.pl/periodic-reports>.





Relations with key stakeholder groups were verified through an internal evaluation process by representatives of the organisation's key departments. Feedback included the impact of stakeholder relations and decisions on the organisation's business continuity. The degree of stakeholder interest in the TOYA Group was also assessed. The results of the verification, together with the conclusions, were used in daily practice to regulate and improve stakeholder relations.

An example of this is the survey we sent to key stakeholder groups to learn of their perspective on how to assess the relevance of specific TOYA Group sustainability issues.

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Membership of associations and organisations



- Toya S.A. is a member of the Association of Stock Exchange Issuers



- YATO Tools (Shanghai) is a member of the Shanghai Pudong International Chamber of Commerce for Foreign Economic Relations

CUSTOMERS



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A solid technical foundation, high quality production and reliable distribution are the fields through which we have achieved our position in global markets. Our customers include major retail chains and local distributors on all continents, although the focus of our business is mainly on the Central, Southern and Eastern European markets (including Romania, Ukraine, Belarus, the Baltic States, Hungary, Moldova, the Czech Republic, Bulgaria and Germany). The trust, experience and knowledge gained, complemented by investments in modern logistics and distribution centres, enable production and delivery to be optimised.

We are consistently strengthening our position outside Europe. Our Chinese company, YATO Tools (Jiaxing), which, in addition to its normal operations, supports the development of logistics processes in the Group, based on a newly built warehouse equipped with modern infrastructure played a special role in this process in 2023.

MILITARY CONFLICT IN UKRAINE

Before the outbreak of the Russian-Ukrainian conflict, the TOYA Group co-operated with trading partners from Russia, Belarus and Ukraine. Russian aggression has disrupted our trading relations in these markets, resulting in temporary freezing of relations with some customers. Sales to customers based in Russia, Belarus and Ukraine accounted for approximately 9 percent of TOYA Group's total sales in 2022. In 2023, sales to customers in this region have recovered and accounted for nearly 11 percent, with a significant increase in sales to Ukrainian customers.

We strictly comply with all sanctions imposed by the European Union, Poland and foreign governments on entities, persons and goods designated in the relevant acts. The need to verify all economic sanctions causes a periodic, independent of the Group, slowdown in trade with customers from these markets.

The TOYA S.A. Group supplies
products to more than

4000 B2B customers
worldwide



Operational decisions regarding distribution channels and geographical areas of operations are made by the Management Board of the TOYA Group's parent company in consultation with its subsidiaries.

We have identified four distribution segments in the Group:

- sales on domestic markets (Poland, Romania) to retail chains;
- sales on domestic markets (Poland, Romania and China) – wholesale market;
- foreign sales;
- retail sales – mainly e-commerce sales (Poland, Romania and China).

Within the network segment, we cooperate with large retail chains in Poland and Romania. Wholesale market sales are carried out through a network of wholesalers and shops, as well as through sales representatives. Overseas markets' matters are handled using the resources of the parent company's sales department and the subsidiaries, YATO Tools (Shanghai) Co., Ltd. and YATO Tools (Jiaxing) Co. Ltd. Retail sales take place mainly via the online shop (in Poland and Romania) and marketplace platforms (in Poland and China).

A key factor in maintaining the TOYA Group's competitive edge is the broadly defined customer service quality. We focus greatly on ensuring that our product range is fully accessible to any customer in any region of the world. We improve our logistics processes and maintain good relations with suppliers, based on mutual business benefits.

The team representing the Sales Department and Product Development Department is responsible for day-to-day customer service at TOYA Group. Relations with customers are supported by modern IT technology and product management systems and devices.

Satisfaction of business partners and customers, both in trade carried out through traditional channels and e-commerce, is also based on the availability of goods and a constantly expanding product portfolio. The presence of goods on shop shelves is ensured by efficient yet continuously improving logistics processes which are of particular importance to the TOYA Group.



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For the sake of the purchasers' comfort, their safety and the proper and trouble-free use of tools and equipment, all products in the TOYA Group's range are accompanied by reliably prepared and legally required user manuals and the necessary descriptions and, where necessary, data sheets, pictograms and graphical or photographic references, energy labels and information on disposal methods.

The packaging and products sold by the TOYA Group comply with REACH and PAHs regulations. Information on the composition of products that are intended to come into contact with the skin or clothing is always provided.

Percentage of key product
categories assessed and
covered by labelling
procedures:

100%



The packaging and products
sold by the TOYA Group
comply with REACH and PAHs
regulations.

LOCAL COMMUNITIES

We know almost everything there is to know about tools, which is why we support all kinds of technical initiatives and projects that develop the interests and skills of local communities. For years we have been eager to share our capabilities and experience for years. The scale of its operations and market achievements allow the TOYA Group to engage in various forms of social involvement, such as educational, environmental or healthy lifestyle promotion projects.



COOPERATION WITH ODRA CENTRE

TOYA S.A. supports the Odra Centrum educational and cultural centre in Wrocław. The organisation fosters environmental awareness, promotes tourist activities on the River Oder and organises workshops related to sailing, water and the environment. During the classes, the young participants learn how to build model boats, which they then make themselves using zero waste materials and YATO tools our company makes available.



YATO AMONG WATAHA CLUB PARTNERS

In 2023, we continued our support of the Pupils' Sports Club 71, which runs the Wataha hockey team in Wrocław. We support initiatives that promote sports activities for children and youth, which is why the YATO logo can be seen among the partners of this initiative.



CHARITABLE INITIATIVES

We also contribute to improving the quality of life of those under the care of charitable foundations and associations.

TOYA S.A. and our employees have become involved in the Noble Gift [Szlachetna Paczka] programme. We supported a family selected by Stowarzyszenie Wiosna, the coordinator of the campaign. Among other things, those in need received clothes, tools and catering equipment from our commercial range.

The Club has an extensive curriculum, including skating lessons and learning the basics of ice hockey. It also organises hockey training and matches. The young players wear our donated jerseys as well as helmets and skates, which are loaned to the students for their first classes. We also donated a net surrounding the rink to increase the safety of the hockey players and spectators during classes.

SUPPLY CHAIN

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Within the Group, we purchase goods from suppliers located in different parts of the world, but mainly in Asia. Our analysis shows that the supply chain depends on means of production and transport, manpower, infrastructure, and natural phenomena and events, among others. One way to minimise the impact of adverse events on logistics and on-time delivery is to work with multiple contractors from different countries.

For European importers of equipment from Asia, the supply chain is relatively long. The challenge is both the process of ordering goods well in advance from sub-suppliers/manufacturers and the sea transport itself, which is often complex (the necessity to use intermediaries, transshipment depots, and warehouses). Therefore, most large companies trading in goods imported from Asia maintain high inventory levels. The cost optimisation we are pursuing in the Group is also made possible by investments in our own warehouse centres – both in terms of available space and automation. In addition, the scale of orders and shipped freight ensures the Group's strong negotiating position with carriers and freight forwarders, which translates into the ability to obtain favourable transport prices.

As the supply chain is a key issue for the entire Group, our parent company is continuously carrying out analytical work related to the optimisation of logistics processes. The solutions being implemented and considered are intended to provide the Group with additional competitive advantages in the long term.



BEST PRACTICE

YATO Tools (Jiaxing), a subsidiary with its registered office in Baibu Town, China, has opened a high-bay warehouse which will become the central warehouse for companies across our Group. The warehouse has state-of-the-art automated equipment to optimise logistics processes while not engaging significant human resources. The very good location of the warehouse, close to two seaports which are some of the largest transshipment centres in the world and in relatively close proximity to the largest suppliers, will promote the optimisation of logistics processes, which will improve the availability of the product range for customers of all companies in the Group.

GRI
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Percentage of domestic suppliers
in Poland analysed against
environmental criteria

90%



Percentage of domestic suppliers in
Poland who have accepted the TOYA
Supplier Code:

100%

The Group maintains close business relationships both directly with factories and with trade companies that supply us with goods from selected factories. Through YATO Tools (Shanghai) Co. Ltd. and YATO Tools (Jiaxing) Co. Ltd. we buy goods from more than 600 different factories. This form of cooperation with factories allows for quality control carried out locally in China by the relevant department and the organisation of direct, consolidated shipments from several factories at the same time. These companies also seek out new suppliers and, by having direct access to local manufacturers, often obtain more favourable terms of cooperation.

Most of our Group's overseas suppliers are Chinese companies with whom we maintain close relations. TOYA Group companies operating in this market have quality control departments within their structures that verify the tools supplied by sub-suppliers. Control takes place at the production stage during which the materials used are checked for conformity with the declared specification as well as the quality of the final goods. TOYA Group representatives regularly visit factories and warehouses abroad.

A small number of the products in the TOYA Group's portfolio is also manufactured in Poland by reliable partners. It is mainly equipment for the construction, agricultural, automotive, furniture and horticultural industries. All of the domestic manufacturers that the Group works with meet high quality and business ethics requirements.

The standards developed jointly with manufacturers mean that the number of complaints is relatively low, and those that do happen are identified at an early stage so that appropriate action can be taken at the factory stage.

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We expect all Group suppliers to respect our TOYA Supplier Code of Conduct. The document represents a commitment by suppliers to respect labour laws, ensure safe conditions for workers, protect the environment and respect human rights. The Code is available [on our website](#).

For both Polish and foreign suppliers, we have never received reports of breaches of the Supplier Code of Conduct, nor have we witnessed any situation or behaviour that would be indicative of unethical conduct.

Purchasing department staff personally visit almost all suppliers in Poland (90% of domestic suppliers) with whom we commence cooperation. Such visit involves supplier presentation, inspection of the warehouses and production halls during working hours and learning about production processes. Due to the distance, we meet with foreign suppliers at tool trade fairs. Later on, we visit some of them in factories in China to learn more of the overall production process.

Approved in 2023, the TOYA Capital Group Code of Ethics (see Chapter 1 for more on the Code of Ethics) contains key principles related to compliance with the law and market standards.

3. ENVIRONMENT



**GRI
3-3**

The environmental matter area, climate impact issues and the Circular Economy are on the list of important topics conditioning TOYA Group's activities and our business relationships. Concern for the environment is also part of our Code of Ethics which we have adopted in 2023. In addition, next year we intend to adopt a Resource Use Management Policy.

The TOYA Group does not accept the destruction of natural ecosystems and biodiversity. It has similar expectations of its suppliers. Our Supplier Code of Conduct obliges all companies that wish to work with us to protect the environment and to conduct their business in an environmentally friendly manner. Moreover, we keep a close eye on the growing need for climate concern, stay up to date with the latest green developments and remain open to expanding the environmental provisions currently in place for the Group and our suppliers.

We have expectations not only in relation to suppliers, but also to ourselves. That is why at TOYA Group we use hybrid cars which have lower consumption than petrol and diesel cars and therefore lower emissions.

**GRI
303-1****GRI
303-5**

TOYA Group has no significant negative impact on water resources and our operations do not take place in areas where these resources are at risk. Water is used for utility purposes and drawn from municipal water supplies. This applies to locations in Wrocław and Nadarzyn as well as in Romania and China. Wastewater is directed to municipal treatment plants.

Total water consumption in 2023 by TOYA Group companies (in megalitres)

TOYA Group	6.33
Including TOYA S.A.	1.93

The electricity that TOYA S.A. purchased from the supplier was entirely from certified ecological sources. TOYA Romania S.A. also used certified green electricity.

**GRI
302-1****Total energy consumption in MWh in 2023:**

	TOYA Group	Toya S.A.
Electricity	2,341,659	1,239,020
Heat	1,812,217	1,451,362

TOYA Group's total energy consumption in 2023 [in GJ]:

Energy from individual sources	TOYA Group	Toya S.A.
Energy from renewable sources		
Electricity	5,504,389	4,460,472
Energy from non-renewable sources		
Electricity	2,925,580	0
Energy from natural gas combustion*	6,523,983	5,224,903
Energy from diesel combustion in vehicles	1,260,480	815,047
Energy from petrol combustion in vehicles	6,654,435	4,125,750
Total	22,868,867	14,626,172

*Data refers to natural gas consumption for heating purposes

Total (renewable and non-renewable) energy consumption in the TOYA Group [in GJ]

Total energy consumption in the organisation in GJ in the TOYA Group	26,244,552
Total energy consumption in the organisation in GJ at TOYA S.A.	14,626,172

The carbon footprint of the Group's parent company in 2023 (in Scopes 1 and 2):

**GRI
305-1**

Direct greenhouse gas emissions (in tCO₂e)

Total direct CO ₂ emissions (Scope 1)	1090.15
TOYA S.A.	785.71

In Scope 1 of the carbon footprint, the data includes fuel combustion in stationary sources and in vehicles used by the company and the associated CO₂ emissions.

**GRI
305-2**

Indirect greenhouse gas emissions (in tCO₂e)

The sum of indirect CO ₂ emissions (Scope 2) (market-based method)	491.63
TOYA S.A.	0
The sum of indirect CO ₂ emissions (Scope 2) (location-based method)	1345.11
TOYA S.A.	848.73

In Scope 2, reported emissions include emissions for the TOYA Group's electricity consumption. Electricity origin guarantee certificates were included in the calculation. For the location in China, the electricity grid emissivity factor was assumed without taking into account information on the origin of renewable energy sources. Calculations for companies in China were carried out using a single method due to the unavailability of the emissivity factors necessary to carry out calculations using two methods.

Sources of emission factors for the market-based method:

- **Poland:** European Residual Mixes: Results of the calculation of Residual Mixes for the calendar year 2022, AIB associate of issuing bodies, September 2023;
- **Romania:** European Residual Mixes: Results of the calculation of Residual Mixes for the calendar year 2022, AIB associate of issuing bodies, September 2023;
- **China:** Carbon intensity of the power sector in China from 2000 to 2022, Statista 2024.

Sources of emission factors for the location-based method:

- The CO₂, SO₂, NO_x, CO and total dust for electricity based on information from the National Database on Greenhouse Gases and Other Substance Emissions for 2022, KOBiZE, December 2023;
- **Romania:** Raport anual privind activitatea autoritatii nationale de reglementare in domeniul energiei, ANRE, 2022.

We have not analysed the carbon footprint of our products at the TOYA Group in 2023.

At the TOYA Group, we have started a review of existing documents in the organisation in 2023 to work on climate change risks. For 2024 we have planned the adoption of a climate strategy including a decarbonisation plan and a climate change adaptation plan.

CLIMATE AND ENVIRONMENTAL EDUCATION



The wear of any tool is a matter of time ... or improper handling. Although we do our best to ensure that the accompanying manuals include clear instructions for use and possible maintenance, to ensure that the equipment we sell is durable and as useful as possible for as long as possible, we are aware that nothing lasts forever. We also know that incorrectly disposed of, damaged electrical appliances and used tools have a negative impact on the environment and, on a global scale, contribute to adverse climate change. Shaping environment-oriented habits and behaviours related to the disposal of no longer needed items within households is our common interest!

In our online shops' topic sections customers will find data on how to handle waste electrical and electronic equipment. There we inform, among other things, that the crossed-out wheeled bin symbol on the products indicates that waste electrical and electronic equipment cannot be disposed of with municipal waste. We point out that throwing electro-waste into a container poses a threat to the environment, and segregating and returning used equipment for treatment, recovery, recycling and disposal prevents pollution and contamination of the environment.

Such a procedure also contributes to reducing the use of natural resources and the cost of manufacturing new equipment.

As a retailer operating an online shop, we also comply with all requirements for the acceptance and collection of waste equipment from households. We also provide a website address with a list of waste equipment collection points in the Republic of Poland.

Additionally, the TOYA Group participates in the Biosystem Group's "Switch on Eco Imagination" campaign, a nationwide education and information campaign on proper disposal of selected groups of waste and methods of preventing waste generation. Accompanying the campaign are projects related to important environmental issues, including the management of packaging waste and waste electrical equipment and batteries, and the activities undertaken are intended to shape pro-environmental habits and behaviour.



In 2023, actions implemented as part of the “Switch on Eco Imagination” campaign included:

National Education Programme for Schools - “Collect Batteries and Phones!”

With children and youth as its target audience, the initiative focused on the proper disposal of used batteries and mobile phones. Schools which qualified for the Programme received topic-related educational materials specified in the rules, including special “Battery ABC” and “Mobile Phones” brochures, scenarios for lessons on environmental issues and posters to be displayed on school grounds. Each institution also received a special container for the collection of used batteries and rechargeable batteries. In addition, participating schools took part in a competition for the largest collection of used batteries and mobile phones.

166 tonnes of used batteries and 2 tonnes of phones were collected during the 11th edition of the Programme which ended in May 2023. A total of 1,353 educational institutions from all over Poland participated in the campaign.

“Electro-Waste Garbage Truck”

An educational and informational project promoting the possibility of collecting waste electrical and electronic equipment free of charge from people living in selected Polish cities (Kraków, Katowice, Mysłowice, Chorzów, Sosnowiec, and Wrocław). The initiative increased knowledge and raised environmental awareness of the risks to the environment and human health and life resulting from improper disposal of hazardous waste. It also made it possible to dispose of waste which, due to its composition and properties, required special management methods. For each piece of bulky waste equipment, campaign participants received a reusable shopping bag. The collected equipment was recycled in an environmentally safe manner at the Waste Electrical and Electronic Equipment Processing Plant in Bolęcín near Chrzanów, one of Poland's most modern facilities of this type.



Switch on Eco Imagination – Facebook activities

As part of the 2023 project, the organiser implemented communication activities on the social networking site Facebook. Among other things, entries presented updates on current environmental education activities, advice on proper waste handling, tips on waste generation prevention methods, and environmental trivia.

The “Switch on Eco Imagination” profile was followed by 4,600 people and the Facebook page reach was 96,366 people.

CIRCULAR ECONOMY

GRI 3-3

Tools do not last forever, but in many cases they can be given a second "life", i.e. repaired. And this is the procedure we recommend to our customers, making available a range of related options. Waste, and in particular electro-waste, is a huge challenge in today's world, and we do not want to add to the problem. This is why TOYA Group supports the idea of Circular Economy, convincing customers that repairing a piece of equipment is usually cheaper and much more environmentally friendly than throwing it away and buying a new one.

We have our own repair centre that accepts complaints for products purchased directly from us. A clear complaint process, described in the terms and conditions, makes it easy for buyers to exercise all their legal rights or our warranty coverage.

In the event of a complaint, the customer can expect the damaged product to be collected free of charge from the place indicated and the complaint to be dealt with to the extent indicated in the complaint. When we receive a complaint, the buyer is informed by e-mail about the progress of the complaint processing, in particular:

- the registration of the case;
- ordering the courier company to pick up the defective product;
- receipt of the consignment by the repair centre and forwarding it for processing.

- taking a complaint decision on the case.

Once the warranty has expired, we provide a post-warranty service that includes the sale of spare parts and repair in our centre. In addition, we publish straightforward and clear product documentation, including an assembly drawing of the product with numbered components and a list of spare parts provided for the product. This documentation enables the buyer to become familiar with the design of the piece of equipment and decide how to carry out a post-warranty repair. When the buyer's skills permit, this usually means buying the spare parts from the company and carrying out the repair themselves.

When the buyer's skills do not allow for this, we offer to carry out post-warranty repairs at our repair centre. The buyer can expect an assessment of the type of defect, the amount of work and the necessary spare parts and an estimate of the resulting costs.

In cases where repair is technically or economically unviable, we offer the option of leaving the piece of equipment for disposal in accordance with the regulations for waste electrical and electronic equipment.

**GRI
301-3****Recovered products and packaging**

	TOYA S.A.	TOYA Romania S.A.
Percentage of recovered products per product category*		
Electrical and electronic equipment	65%	65%
Batteries and rechargeable batteries	45%	50%
Lubricating oils	50%	-
Pneumatic tyres	75%	-
Percentage of recovered packaging per product category*		
Paper and cardboard packaging	70%	65%
Plastic packaging	40%	65%
Wood packaging	21%	65%

*Data reported by TOYA S.A. and TOYA Romania S.A. only.

**GRI
306-3****Total weight of waste generated
[in tonnes]**

TOYA Group	262.06
TOYA S.A.	115.93

**Total weight of waste generated by waste category
(in metric tonnes)**

	TOYA Group	TOYA S.A.
Paper and cardboard packaging	72,707	43,707
Plastic packaging	54,334	48,134
Waste electrical and electronic equipment	1,843	1,783
Components removed from waste electrical and electronic equipment	13,594	13,594
Metal	12.36	0
Batteries and rechargeable batteries	0.252	0.252
Mixed waste from construction, renovation and disassembly works	8.46	8.46

**GRI
306-4**

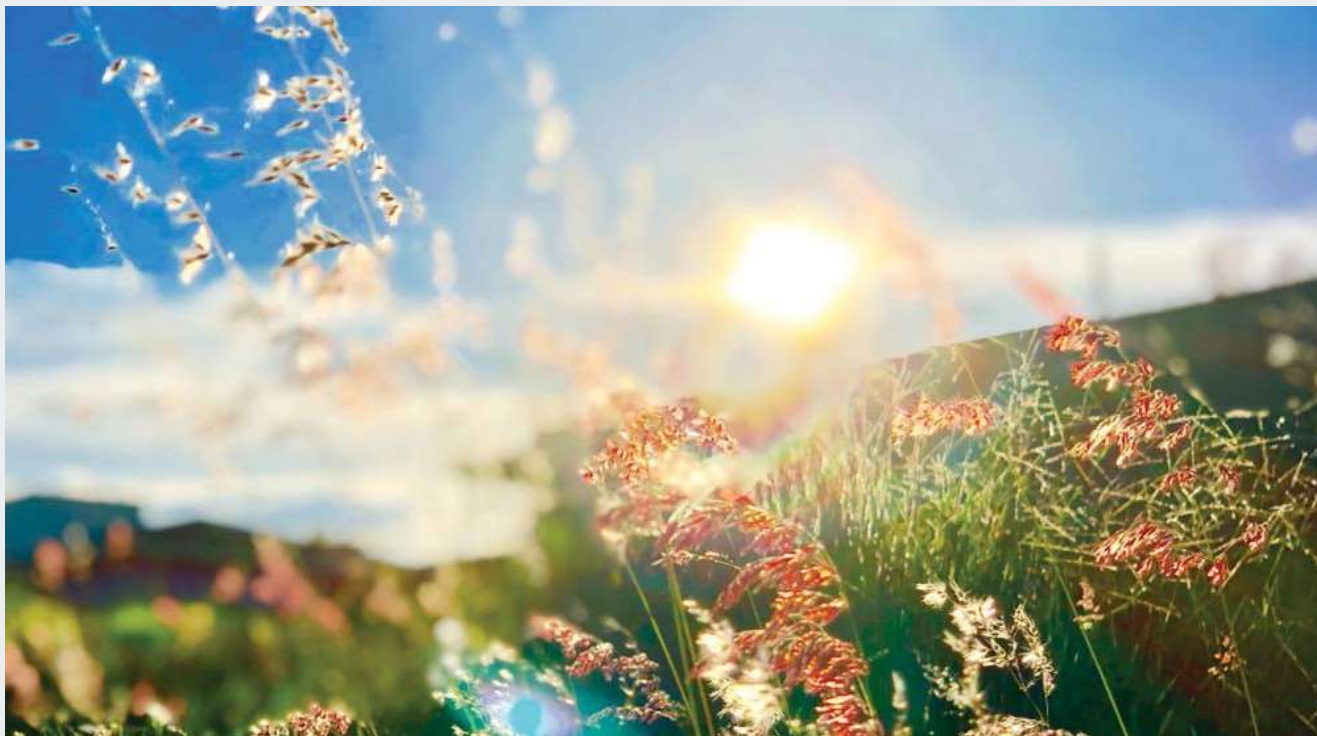
We hand waste over to authorised entities who then process it, recover raw materials or dispose of it.

**BEST PRACTICE**

The approved TOYA Group Code of Ethics approved in 2023 (see Chapter 1 for more information on the Code) includes provisions defining commitment to sustainability and care for the surrounding world.

4. TAXONOMY





In accordance with Article 8 of EU Regulation 2020/852 (Taxonomy), information is provided below on how and to what extent TOYA Group's activities are related to economic activities that qualify as environmentally sustainable (activities in line with the systematics). The key performance indicators have been prepared in accordance with the requirements set out in EU Delegated Regulation 2021/2178, to the best of our knowledge and with due diligence.

The assessment of the compliance of the business with the systematic framework under the individual key performance indicators was carried out on the basis of the technical criteria set out in EU Delegated Acts 2021/2139 and 2022/1214.

MINIMUM SAFEGUARDS

TOYA Group complies with the minimum safeguards referred to in Article 18 of EU Regulation 2020/852.

The assessment of compliance with the Minimum Safeguards in TOYA Group was conducted based on the recommendations from the *Final Report on Minimum Safeguards document by Platform On Sustainable Finance* published in October 2022, which identifies as non-compliance with the Minimum Safeguards the occurrence of at least one of two indications within the four performance areas:

- Human rights
- Corruption
- Taxes
- Fair competition

KPI TURNOVER

Business activities (1)	Code (2)	Turnover (3)	Part of turnover, N year (4)	Significant contribution criteria						"Do No Serious Harm" criteria						Minimum safeguards (17)	Share of activity in line with the taxonomy in revenue (%) (18)			"Supporting activities" category (19)	"Transition activities" category (20)
				T; N; N/EL	T; N; N/EL	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)						
	PLN		%																		
A. Taxonomy-eligible activity																					
A.1. Environmentally sustainable activity (in line with the taxonomy)																					
A.1. Turnover from environmentally sustainable activity (in line with the taxonomy)		0.00	0.00	0	0		0	0	0								0.00				
Including supporting			0.00	0	0		0	0	0											E	
Including for transition			0	0																	T
A.2. Taxonomy-eligible environmentally unsustainable activity (activity not in line with the taxonomy)																					
A.2. Turnover from taxonomy-eligible environmentally unsustainable activity (activity not in line with the taxonomy)		0.00	0.00																		
A. Turnover from taxonomy-eligible activity (A1+A2)		0.00	0.00																		
B. Taxonomy non-eligible activity																					
Other		732,395,685.00	100.00														T				
Turnover from taxonomy non-eligible activity		732,395,685.00	100.00																		
TOTAL		732,395,685.00	100.00														0.00		0.00	0.00	

	Share of turnover	
	Compliance with the taxonomy by purpose	Qualification for the taxonomy by purpose
CCM - climate change mitigation	0	0
CCA - climate change adaptation	0	0
WTR - sustainable use and protection of water and marine resources	0	0
CE - transition to a circular economy	0	0
PPC - pollution prevention and control	0	0
BIO - protection and restoration of biodiversity and ecosystems	0	0

DISCLOSURES RELATED TO NUCLEAR ENERGY AND NATURAL GAS ACTIVITIES

Disclosure according to the guidelines of Annex III of Commission Delegated Regulation (EU) 2022/1214, supplementing Commission Delegated Regulation (EU) 2021/2178 with Annex XII as regards the templates for disclosures referred to in Article 8(6) and (7).

Template 1. Nuclear energy and natural gas activities

Nuclear energy activities

1	The company conducts the research, develops, demonstrates and deploys, innovative electricity generating systems generating energy through nuclear processes with minimal waste from the fuel cycle, finances such activity or is exposed to it.	NO
2	The company builds and safely operates new nuclear facilities for the production of electricity or process heat, including for district heating or industrial processes such as hydrogen production, and upgrades them for safety, using the best available technology, finds or has exposure to this activity.	NO
3	The company operates safely existing nuclear facilities generating electricity or process heat, including for district heating or industrial processes such as production of hydrogen from nuclear energy, and upgrades them for safety, finances these activities or has exposure to them.	NO

Natural gas activities

4	The company builds or operates a system for the generation of electricity using gaseous fossil fuels, finances this activity or has exposure to it.	NO
5	The company builds, upgrades and operates a system for the combined generation of heat/cooling and electricity using gaseous fossil fuels, finances this activity or has exposure to it.	NO
6	The company builds, upgrades and operates thermal/cooling cogeneration systems using gaseous fossil fuels, finances this activity or has exposure to it.	NO

Template 2. Economic activity in line with the taxonomy (denominator)

Types of economic activity		Amount and share (information to be provided in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount †	%	Amount	%	Amount	%
1	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
2	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
3	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
4	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
5	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
6	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
7	Amount and share of other economic activity in line with the taxonomy, not listed in lines 1 to 6 above in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
8	Total applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%

Template 3. Economic activity in line with the systematics (numerator)

Types of economic activity		Amount and share (information to be provided in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
2	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
3	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
4	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
5	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
6	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
7	Amount and share of other economic activities following the systematic approach not listed in lines 1 to 6 above in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
8	Total amount and total share of economic activity in line with the taxonomy in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%

Template 4. Taxonomy-eligible economic activity not in line with the taxonomy

Types of economic activity		Amount and share (information to be provided in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and share of taxonomy-eligible economic activity not in line with the taxonomy referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
2	Amount and share of taxonomy-eligible economic activity not in line with the taxonomy referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
3	Amount and share of taxonomy-eligible economic activity not in line with the taxonomy referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
4	Amount and share of taxonomy-eligible economic activity not in line with the taxonomy referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
5	Amount and share of taxonomy-eligible economic activity not in line with the taxonomy referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
6	Amount and share of taxonomy-eligible economic activity not in line with the taxonomy referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
7	Amount and share of other taxonomy-eligible economic activity not in line with the taxonomy, not listed in lines 1 to 6 above in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
8	Total amount and total share of taxonomy-eligible economic activity not in line with the taxonomy in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%

Template 5. Taxonomy non-eligible economic activity

Types of economic activity		Amount	%
1	Amount and percentage of taxonomy non-eligible economic activity referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
2	Amount and percentage of taxonomy non-eligible economic activity referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
3	Amount and percentage of taxonomy non-eligible economic activity referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
4	Amount and percentage of taxonomy non-eligible economic activity referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
5	Amount and percentage of taxonomy non-eligible economic activity referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
6	Amount and percentage of taxonomy non-eligible economic activity referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
7	Amount and share of other taxonomy non-eligible economic activity, not mentioned in lines 1 to 6 above, in the denominator having the applicable key performance indicator	732,395,685.00 (PLN)	100%
8	Total amount and total share of taxonomy non-eligible economic activity, in the denominator having the applicable key performance indicator	732395685.00 (PLN)	100%

ACCOUNTING POLICY

The key performance indicator for Turnover (KPI Turnover) was based on TOYA Group's 2023 financial statements prepared in accordance with International Financial Reporting Standards (IFRS). Net sales revenue from the aforementioned report was used as the denominator of the indicator.

**INFORMATION ON THE ASSESSMENT OF
COMPLIANCE WITH REGULATION (EU) 2020/852**

TOYA Group's individual revenue categories were analysed for taxonomy eligibility. This process included an analysis of taxonomy-eligible activities as defined in EU Regulation 2021/2139 and EU Regulation 2022/1214 to confirm whether the activities of the TOYA Group are listed in the aforementioned Regulations.

The analysis did not identify revenues from activities that qualify for taxonomy.

**CONTRIBUTION TO MULTIPLE OBJECTIVES,
DISAGGREGATION OF KEY PERFORMANCE
INDICATORS**

Not applicable. As part of TOYA group's 2023 revenue, no revenue related to environmentally sustainable activity (in line with the taxonomy) was identified.

CONTEXTUAL INFORMATION

Not applicable. As part of TOYA group's 2023 revenue, no revenue related to environmentally sustainable activity (in line with the taxonomy) was identified.



KPI CAPEX

				Significant contribution criteria						“Do No Serious Harm” criteria						2023				
	Code or codes (a) (2)	Capital expenditure (3)	Percentage of capital expenditure, N year (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Share of activity in line with the taxonomy in revenue (%)		“Supporting activities” category (19)	“Transition activities” category (20)
	PLN		%	T; N; N/EL	T; N; N/EL		T; N; N/EL	T; N; N/EL	T; N; N/EL	T/N	T/N	T/N	T/N	T/N	T/N	T/N	%	%	E	T
Business activities (1)																				
A. Taxonomy-eligible activity																				
a.1. Environmentally sustainable activity (in line with the taxonomy)																				
Capital expenditures for environmentally sustainable activity (in line with the taxonomy) (a.1)		0.00	0.00	0	0	0	0	0	0								0.00			
Including supporting			0.00	0	0	0	0	0	0										E	
Including for transition			0	0																T
a.2. Taxonomy-eligible environmentally unsustainable activity (activity not in line with the taxonomy)																				
Capital expenditure for taxonomy-eligible environmentally unsustainable activity (activity not in line with the taxonomy) (a.2)		0.00	0.00																	
a. A. Capital expenditure for taxonomy-eligible activity (a.1+a.2))		0.00	0.00																	
B. Taxonomy non-eligible activity																				
Other		27,732,158.00	100.00														T			
Capital expenditure for taxonomy non-eligible activity		27,732,158.00	100.00																	
TOTAL (a + B)		27,732,158.00	100.00														0.00		0.00	0.00

	Part of capital expenditure/Total capital expenditure	
	Compliance with the taxonomy by purpose	Qualification for the taxonomy by purpose
CCM - climate change mitigation	0	0
CCA - climate change adaptation	0	0
WTR - sustainable use and protection of water and marine resources	0	0
CE - transition to a circular economy	0	0
PPC - pollution prevention and control	0	0
BIO - protection and restoration of biodiversity and ecosystems	0	0

Template 1. Nuclear energy and natural gas activities

Nuclear energy activities

1	The company conducts the research, develops, demonstrates and deploys, innovative electricity generating systems generating energy through nuclear processes with minimal waste from the fuel cycle, finances such activity or is exposed to it.	NO
2	The company builds and safely operates new nuclear facilities for the production of electricity or process heat, including for district heating or industrial processes such as hydrogen production, and upgrades them for safety, using the best available technology, finds or has exposure to this activity.	NO
3	The company operates safely existing nuclear facilities generating electricity or process heat, including for district heating or industrial processes such as production of hydrogen from nuclear energy, and upgrades them for safety, finances these activities or has exposure to them.	NO

Natural gas activities

4	The company builds or operates a system for the generation of electricity using gaseous fossil fuels, finances this activity or has exposure to it.	NO
5	The company builds, upgrades and operates a system for the combined generation of heat/cooling and electricity using gaseous fossil fuels, finances this activity or has exposure to it.	NO
6	The company builds, upgrades and operates thermal/cooling cogeneration systems using gaseous fossil fuels, finances this activity or has exposure to it.	NO

Template 2. Economic activity in line with the taxonomy (denominator)

Types of economic activity		Amount and share (information to be provided in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
2	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
3	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
4	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
5	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
6	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
7	Amount and share of other economic activity in line with the taxonomy, not listed in lines 1 to 6 above in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
8	Total applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%

Template 3. Economic activity in line with the systematics (numerator)

Types of economic activity		Amount and share (information to be provided in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
2	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
3	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
4	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
5	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
6	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
7	Amount and share of other economic activities following the systematic approach not listed in lines 1 to 6 above in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
8	Total amount and total share of economic activity in line with the taxonomy in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%

Template 4. Taxonomy-eligible economic activity not in line with the taxonomy

Types of economic activity		Amount and share (information to be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and share of taxonomy-eligible economic activity not in line with the taxonomy referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
2	Amount and share of taxonomy-eligible economic activity not in line with the taxonomy referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
3	Amount and share of taxonomy-eligible economic activity not in line with the taxonomy referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
4	Amount and share of taxonomy-eligible economic activity not in line with the taxonomy referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
5	Amount and share of taxonomy-eligible economic activity not in line with the taxonomy referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
6	Amount and share of taxonomy-eligible economic activity not in line with the taxonomy referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
7	Amount and share of other taxonomy-eligible economic activity not in line with the taxonomy, not listed in lines 1 to 6 above in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
8	Total amount and total share of taxonomy-eligible economic activity not in line with the taxonomy in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%

Template 5. Taxonomy non-eligible economic activity

Types of economic activity		Amount	%
1	Amount and percentage of taxonomy non-eligible economic activity referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
2	Amount and percentage of taxonomy non-eligible economic activity referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
3	Amount and percentage of taxonomy non-eligible economic activity referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
4	Amount and percentage of taxonomy non-eligible economic activity referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
5	Amount and percentage of taxonomy non-eligible economic activity referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
6	Amount and percentage of taxonomy non-eligible economic activity referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
7	Amount and share of other taxonomy non-eligible economic activity, not mentioned in lines 1 to 6 above, in the denominator having the applicable key performance indicator	27 277 321 58.00 (PLN)	100%
8	Total amount and total share of taxonomy non-eligible economic activity, in the denominator having the applicable key performance indicator	27 277 321 58.00 (PLN)	100%

ACCOUNTING POLICY

The basis for calculating the capital expenditure key performance indicator was the capital expenditure recognised in the financial statements in accordance with the applicable International Financial Reporting Standards (IFRS). The denominator of the Capex KPI was assigned the costs accounted for based on:

- a. IAS 16 Property, Plant and Equipment, paragraph 73(e)(i) and (iii);
- b. IAS 38 Intangible Assets, paragraph 118(e)(i);
- c. IAS 40 Investment Property, paragraph 76(A) and (b) (for the fair value model);
- d. IAS 40 Investment Property, paragraph 79(D)(i) and (ii) (for the cost model);
- e. IAS 41 Agriculture, paragraphs 50(b) and (e);
- f. IFRS 16 Leases, paragraph 53(h).

INFORMATION ON THE ASSESSMENT OF COMPLIANCE WITH REGULATION (EU) 2020/852

Individual categories of the TOYA Group capital expenditure were analysed in accordance with the provisions of EU Regulation 2021/2178, Annex I, point 1.1.2.1, to determine whether they meet one of the following conditions:

- a. they concern assets or processes related to economic activity in line with the taxonomy;
- b. are part of a plan to expand economic activity in line with the taxonomy or to enable a taxonomy-eligible economic activity to adapt to the taxonomy ("capital expenditure plan") under the conditions set out in the second paragraph of this point 1.1.2.2;

- c. relate to the purchase of products of an economic activity in line with the taxonomy and to individual measures enabling the target activity to become low-carbon or enabling it to reduce greenhouse gas emissions, in particular relating to the activities listed in points 7.3 to 7.6 of Annex I of the Climate Delegated Act, as well as other economic activities listed in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) or Article 15(2) of Regulation (EU) 2020/852, and provided that such measures are implemented and brought into operation within 18 months.

No expenditure linked to activity in line with the taxonomy (point A above) was identified. Expenditure meeting condition b or c indicated above was not identified, either.

CONTRIBUTION TO MULTIPLE OBJECTIVES, DISAGGREGATION OF KEY PERFORMANCE INDICATORS

Not applicable. Within the TOYA Group's capital expenditures for 2023, no expenditures related to environmentally sustainable activities (in line with the taxonomy) were identified.

CONTEXTUAL INFORMATION

Not applicable. Within the TOYA Group's capital expenditures for 2023, no expenditures related to environmentally sustainable activities (in line with the taxonomy) were identified.

KPI OPEX

				Significant contribution criteria						"Do No Serious Harm" criteria						2023					
	Code or codes (a) (2)	Operating expenditure (3)	Percentage of operating expenditure, N year (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Share of activity in line with the taxonomy in revenue (%)			"Supporting activities" category (19)	"Transition activities" category (20)
Business activities (1)	PLN		%	T; N; N/EL	T; N; N/EL		T; N; N/EL	T; N; N/EL	T; N; N/EL	T/N	T/N	T/N	T/N	T/N	T/N	T/N	%	%		E	T
A. Taxonomy-eligible activity																					
A.1. Environmentally sustainable activity (in line with the taxonomy)																					
Operating expenditure for environmentally sustainable activity (in line with the taxonomy) (A.1)		0.00	0.00	0	0	0	0	0	0								0.00				
Including supporting			0.00	0	0	0	0	0	0											E	
Including for transition			0	0																	T
A.2. Taxonomy-eligible environmentally unsustainable activity (activity not in line with the taxonomy)																					
Operating expenditure from taxonomy-eligible environmentally unsustainable activity (activity not in line with the taxonomy) (A.2)		0.00	0.00																		
A. Operating expenditure for taxonomy-eligible activity (A.1+A.2)		0.00	0.00																		
B. Taxonomy non-eligible activity																					
Other		1,316,312.60	100.00														T				
Operating expenditure for taxonomy non-eligible activity		1,316,312.60	100.00																		
TOTAL (A + B)		1,316,312.60	100.00														0.00		0.00		0.00

	Part of operating expenditure/Total operating expenditure	
	Compliance with the taxonomy by purpose	Qualification for the taxonomy by purpose
CCM - climate change mitigation	0	0
CCA - climate change adaptation	0	0
WTR - sustainable use and protection of water and marine resources	0	0
CE - transition to a circular economy	0	0
PPC - pollution prevention and control	0	0
BIO - protection and restoration of biodiversity and ecosystems	0	0

Template 1. Nuclear energy and natural gas activities

Nuclear energy activities

1	The company conducts the research, develops, demonstrates and deploys, innovative electricity generating systems generating energy through nuclear processes with minimal waste from the fuel cycle, finances such activity or is exposed to it.	NO
2	The company builds and safely operates new nuclear facilities for the production of electricity or process heat, including for district heating or industrial processes such as hydrogen production, and upgrades them for safety, using the best available technology, finds or has exposure to this activity.	NO
3	The company operates safely existing nuclear facilities generating electricity or process heat, including for district heating or industrial processes such as production of hydrogen from nuclear energy, and upgrades them for safety, finances these activities or has exposure to them.	NO

Natural gas activities

4	The company builds or operates a system for the generation of electricity using gaseous fossil fuels, finances this activity or has exposure to it.	NO
5	The company builds, upgrades and operates a system for the combined generation of heat/cooling and electricity using gaseous fossil fuels, finances this activity or has exposure to it.	NO
6	The company builds, upgrades and operates thermal/cooling cogeneration systems using gaseous fossil fuels, finances this activity or has exposure to it.	NO

Template 2. Economic activity in line with the taxonomy (denominator)

Types of economic activity		Amount and share (information to be provided in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
2	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
3	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
4	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
5	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
6	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
7	Amount and share of other economic activity in line with the taxonomy, not listed in lines 1 to 6 above in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
8	Total applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%

Template 3. Economic activity in line with the systematics (numerator)

Types of economic activity		Amount and share (information to be provided in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
2	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
3	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
4	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
5	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
6	Amount and percentage of economic activity in line with the taxonomy referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
7	Amount and share of other economic activities following the systematic approach not listed in lines 1 to 6 above in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
8	Total amount and total share of economic activity in line with the taxonomy in the numerator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%

Template 4. Taxonomy-eligible economic activity not in line with the taxonomy

Types of economic activity		Amount and share (information to be provided in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and share of taxonomy-eligible economic activity not in line with the taxonomy referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
2	Amount and share of taxonomy-eligible economic activity not in line with the taxonomy referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
3	Amount and share of taxonomy-eligible economic activity not in line with the taxonomy referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
4	Amount and share of taxonomy-eligible economic activity not in line with the taxonomy referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
5	Amount and share of taxonomy-eligible economic activity not in line with the taxonomy referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
6	Amount and share of taxonomy-eligible economic activity not in line with the taxonomy referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
7	Amount and share of other taxonomy-eligible economic activity not in line with the taxonomy, not listed in lines 1 to 6 above in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%
8	Total amount and total share of taxonomy-eligible economic activity not in line with the taxonomy in the denominator of the applicable key performance indicator	0.00	0%	0.00	0%	0.00	0%

Template 5. Taxonomy non-eligible economic activity

Types of economic activity		Amount	%
1	Amount and percentage of taxonomy non-eligible economic activity referred to in Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
2	Amount and percentage of taxonomy non-eligible economic activity referred to in Section 4.27 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
3	Amount and percentage of taxonomy non-eligible economic activity referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
4	Amount and percentage of taxonomy non-eligible economic activity referred to in Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
5	Amount and percentage of taxonomy non-eligible economic activity referred to in Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
6	Amount and percentage of taxonomy non-eligible economic activity referred to in Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.00	0%
7	Amount and share of other taxonomy non-eligible economic activity, not mentioned in lines 1 to 6 above, in the denominator having the applicable key performance indicator	1316312.60 (PLN)	100%
8	Total amount and total share of taxonomy non-eligible economic activity, in the denominator having the applicable key performance indicator	1316312.60 (PLN)	100%

ACCOUNTING POLICY

The basis for calculating the Opex KPI in accordance with the provisions of Annex 1 to Regulation 2021/2178 was to extract from TOYA Group's overheads the direct, non-capitalised expenses, based on the TOYA Group's financial statements for the year ended 31 December 2023, relating to:

- research and development work;
- building renovation activities;
- short-term lease;
- maintenance and repairs; and
- any other direct expenses related to the day-to-day operation of tangible fixed assets by the company or a third party to whom activities necessary to ensure the continuous and efficient operation of those assets have been outsourced.

INFORMATION ON THE ASSESSMENT OF COMPLIANCE WITH REGULATION (EU) 2020/852

The individual TOYA Group operating expenditure categories were analysed in accordance with the provisions of EU Regulation 2021/2178 to determine whether they meet one of the following conditions:

- a. they relate to assets or processes connected with economic activity in line with the taxonomy, including training and other human resource adjustment needs and direct non-capitalised costs that represent research and development;
- b. are part of a plan to expand economic activity in line with the taxonomy or to enable a taxonomy-eligible economic activity to adapt to the taxonomy ("capital expenditure plan") under the conditions set out in the second paragraph of this point 1.1.2.2;

- c. relate to the purchase of products of an economic activity complying with the systematics and to individual measures enabling the target activity to become low-carbon or enabling it to reduce greenhouse gas emissions, in particular relating to the activities listed in points 7.3 to 7.6 of Annex I of the Climate Delegated Act, as well as other economic activities listed in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) or Article 15(2) of Regulation (EU) 2020/852, and provided that such measures are implemented and brought into operation within 18 months.

The analysis did not identify any operating expenditure meeting at least one of the above criteria.

CONTRIBUTION TO MULTIPLE OBJECTIVES, DISAGGREGATION OF KEY PERFORMANCE INDICATORS

Not applicable. Within the TOYA Group's 2023 operating expenditure, no expenditure related to environmentally sustainable activities (in line with the taxonomy) was identified.

CONTEXTUAL INFORMATION

Not applicable. Within the TOYA Group's 2023 operating expenditure, no expenditure related to environmentally sustainable activities (in line with the taxonomy) was identified.

5. PEOPLE



EMPLOYEES

GRI
2-30GRI
3-3GRI
401-2

Toya Group is a growing and forward-looking workplace. We employ 550 people in all our companies, including 325 in Poland. Most of them on full-time, permanent employment contracts. We know that Toya Group's development would not be possible without qualified staff representing many different fields of business activity. We value our employees' commitment, creativity and experience. We provide attractive working conditions, remuneration competitive with market rates, and care for a friendly and creative atmosphere. In selected Group companies, a package of non-wage benefits is available, including private medical care, life insurance, co-financing of sports activities and tickets for cultural events, Christmas gift cards, discounts on company products and integration meetings. There are no collective agreements in place at Toya Group companies.



BEST PRACTICE

Thanks to RPA (Robotic Process Automation) technology and partnership with a leading technology company, a robot named Stefan has become a key component in the bank statement posting process at TOYA S.A. It settles up to 8,000 transfers per month, performing up to 240,000 clicks. By relieving humans of time-consuming and tedious tasks, it has improved the team's work comfort level.

GRI
2-7

TOYA Group employees:

By gender:	TOYA Group	TOYA S.A.
women	144	73
men	406	252
all	550	325

Indefinite term employment:	TOYA Group	TOYA S.A.
women	130	59
men	351	197
all	481	256

Fixed term employment:	TOYA Group	TOYA S.A.
women	14	14
men	55	55
all	69	69

Employed full-time:	TOYA Group	TOYA S.A.
women	142	71
men	400	247
all	542	318

Employed part-time:	TOYA Group	TOYA S.A.
women	2	2
men	6	5
all	8	7


GRI
2-8

34 persons (23 of them in Poland) cooperated with us on terms other than employment contracts. Among them were members of the Management Board and the Supervisory Board – a total of 10 persons. Their tasks and powers are governed by the Commercial Companies Code and the Regulations of the Supervisory Board and the Regulations of the Management Board of TOYA S.A. A further 9 persons were performing work under contract of mandate and the rest were temporary workers performing warehouse work. One such contract concerned programming work. In total, all contracts, other than employment contracts, accounted for 4% of the forms of employment across the Group.

The TOYA Group is growing all the time, which involves recruiting for new positions. A total of 16% of employees working in the four companies joined the team in 2023. The recruitment process mainly assesses the competence, experience and ambitions of employees.



**GRI
401-1**

Total number of new employees hired in the organisation during the reporting period (percentage in brackets)

	TOYA Group	TOYA S.A.
Women	15 (2.70%)	4 (1.23%)
Men	74 (13.33%)	30 (9.23%)
Under 30 years	31 (5.59%)	11 (3.38%)
30–50 years	51 (9.19%)	21 (6.45%)
Over 50 years	7 (1.26%)	2 (0.62%)

Total number of employees who left the organisation during the reporting period (percentage in brackets)

	TOYA Group	TOYA S.A.
Women	11 (1.98%)	6 (1.85%)
Men	83 (14.85%)	32 (9.85%)
Under 30 years	24 (4.32%)	9 (2.77%)
30–50 years	60 (10.81%)	23 (7.08%)
Over 50 years	10 (1.80%)	6 (1.85%)

**GRI
401-3**

At TOYA Group, we create an atmosphere conducive to the use of parental and maternity leave. Parental leave can be taken by all employees, regardless of gender, within the framework of rights under the law. In 2023, 39 persons were entitled to such leave within the TOYA Group, with 31 persons at TOYA S.A. There were 11 persons on parental leave.



	TOYA Group		TOYA S.A.	
	Women	Men	Women	Men
Number of employees entitled to parental leave in 2023	8	31	2	29
Number of employees who have taken parental leave in 2023	8	3	2	1
Number of employees who returned from parental leave in 2023	5	1	2	0
Number of employees who returned to work after parental leave and were still employed 12 months after their return	5	2	2	1
Return to work rate of employees who have taken parental leave	63%	67%	100%	100%
Retention rate of employees who have taken parental leave	100%	100%	100%	100%

HEALTH AND SAFETY

GRI
3-3GRI
403-3GRI
403-5

The TOYA Group operates in all its companies in compliance with the relevant legislation and meets OHS standards. Work safety issues at TOYA S.A. are supervised by the OHS Officer. At TOYA Romania S.A., these tasks are carried out by an external specialist firm, EURAMIS Health & Safety. In accordance with local regulations companies located in China provide employees with all the necessary information on occupational health risks and ensure adequate precautions. The Group's workplace safety procedures are monitored and evaluated.

All employees of the Group's parent company undergo initial and periodic OHS training, and additional refresher training is carried out after every recorded accident or near miss. The company also ensures that employees starting work with equipment and machinery, especially in warehouses, are properly trained. At TOYA Romania S.A., safety training is also provided to all employees (4 times a year).

YATO Tools (Jiaxing) and YATO Tools (Shanghai) organises training courses in the form of theoretical and practical classes for administrative staff (2-3 times a year). The trained individuals then pass on and implement the principles among the rest of the staff, including new employees.

GRI
403-6

TOYA S.A. ensures that employees have access to private medical care. The package is financed by the employer (with a partial symbolic payment by the employee). In addition, the employee can extend the private healthcare programme to their family members and partners (at an additional cost). TOYA Romania S.A. also guarantees individual subscriptions for its staff, provided by the largest private healthcare provider in Romania. YATO Tools (Jiaxing) and YATO Tools (Shanghai) offer free medical insurance to employees with more than 5 years of service.



EDUCATION AND DEVELOPMENT

The global scale of the business means that our employees also have the opportunity for professional development in an international environment. The Group organises and finances a variety of training courses for its staff, ensuring that employees have equal access to opportunities to improve their qualifications and competencies. In line with the adopted solutions, training can be initiated by both the supervisor and the employee themselves. The most common forms of training include:

- external training:
 - in out-of-school forms, e.g. professional courses, seminars, webinars, congresses, meetings organised by professional organisations;
 - in in-school forms, i.e. higher education, postgraduate studies;
- in-house training:
 - in-house training, on-the-job training carried out in the form of self-education through consultation with superiors, analysis of legislation, analysis of professional literature related to the performance of the tasks of the position.

An important role in achieving the established training objectives rests with the proper identification of current and future training needs. This process involves both the Board of Management and the managers of the organisational units, as well as the employees themselves. The analysis of training needs takes into account:

- current needs related to the tasks performed in a given position (e.g. change in legal regulations);
- the need to prepare the employee to assume new responsibilities (e.g. promotion, change of position);
- the current needs of the company;
- individual employee development.

**GRI
404-1**

Average number of training hours by gender:

	TOYA S.A.*
Women	11.92
Men	7.81

*Other TOYA Group companies did not keep training records in 2023

Average number of training hours by organisational structure:

	TOYA S.A.*
Executive staff	14.35
Middle management	7.41
Specialists	8.54
Other employees	8.41

*Other TOYA Group companies did not keep training records in 2023

EQUALITY AND DIVERSITY

GRI 3-3

Employee relations and decisions regarding employees are based on full gender neutrality at TOYA Group and solely on merit. The organisation does not have a separate diversity policy, but only the competences or experience and ambitions of the employees are assessed both in the recruitment process and during employment.

This also applies to company officers and key managers.

We do not allow any discrimination or socially unacceptable behaviour and we are pleased that this approach is shared by all employees.

GRI 405-1

Diversity groups in the management bodies of TOYA Group companies:

Company	Women	Men	Up to 30 years	30–50 years	Over 50 years
TOYA Group	8%	92%	8%	15%	77%
TOYA S.A.	10%	90%	0%	20%	80%

Employees of TOYA Group companies in the following diversity groups:

Company	Executive staff	Middle management	Specialists	Other employees
TOYA Group				
Women	26.92%	20.88%	44.11%	27.25%
Men	73.08%	79.12%	55.87%	72.75%
Up to 30 years	0%	4.05%	17.93%	24.78%
30–50 years	78.85%	90.39%	79.24%	60.72%
Over 50 years	21.15%	5.56%	4.33%	14.50%
TOYA S.A.				
Women	30.77%	18.52%	46.52%	8.99%
Men	69.23%	81.48%	53.48%	91.01%
Up to 30 years	0.00%	3.70%	6.73%	17.42%
30–50 years	61.54%	74.07%	75.96%	66.29%
Over 50 years	38.46%	22.23%	17.31%	16.29%

GRI
2-19GRI
2-20

At TOYA S.A., remuneration issues, rules for awarding prizes and other work-related benefits are defined in the Remuneration Regulations. The remuneration rules for the members of the Management Board and Supervisory Board are set out in a separate document. Pursuant to provisions, our objective with regard to top management is to provide balanced and competitive salaries that are geared towards continuous performance and that motivate to perform tasks to the best standards. The remuneration of top management consists of a fixed part and may consist of a variable part.

The remuneration policy for Management and Supervisory Boards' members is a public document and can be found on the TOYA Group website.

TOYA Romania S.A. provides employees with a fixed salary and variable allowances, including performance-related pay and bonuses. YATO Tools (Jiaxing) and YATO Tools (Shanghai) take into account the position occupied in the structure and work performance in the process of determining remuneration. The companies have an employee-consulted remuneration plan in place, taking into account the possibility of salary changes depending on external and internal factors.

**GRI
405-2****Level of women's basic salary compared to men's salary by grade*:**

Company	Management Board	Executive staff	Middle management	Specialists	Others
TOYA S.A.	n/a**	151%	127%	101%	110%

The relationship between the total salary of women and men by grade:

Company	Management Board	Executive staff	Middle management	Specialists	Others
TOYA S.A.	n/a**	146%	142%	96%	89%

* Data relates only to TOYA S.A. as the parent company

** The company's management board has no female members

**GRI
2-21**

The ratio of the total annual remuneration for the best-paid individual in the organisation in each country where the organisation conducts significant operations to the average annual total remuneration of all employees (excluding the best-paid individual):

TOYA Group	4.07 to 1
TOYA S.A.	5.61 to 1

The salary was determined on the basis of the sum of the total remuneration of employees working as at 31/12/2023, i.e. fixed remuneration, variable remuneration, cash and non-cash benefits and all other payments paid to employees in the calendar year (in a 12-month period). The salaries of part-time employees have been converted to the full-time value and the salaries of employees hired during the year have been converted to the value for the full calendar year.

6. ABOUT THE REPORT



**GRI
2-1****GRI
2-2****GRI
2-3****GRI
2-4****GRI
2-5**

The report is the first ESG report of the TOYA Group which comprises four companies: TOYA S.A., TOYA Romania S.A. with its main office in Bucharest and two companies in China – YATO Tools (Shanghai) Co., Ltd. with its registered office in Shanghai and YATO Tools (Jiaxing) Co., Ltd. with its registered office in Baibu Town. The parent company is TOYA S.A. with its registered office in Wrocław at ul. Sottysowicka 13/15. The other three companies are subsidiaries.

The report meets the requirements for disclosure of non-financial information set out in the Act of 15 December 2016 amending the Accounting Act, implementing Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 into the Polish legal system. According to this Act, an entity may apply any rules, including its own rules, national, EU or international standards, norms or guidelines, when preparing a statement on non-financial information, so the report has been prepared in accordance with the requirements of the Global Reporting Initiative Standards (GRI Standards). The report covers the period from 1 January 2023 to 31 December 2023.



Mandatory disclosures under the Accounting Act

Brief description of the entity's business model	Chapter 1 "About the TOYA Group"
Key non-financial performance indicators related to the entity's activities	Chapter 1 "About the TOYA Group" Chapter 3 "Environment" Chapter 5 "People"
A description of the policies applied by the entity in relation to social, labour, environmental, respect for human rights and anti-corruption issues, and a description of the results of applying these policies	Chapter 1 "About the TOYA Group" Chapter 3 "Environment" Chapter 5 "People"
A description of significant risks associated with the entity's activities that could have an adverse effect on the matters referred to in point 3, including risks associated with the entity's products or its relations with the external environment, including business partners, and a description of management of those risks	Chapter 3 "Environment" Chapter 5 "People"



There were no significant changes in the size, structure or form of the TOYA Capital Group's operations during the period covered by this report. Beginning with the 2023 issue, the Group will report on an annual basis. The report was published in March 2024.

The report has not been subject to third-party verification. As part of the audit of the financial statements, the Group auditor only verifies the consistency of data in the ESG report with the data presented in the financial statements. The Management Board was involved in all stages of the report's preparation - from data collection to verification of the final content.

If you have any questions regarding the report or ESG issues within TOYA Group, please write to ir@yato.pl

SIGNIFICANCE DEFINITION PROCESS

GRI
3-1GRI
2-29

A survey sent out to six key stakeholder groups helped us to best prepare this report and identify relevant topics. 161 respondents assessed the impact on 18 environmental, community and corporate governance issues. Those respondents judged whether TOYA Group had any impact on a given issue and, if so, whether the impact was positive, negative or both positive and negative.

Issues that were identified as significant based on the work carried out were also assessed by an independent advisor. The analysis was carried out in January 2023 and reviewed in December of the same year by a consulting firm which, based on an analysis of the environment, including relevant topics identified by other industry players and its experience, identified those on which the TOYA Capital Group has the greatest impact.

SIGNIFICANT TOPICS

GRI
3-2

List of significant topics identified:

Environmental area (E)

- Climate
- Circular economy

Social area (S)

- Employee health and safety
- Equality and diversity
- Employee engagement, development and well-being
- Employees in the value chain
- Consumers and end users – product safety and responsible selling

Corporate governance area (G)

- Ethics and corporate governance



The report was prepared in
accordance with the
requirements of



GRI Standards

This is the

first

TOYA Group ESG report

GRI INDEX

Statement of application

TOYA Group has submitted the report in accordance with the GRI Standards for the period from 01/01/2023 to 31/12/2023.

Application of GRI 1

GRI 1: Basics 2021

Applicable GRI sector standards

Not applicable

GRI Standard/ other source	Disclosure	Page number	Requirements (omitted)	Reasons	Explanation
General disclosures					
GRI 2: General disclosures 2021	2-1 Organisation data	5, 67			
	2-2 Entities included in sustainability reporting	67			
	2-3 Reporting period, frequency and contact details	67			
	2-4 Correction of information	67			
	2-5 External verification	68			
	2-6 Business types, value chain and other business relationships	5, 19, 24			
	2-7 Employees	58			
	2-8 Non-employee contributors	59			
	2-9 Management structure and composition of management bodies	10			
	2-10 Nomination and election of members of the top management	10			
	2-11 Chairman of the top management body	10			
	2-12 Role of the top management body in overseeing impact management	10			
	2-13 Delegating responsibilities in impact management	10			
	2-14 The role of the top management body in sustainability reporting	10			
	2-15 Conflict of interests	13			
	2-16 Communicating critical issues	15			

GRI 2: General disclosures 2021	2-17 Collective knowledge of the top management body	10			
	2-18 Evaluation of the top management performance	11			
	2-19 Salary policy	64			
	2-20 Salary determination process	64			
	2-21 Total annual salary ratio	65	Ratio of the percentage increase in total annual compensation for the highest-paid person in the organisation to the median percentage increase in total annual compensation for all employees (excluding the highest-paid person)	This is the Group's first ESG report. Previously, data on median and annual salary index were not collected	The Group plans to disclose information on the percentage of salary increases in future reports
	2-22 Statement on the sustainable development policy	3			
	2-23 Commitments included in policies	11			
	2-24 Implementation of commitments included in policies	11			
	2-25 Remediation processes for negative impacts	15			
	2-26 Mechanisms for seeking advice and raising concerns	15			
	2-27 Compliance with laws and regulations	15			
	2-28 Membership of associations and organisations	18			
	2-29 Approach to stakeholder engagement	69			
	2-30 Collective labour agreements	58			
Significant topics					
GRI 3: Significant topics 2021	3-1 Process for identifying significant topics	69			
	3-2 List of significant topics	69			
Climate					
GRI 3: Significant topics 2021	3-3 Management of significant topics	28			

GRI 302: Energy 2016	302-1 Energy consumption within the organisation	28			
GRI 303: Water and waste water 2018	303-1 Use of water as a shared resource	28			
	303-5 Water consumption	28			
GRI 305: Emissions 2016	305-1 Direct greenhouse gas emissions (scope 1)	29			
	305-2 Indirect greenhouse gas emissions (scope 2)	29			
Circular economy					
GRI 3: Significant topics 2021	3-3 Management of significant topics	32			
GRI 301: Resources 2016	301-3 Recovered products and packaging	33			
GRI 306: Waste 2020	306-3 Waste generated	33			
	306-4 Recovered waste	33			
Employee health and safety					
GRI 3: Significant topics 2021	3-3 Management of significant topics	61			
GRI 403: Health and safety 2018	403-3 Unit responsible for managing occupational safety	61			
	403-5 Training in occupational safety for employees	61			
	403-6 Health promotion among employees	61			
Equality and diversity					
GRI 3: Significant topics 2021	3-3 Management of significant topics	63			
GRI 405: Diversity and equal treatment 2016	405-1 Composition of supervisory bodies and staff by gender, age, minority membership and other diversity indicators	63			
	405-2 Male to female ratio of basic salary by position held	65			

Employee engagement, development and well-being

GRI 3: Significant topics 2021	3-3 Management of significant topics	58			
GRI 401 Employment 2016	401-1 Total number and percentage of new employees hired and total number of departures during the reporting period	60			
	401-2 Benefits (perks) provided to full-time employees	58			
	401-3 Parental leaves	60			

Employees in the value chain

GRI 3: Significant topics 2021	3-3 Management of significant topics	24			
GRI 414: Social assessment of suppliers 2016	414-1 Percentage of new suppliers that have been assessed according to social criteria	25			

Consumers and end users – product safety and responsible selling

GRI 3: Significant topics 2021	3-3 Management of significant topics	19			
GRI 417: Marketing and labelling 2016	417-1 Labelling obligations for products and services	20			

Ethics and corporate governance

GRI 3: Significant topics 2021	3-3 Management of significant topics	13			
GRI 205: Anti- corruption activities 2016	205 -2 Training for employees and managers on anti-corruption policies and procedures	13			



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