

TOYO Corporation
Sustainable Procurement Guideline



Introduction

The society we live in is currently facing a range of challenges, including environmental and human rights issues. To effectively tackle these social problems, it is crucial for companies to collaborate with various stakeholders. At TOYO Corporation, we are guided by our corporate philosophy of “Creating the future with measurement technologies.” We are committed to addressing social issues by developing and providing advanced measurement solutions, supporting a prosperous society, and creating an environment that is friendly to both people and the Earth. We believe that establishing strong, trusting relationships with our suppliers and growing together with them is essential to achieving these goals.

In line with this belief, we have developed the [Procurement Policy](#) and published a set of “TOYO Corporation Sustainable Procurement Guidelines,” which we expect our suppliers to follow in partnership with us. We ask our suppliers to understand these guidelines and actively ensure compliance, managing and supervising that all associated suppliers adhere to them.

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TOYO Corporation

Section 1: Code of Conduct

1. Respecting the Laws and Internationally Recognized Standards

Respect internationally recognized standards in addition to complying with the laws and regulations of their home country as well as countries and regions where they conduct business.

2. Human Rights and Labor

Respect the rights of workers in line with international human rights standards including the ILO core labor standards in addition to complying with relevant laws and regulations.

(2-1) Prohibiting Forced Labor

Do not use labor obtained by forced, bonded, exploitative prison labor, slavery, or human trafficking. Also, do not force to work, and keep the right of workers to terminate employment.

(2-2) Prohibiting Child Labor and Respecting the Rights of Young Workers

Do not allow children who are under the minimum age for employment. Furthermore, do not allow young workers under the age of 18 to perform hazardous work that is likely to jeopardize their health or safety, including night work or overtime.

(2-3) Decent Working Hours

Do not allow workers to work exceeding the maximum working hours set by local laws and regulations, and appropriately manage working hours and days off in consideration of internationally recognized standards.

(2-4) Adequate Wages and Allowances

Comply with all applicable laws and regulations regarding payments of work (including minimum wage, overtime payments, and allowances and deductions required by law). Furthermore, make efforts to set wages that take into consideration the improvement of employee job satisfaction.

(2-5) Prohibiting Inhumane Treatment

Do not discriminate under any circumstances based on race, religion, gender, age, sexual orientation, disability, nationality, origin, ancestry, family background, marital status, union membership, political affiliation, or other differences. Also, provide equal opportunities for career development and promotion.

(2-6) Prohibiting Discrimination and Providing Equal Opportunities

Do not engage in discrimination or harassment. Also, consider requests from workers regarding religious practices where appropriate.

(2-7) Freedom of Association and Right to Collective Bargaining

In conformance with local laws and regulations, respect the right to collective bargaining of workers and openly communicate with workers for improving working environments and wage conditions.

3. Health and Safety

In addition to complying with relevant laws and regulations, take consideration of standards such as ILO health and safety guidelines to minimize injury and illness in the workplace and maintain a safe and healthy working conditions.

(3-1) Occupational Safety

Identify and assess risks regarding occupational safety and maintain safety through proper design, engineering and administrative controls. Taking reasonable steps must also be taken to protect pregnant women and nursing mothers.

(3-2) Emergency Preparedness

Identify the possibility of emergency situations by such as natural disasters or accidents that may adversely affect human life or safety, establish procedures in case of emergency to minimize harm to workers and property, install the required equipment, and conduct training and drills so that the required responses can be taken in case of emergency.

(3-3) Occupational Injury and Illness

Identify, assess, record, and report the status of occupational injury and illness, and implement appropriate countermeasures and corrective actions.

(3-4) Industrial Hygiene

Identify, assess, and appropriately control the risk of workers being exposed to hazardous biological, chemical, or physical agents in the workplace.

(3-5) Physically Demanding Work

Identify and assess worker exposure to the hazards of physically demanding tasks and appropriately control such work so that it does not lead to occupational injury and illness.

(3-6) Machine Safeguarding

Evaluate the machinery used by workers for safety hazards and provide appropriate safeguarding.

(3-7) Health and Safety at Facilities

Appropriately maintain the health and safety of facilities and accommodations provided to workers (such as dormitories, cafeterias, and toilets). Dormitories also require appropriate emergency egress to be provided.

(3-8) Health and Safety Communication

Provide training on appropriate health and safety information regarding various workplace hazards that workers are exposed to in the workplace in languages and methods that the workers can understand. A system that enables workers to provide feedback on safety is also required.

(3-9) Worker Health Management

Conduct appropriate health management for all employees.

4. Environment

Actively address environmental problems such as resource depletion, climate change, and pollution, as well as address regional environmental problems considering the health and safety of its relevant local community.

(4-1) Environmental Permits and Reports

Obtain the permits and approvals required for conducting business as well as register and report according to local laws and regulations.

(4-2) Reducing Energy Consumption and Greenhouse Gas Emissions

Address energy efficiency and make continuous efforts for reducing greenhouse gas emissions and energy consumption.

(4-3) Air Emissions

Comply with relevant laws and regulations and implement appropriate measures for reducing the emission of hazardous substances to the atmosphere.

(4-4) Water Management

Comply with laws and regulations, monitor the source, usage, and discharge of water used, and save water. All wastewater must be tested as required, and monitored, controlled, and processed before discharge or disposal. Sources of pollution that may cause water pollution must also be

identified and appropriately managed.

(4-5) Effective Utilization of Resources and Waste Management

Comply with laws and regulations and implement appropriate management in order to promote the 3Rs (reduce, reuse, and recycle), ensure the effective utilization of resources, and minimize waste.

(4-6) Chemical Substance Management

Comply with laws and regulations to identify, label, and manage chemical and other substances posing hazard to humans or the environment, and conduct management to ensure safe handling, transport, storage, use, recycling, reuse, or disposal of such substances.

(4-7) Managing the Chemical Substances Contained in Products

Comply with all laws, regulations, and customer requests applicable to the prohibition and restriction of specific substances contained in products.

(4-8) Conserving Biodiversity

Conserve biodiversity and identify and address the environmental impact generated by business activities.

5. Fair Trading and Ethics

Conduct business activities based on high ethical standards in addition to compliance with the law.

(5-1) Preventing Corruption

Do not be involved in bribery, corruption, blackmail, or embezzlement in any form.

(5-2) Prohibiting Inappropriate Provision and Improper Benefit

Do not provide or accept any promises, propositions, or approvals as a means of obtaining bribes or any other illicit or inappropriate benefit.

(5-3) Fair Information Disclosure

Disclose information regarding labor, health and safety, environmental activities, business activities, organizational structure, financial situation, and performance according to applicable laws and regulations and industry practices. Falsification of records or the disclosure of false information is not allowed.

(5-4) Respecting Intellectual Property

Respect intellectual property rights and the transfer of technology and expertise must be performed in a manner where intellectual property is protected. Companies must also protect the intellectual property of third parties such as customers and suppliers.

(5-5) Conducting Fair Business

Engage in fair business, competition, and advertising.

(5-6) Protecting Whistleblowers

Protect the confidentiality of information regarding whistleblowing and the anonymity of whistleblowers, and avoid retaliations towards whistleblowers.

(5-7) Responsible Minerals Procurement

Manage appropriately to ensure that the minerals such as tantalum, tin, tungsten, and gold contained in its products manufactured do not cause or contribute to serious human rights abuses, environmental destruction, corruption, or disputes in Conflict-Affected and High-Risk Areas.

6. Quality and Safety

Ensure the safety and quality and provide correct and accurate information on provided products and services.

(6-1) Ensuring Product Safety

Fulfill their responsibility as a supplier by ensuring that products meet safety standards stipulated by national laws and conduct design, manufacturing, and sales to ensure adequate product safety.

(6-2) Quality Management

Comply with their own quality standards and customer requirements in addition to all laws and regulations applicable to the quality of products and services.

(6-3) Providing Accurate Information on Products and Services

Provide correct and accurate information on products and services that will not cause misunderstandings.

7. Information Security

Prevent leaks of confidential information and personal information, and enhance information security.

(7-1) Defense from Cyber Attacks

Implement protective measures against threats such as cyber attacks and conduct management to prevent damage to the company and others.

(7-2) Protecting Personal Information

Comply with relevant laws and regulations and appropriately manage and protect all personal information of suppliers, customers, consumers, and employees.

(7-3) Preventing Leak of Confidential Information

Appropriately manage and protect the confidential information not only of their own but also received including from customers and third parties.

8. Business Continuity Planning

Prepare to ensure that companies can quickly resume business activities in order to fulfill their responsibility of supply in the event that the company or a business partner becomes a victim of such as a large-scale natural disaster.

(8-1) Developing and Preparing a Business Continuity Plan

Identify and assess risks to business continuity, examine their impact on the business, and establish preparatory measures required in the medium to long term and a business continuity plan (BCP) that indicates the status of those initiatives.

Section 2: Establishing a Management System

A. Establishing a Management System

Establish a management system in order to comply with the code of conduct in Section 1.

B. Supplier Management

Establish a process for communicating the requirements of the code of conduct in Section 1 to suppliers and monitoring supplier compliance.

C. Proper Import/Export Control

Maintain a clear management system and conduct appropriate procedures for the import and export of technologies and goods regulated by law.

D. Establishing a Grievance Mechanism

Establish a grievance mechanism that can be used by stakeholders including workers and suppliers in order to prevent illicit behavior in their inside as well as throughout the supply chain.

E. Disclosing the Activities

Disclose information regarding their actions according to these guidelines and relevant laws and regulations.