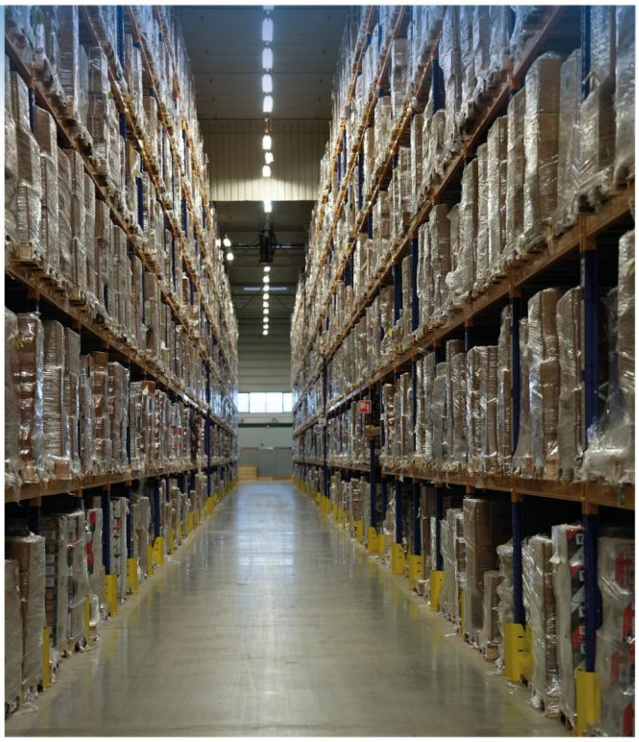
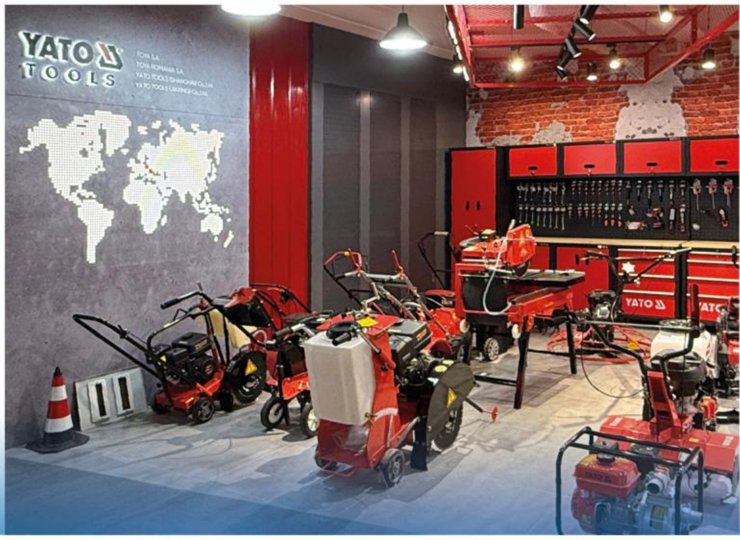




Report on Operations of the TOYA S.A. Capital Group for the Year 2024

Prepared Together with the Report on operations of TOYA S.A.

Contents

1. PROFILE OF THE PARENT COMPANY

1.1. GENERAL INFORMATION

The Group's core business is the import and distribution of industrial products, including in particular power tools and hand tools for professionals and for home use, equipment useful in the kitchen, bathroom and garden, as well as professional catering equipment. The main producers and suppliers of goods that can be found in millions of apartments, workshops and construction investments in over 100 countries around the world are companies located in China. For many years, the Group has been implementing a strategy of expansion into international markets. It focuses primarily on the markets of Central, Southern and Eastern Europe (Romania, Ukraine, the Baltic countries, Hungary, Belarus, Moldova, the Czech Republic, Bulgaria and Germany).

The Parent Company of the Group is TOYA S.A. (the "Company" or the "Parent Company") is a joint stock company established under the Commercial Companies Code. The Parent Company has its registered office in Wrocław at ul. Sołtysowicka 13/15.

TOYA S.A. was formed on the basis of a Notarial Deed drawn up on 17 November 1999. Pursuant to a decision of 3 December 1999, the Parent Company was entered in the Commercial Register maintained by the District Court for Wrocław-Fabryczna, 6th Commercial Division, with the reference number RHB 9053. By virtue of a decision of 4 December 2001, the District Court for Wrocław-Fabryczna, 6th Commercial Division of the National Court Register, decided to enter the Parent Company in the Register of Entrepreneurs, with the reference number KRS 0000066712. The entry in the Register took place on 5 December 2001.

The duration of the Parent Company is unlimited.

As at the date of submission of the annual report, the Parent Company has 1 branch located outside the registered office, in Nadarzyn.

As of 31 December 2024, the share capital of the Parent Company amounted to PLN 7,504,222.60 and consisted of 75,042,226 shares with a nominal value of PLN 0.1 each. In 2024, there were no changes in the share capital.

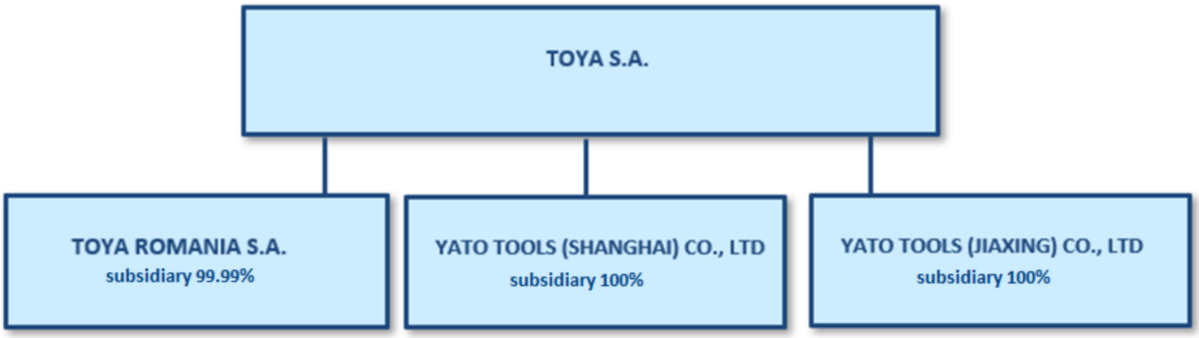
The Parent Company does not hold any treasury shares.

Since 12 August 2011, the Parent Company's shares have been listed on the Warsaw Stock Exchange.

This Management Board report on operations of TOYA S.A. Capital Group for 2024 has been prepared together with the Management Board report on operations of TOYA S.A. and includes the sustainable development report of TOYA S.A. Capital Group for 2024.

1.2. ORGANISATION OF TOYA S.A. CAPITAL GROUP

TOYA Capital Group consists of entities operating in various countries. As at 31 December 2024, the Group comprised the following entities:



Characteristics of entities comprising the Capital Group (as at 31 December 2024 and as at the date of publication of the report on operations of the Capital Group):

Entity name	Registered office	Business profile	Type of equity link	% of shares and votes held	Link establishment date	Method of Consolidation as at the end of the reporting period
TOYA S.A.	Wrocław, Poland	Distribution of tools and power tools	Parent Company	Not applicable	Not applicable	Not applicable – Parent Company in the Group
Toya Romania S.A.	Bucharest, Romania	Distribution of tools and power tools	Subsidiary	99.99	November 2003	Full consolidation method
Yato Tools (Shanghai) Co., Ltd.	Shanghai, China	Distribution of tools and power tools	Subsidiary	100.00	January 2013	Full consolidation method
Yato Tools (Jiaxing) Co., Ltd.	Baibu, China	Distribution of tools and power tools	Subsidiary	100.00	December 2019	Full consolidation method

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

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

Apart from the capital investments described above, no other capital investments were made within the Group.

As of the date of publication of the report on the activities, the Parent Company is personally related with the following entities (entities with which the Parent Company made transactions in 2024 are included):
- Toyota Katowice Sp. z .o. o. - an entity related through the key management of the Company;
- Unicase Sp. z o.o. - an entity related through the key management of the Company.

Details regarding transactions with related parties are included in Note 31 of the stand-alone financial statements and Note 32 of the consolidated financial statements.

In 2024 there were no significant changes in the Group's management methods and principles.

2. EXTERNAL ENVIRONMENT OF THE COMPANY AND THE GROUP

2.1. MACROECONOMIC SITUATION

The Group is present on markets in various parts of the world, although most of its clients operate in Poland. Due to the links between the Polish economy and the global economic system and due to the extensive activities conducted outside the local market, the global economic situation affects the volume of turnover realized by the Group's clients. In 2024, the dynamic volatility on global markets, resulting from geopolitical tensions, rising commodity prices and the consequences of central bank actions, periodically hindered the Group's expansion on foreign markets, forcing it to search for new clients and adjust market strategies.

The current macroeconomic situation is influenced by several factors:

1. **Rising interest rates and monetary policy:** Many central banks, including the European Central Bank (ECB) and the US Federal Reserve, may continue to raise interest rates in 2025 to combat inflation. These increases are expected to have an impact on borrowing costs, which could slow growth in consumption and investment.
2. **Inflation:** Although inflation is beginning to stabilize in many countries, it may still remain elevated compared to the period before the pandemic. Prices of raw materials, energy and wages may still affect the cost of living. In Poland, inflation in 2025 will probably gradually decline, but it may still be higher than the NBP expects.
3. **Economic slowdown:** Many developed economies face the risk of recession or slowdown in economic growth in 2025. Economic growth in the eurozone and the United States could be weaker than in previous years, which could be due to high interest rates and uncertainty related to financial markets.
4. **Labor Market:** In many labour markets (especially in developed countries) we can still observe low unemployment, but in the face of the economic slowdown, employment growth may slow down. In Poland, the labour market may still be characterized by relatively low unemployment, but the corporate sector may struggle with difficulties related to rising labour costs.
5. **Supply Chain Issues:** While the COVID-19 pandemic has disrupted global supply chains, some of these issues may still persist, especially with rising energy and raw material costs. We can also expect continued struggles with international political tensions that could impact international trade.

The economic situation on the Asian market related to the current growth of the GDP of these countries remains a significant factor influencing the financial situation of the entire Group due to the fact that the Group purchases goods mainly from manufacturers in this region. In 2024, this economic situation was influenced by challenges resulting from uncertainty on the Chinese market, such as a slowdown in the real estate sector, a weakening of the dynamics of imports and exports and disruptions in supply chains. Prices of purchased goods, trading conditions, order fulfilment times and logistics costs between Asia and Europe may continue to fluctuate, especially in the context of high energy prices and possible transport disruptions.

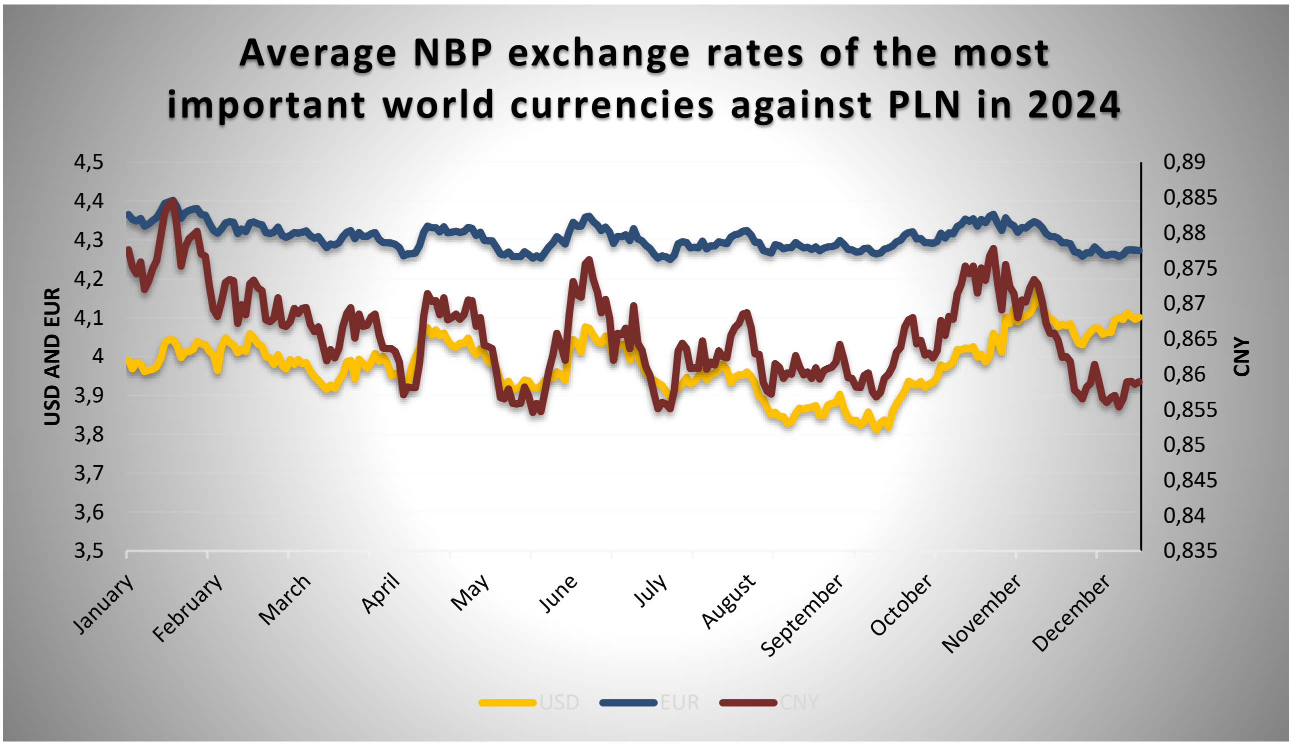
The impact of these factors is difficult to estimate, as the future economic and regulatory situation may differ from the expectations of the Management Board of the Parent Company. The Group's management is closely monitoring developments and adjusting strategic intentions in order to minimize these threats.

2.2. CHANGES IN FINANCIAL MARKETS

The Group's strong links with foreign suppliers and settlements with them in USD and CNY make the Group's financial results sensitive to changes in currency rates. Currency rate fluctuations in 2024 were the result of complex macroeconomic factors, including the monetary policy of major central banks, the economic situation in the US and China, and geopolitical tensions. The Group closely monitors the currency situation on global markets and trends, and periodically updates the prices of its goods. As a result, margins may be subject to periodic fluctuations.

It should, however, be stressed that due to the fact that a substantial part of the Group’s sales revenue is earned through the export channel based on prices set in foreign currencies, the Group is, to a certain extent, secured against sudden movements in exchange rates. However, this security is not complete and not sufficient, as a result of which FX fluctuations may have negative impact on the Company’s financial performance.

The chart below shows fluctuations in the average NBP exchange rate for the basic currency rates used in the Company's operations in 2024.

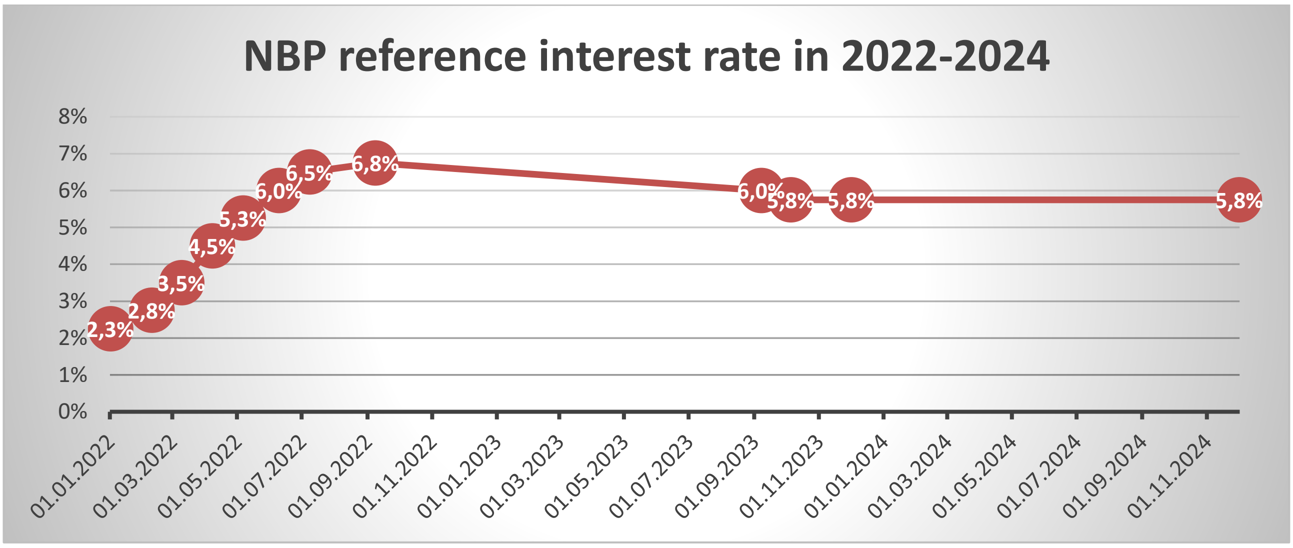


Source: own study based on https://nbp.pl/statystyka-i-sprawozdawczosc/kursy/archiwum-tabela-a-csv-xls

The Group uses external capital financing. An increase in interest rates on the financial market may adversely affect the costs of financing and reduce the Group's profitability, as the Parent Company and the subsidiary in China enter into variable interest rate loan agreements in their functional currencies (PLN and CNY).

In 2024, the Monetary Policy Council maintained the interest rates of the National Bank of Poland at an unchanged level. The main reference rate was 5.75% per annum. The last change in interest rates took place in October 2023, when the MPC reduced them by 0.25 percentage points. Since then, throughout 2024, interest rates have remained constant, which meant 15 months without changes in monetary policy.

The chart below presents changes in the NPB reference interest rate in the period 2022-2024.



Source: own study based on https://nbp.pl/polityka-pieniezna/decyzje-rpp/podstawowe-stopy-procentowe-nbp

The one-year Loan Prime Rate (LPR) in China was 3.45% at the beginning of 2024, and in October 2024 the People's Bank of China (PBoC) cut it to 3.10% to stimulate economic growth by reducing borrowing costs.

Interest rates for loans in China are usually lower than in Poland, which is due to differences in the monetary policies and economies of the two countries. In China, the government pursues a more expansionary monetary policy, maintaining lower rates, while in Poland higher interest rates are used to control inflation and stabilize the economy.

In order to minimize the risk of a negative impact of interest rate changes on the Group's financial situation, the Parent Company simulates various scenarios in order to select the optimal sources of financing, taking into account refinancing, renewal of existing positions, alternative financing as well as medium-term trends on the debt market.

2.3. LEGAL ENVIRONMENT

Changes in legislation and diverse interpretations of the law hinder the Group's operations. Changes in legislation, in particular in tax, customs, labour and social insurance law and introduction of new burdens, may have negative consequences for the Company's activity. Frequent changes in the interpretation of the tax law and lack of uniform practices of fiscal authorities and courts in the application of tax legislation, are particularly burdensome. This may involve the risk of third-party claims and proceedings of various state authorities. Moreover, because of their complexity and inconsistent taxation practices, interpretations are often the subject of disputes with tax authorities. The Parent Company exercises due care to ensure that these transactions are compliant with legislation – in particular with the tax law. In spite of that, the risk of third-party claims, possible disputes with tax authorities or proceedings of various state authorities cannot be ruled out. Such claims, disputes or proceedings, as well as cases when fiscal authorities or courts and the Parent Company adopt different interpretations of tax regulations and different tax qualification of events and transactions in which the Parent Company participated, may have adverse impact on the Group's financial performance.

However, it should be noted that the Group takes measures to mitigate the effects of changes in law. The Parent Company uses external services of renowned law and tax firms, which facilitate its current operations.

2.4. SUPPLY CHAIN

The Group purchases goods from suppliers located in various parts of the world, but mainly in Asia. These goods are transported by sea. In 2024, disruptions in supply chains between Asia and Europe resulting from logistical problems, infrastructure constraints and pressure on transport costs highlighted the vulnerability of such solutions to global challenges. Any adverse events concerning, among others, means of production and transport, labour, infrastructure, natural phenomena and events, of a general nature, can significantly affect the stability of supplies. The Group mitigates this risk by cooperating with many contractors, who are additionally based in different regions of many countries. However, in the case of disruptions with a wide geographical scope, such as congestion in Asian ports or trade restrictions, even this strategy may prove insufficient.

2.5. COMPETITION

The global market of manufacturers is quite fragmented. The 7 largest entities such as Bosch, Stanley Black&Decker, Hilti, Makita account for slightly over half of the market. The main share in creating the market value is held by tools and power tools imported by distributors who have transferred production to foreign, mainly Asian, sub-suppliers.

The Polish market for distribution of industrial goods, which is the Group's main field of operation, is relatively highly dispersed in spite of the presence of several market leaders. Entities currently competing with the Group continue to take actions to intensify their development through aggressive pricing policy aimed at current, target or potential customers. Such actions may have a negative impact on the Group's financial standing, because further expansion of the market may be slowed down, become difficult or even impossible. The Group shall be monitoring the market and its environment, taking various measures in order to maintain and develop competitive advantage.

3. DESCRIPTION OF THE MOST IMPORTANT EVENTS IN THE COMPANY AND CAPITAL GROUP IN 2024

3.1. EXPRESSION OF CONSENT BY THE SUPERVISORY BOARD TO CONCLUDE A GUARANTEE AGREEMENT

On 6 March 2024, the Company received information about the consent of its Supervisory Board to the conclusion of the Surety Agreement No. BDK/UP/000054601/0040/23, between the Company and the Citibank (China) Company Limited-Shanghai Branch, based in the People's Republic of China. The Surety Agreement will be concluded to secure the repayment of receivables due to the Bank, in relation to the planned conclusion of the Short-Term Working Capital Credit Agreement, in the amount of CNY 60,000 thousand, between YATO TOOLS (Shanghai) Co., Ltd., and the Bank.

The Surety Agreement assumes:

a) surety of the Issuer for the liabilities of the Subsidiary up to CNY 72,000 thousand;
b) granting a surety until 31 August 2025;
c) authorizing the Bank to debit the Issuer's current account with the amount of liabilities arising from the Surety Agreement;
d) the Issuer's obligation to provide, at Bank's request, within the time limit and in accordance with the conditions indicated by the Bank and in the content approved by the Bank, a declaration of submission to enforcement in the form of a notarial deed in accordance with Art. 777 § 1 point 5) of Code of Civil Procedure.

The remaining terms and conditions of the Surety Agreement do not differ from those commonly used for this type of agreements.

3.2. CONCLUSION OF A SHORT-TERM LOAN AGREEMENT BY SUBSIDIARY

On 26 March 2024, the Company received information about the conclusion of the Short-term Working Capital Credit Agreement between YATO TOOLS (Shanghai) Co., Ltd. and CITIBANK (CHINA) CO., LTD. SHANGHAI BRANCH based in the People's Republic of China.

The loan amounted to CNY 60,000 thousand. The amount will be used for the current operations of the Subsidiary. The contract was concluded for 12 months.

The loan will be secured by the Company's surety for the liabilities of the Subsidiary under the surety agreement.

The remaining terms and conditions of the Agreement do not differ from those commonly used for this type of agreements.

3.3. ANNEX TO THE OVERDRAFT AGREEMENT

On 26 March 2024, TOYA S.A. concluded an Annex No. 6 to the Current Account Credit Agreement No. 09/030/19/Z/VV with mBank S.A. based in Warsaw. Pursuant to the annex, the final repayment date of the loan was set at 27 March 2024. The remaining terms and conditions of the Agreement do not differ from the terms and conditions commonly used for this type of agreements.

3.4. RESOLUTIONS ADOPTED BY THE GENERAL MEETING OF SHAREHOLDERS ON 26 JUNE 2024

On 26 June 2024, the General Meeting of Shareholders of Toya S.A. approved the financial statements of TOYA. S.A. for 2023 and the consolidated financial statements of the TOYA Group, and also decided to transfer the profit for 2023 in the amount of PLN 52,895 thousand to reserve capital.

3.5. ANNEX TO THE OVERDRAFT AGREEMENT

On 14 November 2024, the Company concluded an annex to the Overdraft Agreement No. WAR/8833/20/326/CB with BNP Paribas Bank Polska Spółka Akcyjna with its registered office in Warsaw.

The subject of the annex is to extend the current period of credit provision until 17 November 2025 and change the credit collaterals. Other terms and conditions of the Agreement do not deviate from those commonly applied to this type of agreement.

3.6. ANNEX TO THE OVERDRAFT AGREEMENT

On 12 December 2024, the Company concluded Annex No. 24 with Bank Handlowy S.A. with its registered office in Warsaw to the Overdraft Agreement No. BDK/KR-RB/000054601/0641/10.

Under the Annex, the loan amount was reduced to PLN 40,000 thousand, the final repayment date of the loan was set for 12 December 2025. The remaining terms of the Agreement do not differ from the terms commonly used for this type of agreements.

3.7. IMPACT OF THE WAR BETWEEN UKRAINE AND RUSSIA ON THE GROUP’S OPERATIONS

The Group has been present on the markets of Eastern Europe for a long time. Despite its long presence on these markets, the Group did not have any assets there, and transactions with local clients were of a short-term nature. The Russian-Ukrainian conflict, which began with military operations on 24 February 2022, disrupted trade relations on these markets, which in turn resulted in a temporary freezing of relations with some customers or suspension of cooperation. It should be emphasized that the Parent Company complies with all sanctions imposed by the European Union, Poland and the governments of other countries, on entities, persons and goods indicated in the relevant legal acts. The Group has implemented appropriate procedures in this regard. However, the implemented procedures and the need to verify and comply with all economic sanctions slow down trade with customers from these markets, which is beyond the Group's control. This may have an impact on trading with customers present in these markets in the coming quarters.

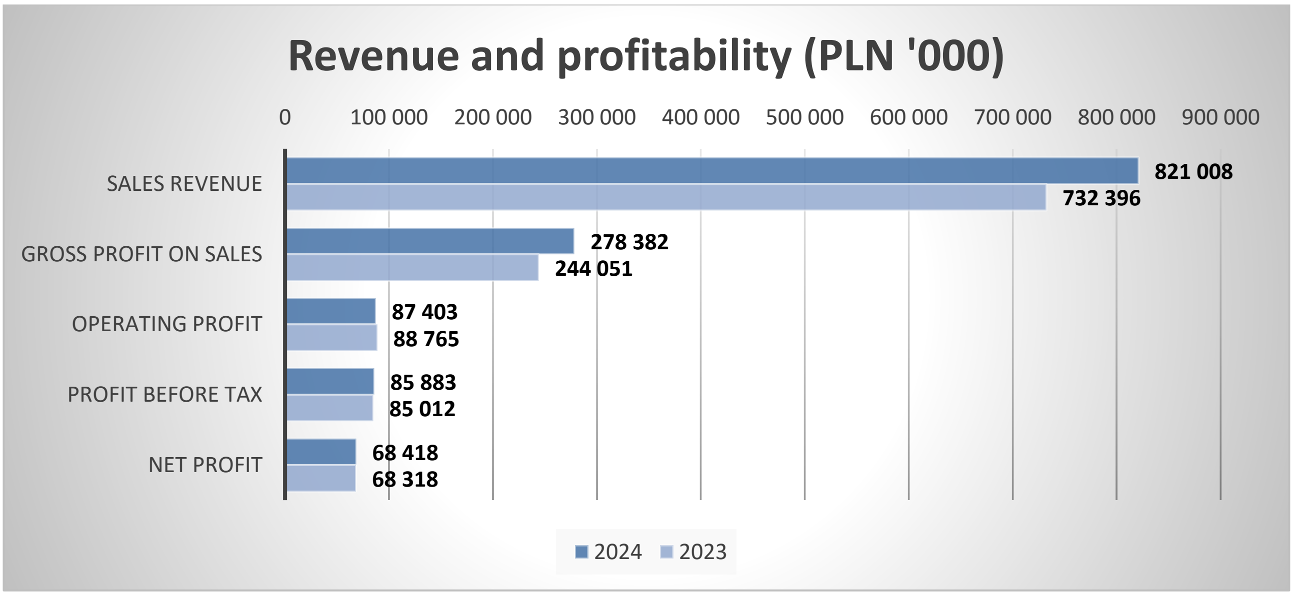
4. COMPANY AND GROUP ACTIVITIES IN 2024

The Management Board of the Parent Company did not publish any forecasts of the Company's and the Group's results for 2024.

4.1. OVERVIEW OF THE FINANCIAL RESULTS OF THE TOYA CAPITAL GROUP

Revenue and profitability of TOYA S.A. GROUP (PLN '000).

For 12 months ended 31 December	2024	2023
Sales revenue	821,008	732,396
Gross profit on sales	278,382	244,051
Operating profit	87,403	88,765
Profit before tax	85,883	85,012
Net profit	68,418	68,318



In 2024, sales revenues amounted to PLN 821,008 thousand and were higher than revenues achieved in 2023 by PLN 88,612 thousand, i.e. by 12.1%. Growth was achieved in all distribution channels. The largest increase in volume and revenues was achieved in the export channel, primarily in Ukraine, where revenues amounted to PLN 49,796 thousand, which is an increase of PLN 6,715 thousand (15.6%) as compared to the previous year, and in Hungary (an increase of PLN 4,611 thousand, i.e. by 19.3%). Outside Europe, the largest increases were recorded by destinations served mainly by subsidiaries in China – the United Arab Emirates (an increase of PLN 3,501 thousand), Chile (an increase of PLN 2,848 thousand) and Guatemala (an increase of PLN 2,287 thousand). The highest dynamics was noted in the e-commerce sales channel, where revenues increased by PLN 32,711 thousand, i.e. by 62%. The main reason in this respect was the change in the pricing policy in the Parent Company, focused on increasing competitiveness, which affected the volume of orders from both individual customers and business entities preferring online shopping. Increases were also recorded in the retail chain channel (by PLN 21,167 thousand, i.e. by 28%), while in the traditional channel sales remained at a comparable level (an increase of PLN 79 thousand compared to 2023). A significant factor influencing the level of revenues was the high availability of goods.

Gross profit on sales increased in 2024 by PLN 34,331 thousand, i.e. by 14.1% PLN thousand as compared to 2023, which was influenced by higher sales revenues, with slightly higher profitability compared to 2023 (33.9% compared to 33.3%), resulting from changes in the sales structure between distribution channels (a larger share of the e-commerce channel, in which the Company achieves a higher margin than in other channels).

The operating profit in 2024 in the amount of PLN 87,403 thousand was lower than the one achieved in 2023 by PLN 1,362 thousand, i.e. by 1.5%. The decrease in operating profit despite higher sales revenues was caused primarily by higher employee benefits costs, mainly in the Parent Company, which was influenced by both the increase in the number of employees and the increased demand for temporary workers supporting the work of warehouses in periods of increased deliveries. In addition, the Group incurred higher transport costs resulting from the volume of deliveries, higher costs of servicing online sales platforms and higher storage costs as a result of the use of logistics services in external warehouses. At the same time, the Group recorded a surplus of positive exchange rate differences over negative ones in the amount of PLN 3,513 thousand compared to PLN 2,954 thousand in 2023.

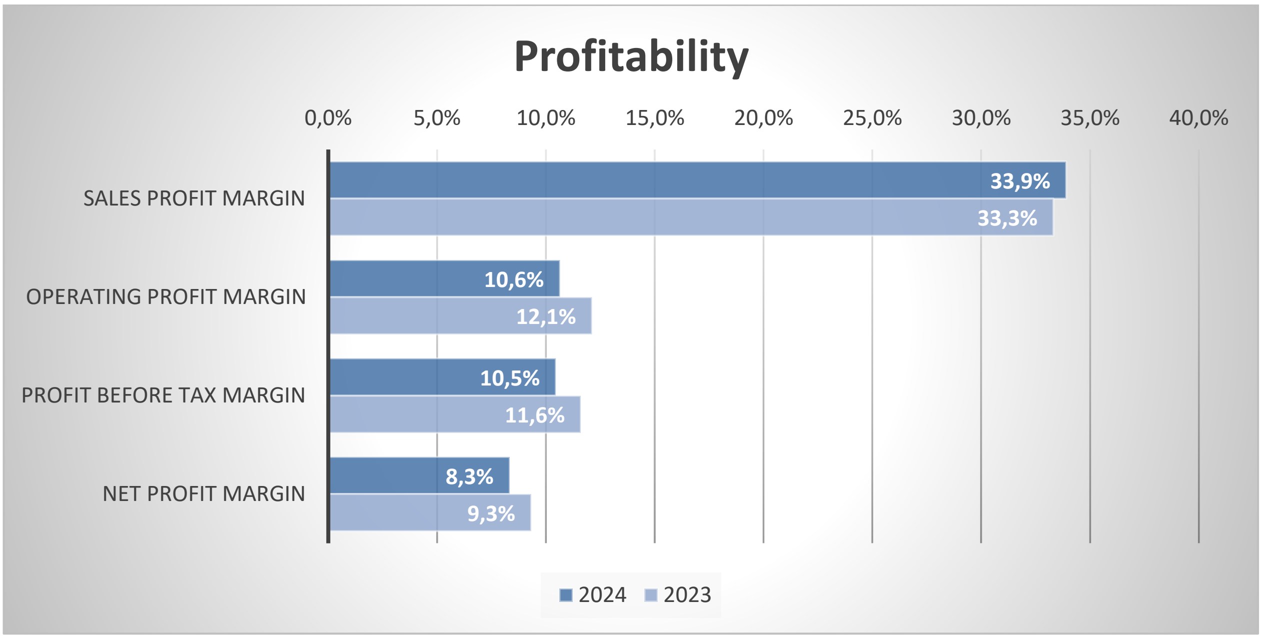
In order to obtain the necessary working capital, the Group mainly uses short-term bank loans. Considering the significant impact of financial costs related to these loans on the financial result, the Group negotiates the terms of loan agreements every year so that the costs related to them are as low as possible. In 2024, the Parent Company used bank loans to a lesser extent than in the previous year. Yato Tools (Shanghai) took out a bank loan to finance its current operations. Due to the fact that debt financing in China is cheaper than in Poland, interest costs on bank loans were lower by PLN 2,153 thousand compared to the previous year and amounted to PLN 652 thousand.

Profitability ratios.

For 12 months ended 31 December	2024	2023
Sales profit margin	33.9%	33.3%
Operating profit margin	10.6%	12.1%
Pre-tax profit margin	10.5%	11.6%
Net profit margin	8.3%	9.3%

Key:

Sales profit margin – the ratio of gross profit to sales revenue
Operating profit margin – the ratio of operating profit to sales revenue
Pre-tax profit margin — the ratio of pre-tax profit to sales revenue
Net profit margin — the ratio of net profit to sales revenue



Sales profitability is a key indicator of market competitiveness for the TOYA Group and has a decisive impact on its financial situation. Analysis of this indicator for 2024 shows that gross sales profitability in this period increased by 0.6 percentage points compared to 2023. This was due to a higher share of the e-commerce channel in total sales revenue (an increase from 7% to 10.4%). The margin achieved in the e-commerce channel is higher than in other distribution channels.

Profitability indicators at the level of operating profit, pre-tax profit and net profit decreased in 2024 compared to the previous year. The main adverse impact on profitability indicators was the increase in the costs of employee benefits, transport and online sales platform service.

Cash flows of the Group (PLN '000)

For 12 months ended 31 December	2024	2023
Cash flows from operating activities	(40,084)	140,345
Cash flows from investment activities	(14,165)	(10,520)
Cash flows from financial activities	22,715	(95,081)
Net change in cash before foreign exchange differences	(31,534)	34,744
Cash and cash equivalents at the beginning of the period	**69,927**	**38,836**
Effect of translation of cash and cash equivalents	735	(3,653)
Cash and cash equivalents at the end of the period	**39,128**	**69,927**

In 2024, the Group reported negative cash flows from operating activities in the amount of PLN 40,084 thousand. This was mainly the result of an increase in inventory levels in all Group companies in order to ensure very high availability of goods for customers. Inventories increased by PLN 209,821 thousand. At the same time, short-term trade and other receivables increased by PLN 49,610 thousand due to higher sales in December 2024 as compared to December 2023. Short-term trade liabilities increased by PLN 124,726 thousand, which was the result of intensified orders for goods from suppliers in 2024.

In 2024, the Parent Company began an investment related to strengthening the roof structure of the warehouse in Wrocław. In addition, passenger cars were purchased in accordance with the terms provided for in the leasing agreement, which were then partially resold. The subsidiary Yato (Jiaxing) Co. Ltd. incurred further expenditures on equipping the new warehouse. Other expenditures on the purchase of tangible fixed assets include, as in previous years, mainly the purchase of IT equipment and display racks.

In 2024, the Group generated positive cash flows from financing activities in the amount of PLN 22,715 thousand. The main reason was the taking out of a bank loan by a subsidiary. The debt on this account at the end of 2024 amounted to PLN 33,840 thousand. During the year, the Parent Company used financing from overdrafts, but there was no debt on this account at the beginning and at the end of the period. Cash flows from financing activities were also affected by the repayment of capital instalments under the lease in the amount of PLN 8,055 thousand, as well as interest paid on bank loans and leasing in the amount of PLN 2,577 thousand.

The liquidity of TOYA S.A. Capital Group in the analysed period was at an appropriate level. The Group's net working capital was positive, covering the demand resulting from the amount of realized sales revenues. The ability to settle short-term liabilities was correct.

Liquidity ratios

	31.12.2024	31.12.2023
Current ratio	2.44	4.17
Quick ratio	0.64	1.48

Key:

Current ratio – the ratio of current assets to short-term liabilities
Quick ratio – the ratio of current assets less inventories to short-term liabilities

The current liquidity ratio decreased to 2.44 as of 31 December 2024, as compared to 4.17 as of 31 December 2023. The lower current liquidity ratio indicates a higher growth rate of liabilities relative to the growth rate of current assets. The quick liquidity ratio as of 31 December 2024, was 0.64, compared to 1.48 as of 31 December 2023. The decrease in this ratio is mainly due to the high level of inventories, which was maintained in order to ensure maximum availability of goods for customers, and the lack of need to use available credit lines by the Parent Company. Despite the decrease in liquidity ratios, the Group has sufficient resources to settle current liabilities.

The structure of assets of TOYA S.A. Capital Group (PLN '000)

	31.12.2024	31.12.2023
Non-current assets, including:	**113,255**	**107,946**
Property, plant and equipment	70,621	63,750
Intangible assets	4,156	4,348
Right-of-use assets	31,995	34,524
Current assets, including:	**673,900**	**445,482**
Inventory	497,101	287,280
Trade and other receivables	137,671	88,061
Cash and cash equivalents	39,128	69,927

% asset structure of TOYA S.A. Capital Group

	31.12.2024	31.12.2023
Non-current assets / Assets	**14%**	**19%**
Property, plant and equipment / Assets	9%	12%
Intangible assets / Assets	1%	1%
Right-of-use assets / Assets	4%	6%
Current assets / Assets	**86%**	**81%**
Inventory / Assets	63%	52%
Trade and other receivables / Assets	17%	16%
Cash and cash equivalents / Assets	5%	13%

The structure of equity and liabilities of TOYA S.A. Capital Group (PLN '000)

	31.12.2024	31.12.2023
Equity	489,891	419,951
Long-term liabilities	20,822	26,594
Short-term liabilities, including:	276,442	106,883
Short-term trade and other liabilities	212,088	83,422

% equity and liability structure of TOYA S.A. Capital Group

	31.12.2024	31.12.2023
Equity / Equity and liabilities	62%	76%
Short-term liabilities / Equity and liabilities	35%	19%
Long-term liabilities / Equity and liabilities	3%	5%
Short-term liabilities / Liabilities	93%	80%
Long-term liabilities / Liabilities	7%	20%

Ratios of return on equity, assets and current assets

For 12 months ended 31 December	2024	2023
Return on assets (ROA)	9%	12%
Return on equity (ROE)	14%	16%
Return on current assets	10%	15%

Key:

Return on assets (ROA) – the ratio of net profit to total assets as at the end of the period
Equity ratio (ROE) – the ratio of net profit to equity as at the end of the period
Return on current assets – the ratio of net profit to current assets as at the end of the period

As at 31 December 2024, the Group's property, plant and equipment constitute 9% of total assets used in the Group's operations. Property, plant and equipment comprise primarily a newly constructed warehouse in China and land, buildings and structures necessary for the Parent Company's commercial activity.

As at 31 December 2024, right-of-use assets constituted 4% of the total balance sheet amount (6% in 2023). This item consists mainly of the right of perpetual usufruct of land in Poland and China, rented office and warehouse space in Poland and Romania, as well as cars, forklifts and servers under lease.

The structure of current assets used in the operations of TOYA S.A. Capital Group, which as at 31 December 2024 constitute 86% of total assets, includes primarily inventories and trade and other receivables, which is typical to the business activity conducted by TOYA S.A. and its Capital Group. Both these items constitute in total 94% of current assets as at 31 December 2024.

Equity structure and debt ratios

	31.12.2024	31.12.2023
Total debt ratio	38%	24%
Equity debt ratio	61%	32%
Long-term debt ratio	3%	5%
Short-term debt ratio	35%	19%
The ratio of coverage of non-current assets with equity and long-term liabilities	451%	390%

Key:

Total debt ratio – the ratio of long- and short-term liabilities to total equity and liabilities
Equity debt ratio – the ratio of long- and short-term liabilities to equity
Long-term debt ratio – the ratio of long-term liabilities to total equity and liabilities
Short-term debt ratio – the ratio of short-term liabilities to total equity and liabilities
The ratio of coverage of non-current assets with equity and long-term liabilities – the ratio of total equity and long-term liabilities to non-current assets

As at 31 December 2024, the main item in the Group's equity was retained earnings totalling PLN 453,450 thousand. The Group's share capital as at 31 December 2024 amounted to PLN 7,504 thousand.

The main sources of financing operating activities, in particular current assets, include equity and short-term financing – primarily from bank loans. As at 31 December 2024, the Group financed 62.2 % of its operations from equity. As of 31 December 2024, the Group financed its operations with equity in 62.2%. As of that date, the Group had debts under bank loans amounting to PLN 33,840 thousand (as of December 31, 2023, the Group had no debts under such loans). The long-term debt ratio as of 31 December 2024 amounted to 3%.

Group management effectiveness ratios

For 12 months ended 31 December	2024	2023
Inventories turnover period (days)	218	141
Receivables inflow period (days)	60	43
Liabilities repayment period (days)	93	41

Key:
Inventories turnover period (days) – the ratio of inventories as at the end of the period, multiplied by 360 days, to revenue from sales
Receivables inflow period (days) – the ratio of short-term trade and other receivables as at the end of the period, multiplied by 360 days, to revenue from sales
Liabilities repayment period (days) – the ratio of trade and other liabilities as at the end of the period, multiplied by 360 days, to revenue from sales

In 2024, the liabilities repayment period was longer than the receivables inflow period. This means that the Group granted shorter trade credit to recipients than it received from suppliers itself. It implies higher demand for financing of working capital. The inventory turnover period in 2024 increased to 218 days, mainly as a result of the lower volume of purchases of goods made in 2024 as compared to 2023.

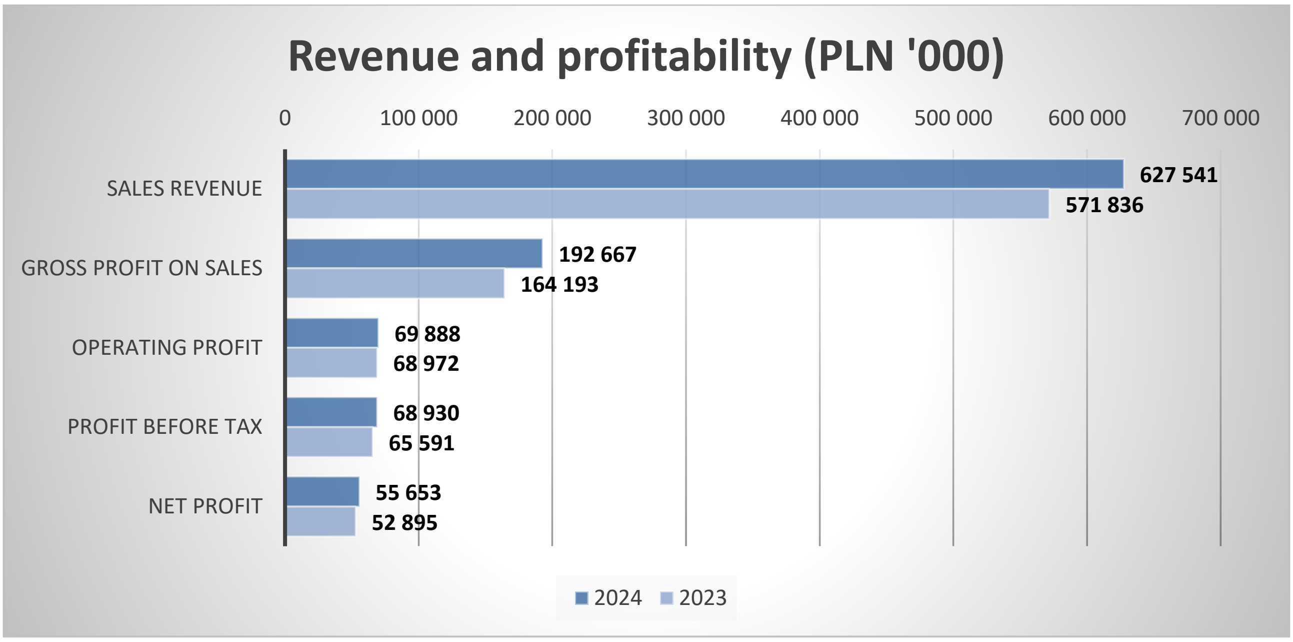
SEASONALITY

The Group's offer includes seasonal products. However, due to their limited value, a wide range of other products that are in demand throughout the year, and due to the geographic diversity of the subsidiaries, there is no seasonality.

4.2. OVERVIEW OF THE FINANCIAL RESULTS OF TOYA S.A.

Revenue and profitability of TOYA S.A. (PLN '000)

For 12 months ended 31 December	2024	2023
Sales revenue	627,541	571,836
Gross sales profit	192,667	164,193
Operating profit	69,888	68,972
Profit before tax	68,930	65,591
Net profit	55,653	52,895



In 2024, sales revenues amounted to PLN 627,541 thousand and were higher than revenues achieved in 2023 by PLN 55,705 thousand, i.e. by 9.7%. This increase was achieved mainly in the retail sales channel (e-commerce), where sales were higher by PLN 32,425 thousand, i.e. by 66.8%. The main reason in this respect was the change in pricing policy oriented towards increasing competitiveness, which affected the volume of orders from both individual customers and business entities preferring online shopping. Increases were also recorded in the retail chain channel (by PLN 19,787 thousand, or 30.3%) and in the traditional channel (by PLN 12,149 thousand, or 4.8%). The export channel recorded a lower level of sales (a decrease of PLN 8,656 thousand, i.e. by 4.2%), which was caused primarily by a lower volume of sales to the subsidiary Toya Romania (a decrease in sales revenues of PLN 17,989 thousand). The reason for this change was the further intensification of supplies to this company directly by subsidiaries in China, which serves to rationalize costs within the Group. At the same time, the volume of sales to unrelated entities in this channel increased – the largest increase in volume and revenues was achieved in Ukraine, where revenues amounted to PLN 46,967 thousand, an increase of PLN 9,574 thousand (25.6%) compared to the previous year, and in Hungary (an increase of PLN 4,611 thousand, i.e. by 19.3%). A significant factor influencing the level of revenues was the high availability of goods.

Gross profit on sales increased by PLN 28,474 thousand in 2024 as compared to 2023, which was influenced by higher sales revenues, with slightly higher profitability compared to 2023 (30.7% compared to 28.7%), resulting from a change in the sales structure between distribution channels (a larger share of the e-commerce channel, in which the company achieves a higher margin than in other channels).

Operating profit in 2024, in the amount of PLN 69,888 thousand, was higher than the one achieved in 2023 by PLN 916 thousand, i.e. by 1.3%. The slight increase in operating profit compared to gross profit on sales was primarily due to higher employee benefits costs, which was influenced by both the increase in the number of employees and the increased demand for temporary workers supporting the work of warehouses during periods of increased deliveries. In addition, the company incurred higher transport costs resulting from the volume of shipments, higher costs of servicing online sales platforms and higher storage costs as a result of the use of logistics services in external warehouses. At the same time, the company recorded a surplus of positive exchange rate differences over negative ones in the amount of PLN 3,351 thousand compared to PLN 2,529 thousand in 2023.

In order to obtain the necessary working capital, the Company mainly uses short-term bank loans. Taking into account the significant impact of financial costs related to these loans on the financial result, the Company negotiates the terms of loan agreements every year so that the costs associated with them are as low as possible. In 2024, the Company used bank loans to a lesser extent than in the previous year. Base interest rates remained unchanged compared to 2023. As a result, the interest costs incurred on bank loans amounted to PLN 451 thousand and were lower by PLN 2,253 thousand as compared to the previous year.

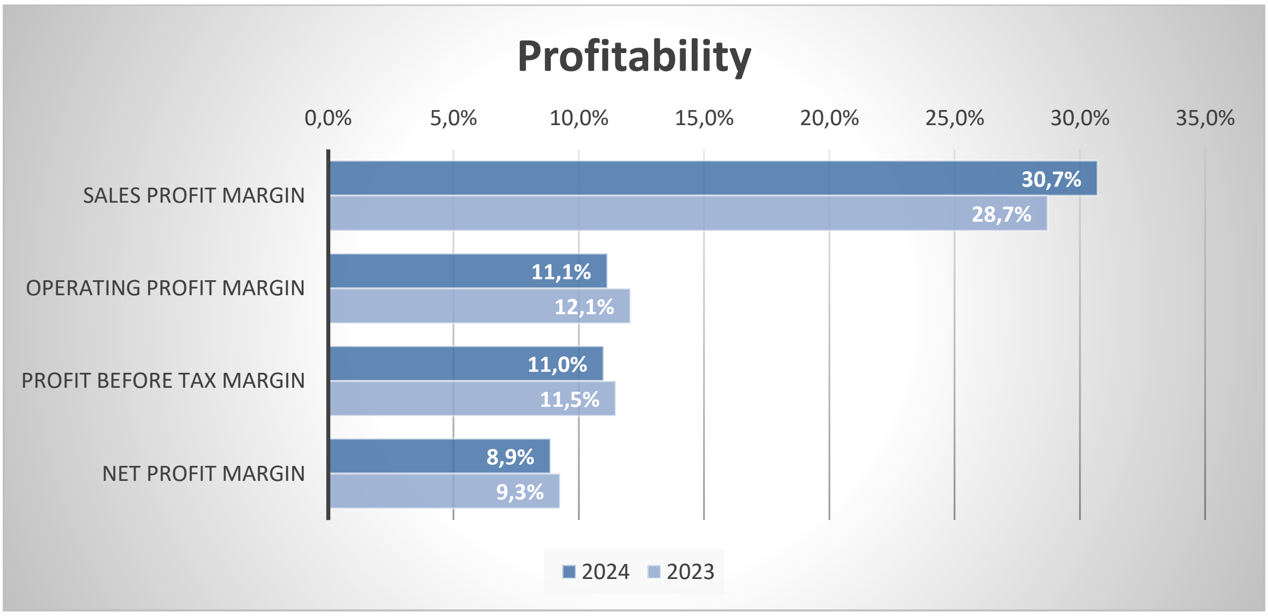
Net profit in 2024 amounted to PLN 55,653 thousand and was by PLN 2,758 thousand, i.e. by 5.2% higher than in 2023.

Profitability ratios of TOYA S.A.

For 12 months ended 31 December	2024	2023
Sales profit margin	30.7%	28.7%
Operating profit margin	11.1%	12.1%
Pre-tax profit margin	11.0%	11.5%
Net profit margin	8.9%	9.3%

Key:

Sales profit margin – the ratio of gross profit to sales revenue
Operating profit margin – the ratio of operating profit to sales revenue
Pre-tax profit margin – the ratio of pre-tax profit to sales revenue
Net profit margin — the ratio of net profit to sales revenue



For the TOYA S.A., sales profit margin is the basic indicator of the Company's market competitiveness and has a decisive impact on its financial situation. The analysis of this ratio for 2024 shows that the sales profit in this period increased by 2 percentage points as compared to 2023 This was due to both improved profitability in all distribution channels, resulting from lower costs of purchasing goods due to favourable exchange rates, and a higher share of the e-commerce channel in total sales revenues (an increase from 8.5% to 12.9%). The margin achieved in the e-commerce channel is higher than in other distribution channels. Profitability indicators at the level of operating profit, pre-tax profit and net profit decreased in 2024 compared to the previous year. The main adverse impact on profitability indicators was the increase in the costs of employee benefits, transportation and online sales platform service.

Margin at the level of operating profit, profit before tax and net profit also increased in 2024 as compared to the previous year. The main negative impact on the profitability ratios was the increase in the costs of employee benefits, transportation and online sales platform operations.

Cash flows of TOYA S.A. (PLN ‘000)

For 12 months ended 31 December	2024	2023
Cash flows from operating activities	(29,076)	141,697
Cash flows from investment activities	(5,223)	(1,836)
Cash flows from financial activities	(7,106)	(92,133)
Change in net cash	**(41,405)**	**47,728**
Cash and cash equivalents at the beginning of the period	49,107	1,386
Cash and cash equivalents at the end of the period	**7,711**	**49,107**

In 2024, TOYA S.A. reported negative cash flows from operating activities of PLN 29,076 thousand. This was mainly due to an increase in inventory levels in order to ensure very high availability of goods for customers. Inventories increased by PLN 123,640 thousand. At the same time, short-term trade and other receivables increased by PLN 19,678 thousand due to higher sales in December 2024 as compared to December 2023. Short-term trade liabilities also increased, mainly as a result of liabilities to related parties for the purchase of goods (an increase by PLN 40,472 thousand).

In 2024, the Company began an investment related to strengthening the roof structure of the warehouse in Wrocław. In addition, passenger cars were purchased in accordance with the terms of the lease agreement, which were then partially resold. In addition, the Company, as in previous years, invested in IT equipment and display racks.

In 2024, the Company generated negative cash flows from financial activities in the amount of PLN 7,106 thousand. The main direction of expenses was the repayment of liabilities from leasing in the amount of PLN 5,419 thousand, as well as interest paid on bank loans and leasing in the amount of PLN 1,687 thousand. During the year, the Company used financing from overdrafts, while there was no debt on this account at the beginning and at the end of the period.

The liquidity of TOYA S.A. Capital Group during the analysed period remained at the proper level. The Group’s net working capital was positive, covering the demand arising from the volume of sales revenue. The ability to cover short-term liabilities was correct.

Liquidity ratios

	31.12.2024	31.12.2023
Current ratio	4.23	7.04
Quick ratio	0.66	2.02

Key:
Current ratio – the ratio of current assets to short-term liabilities
Quick ratio – the ratio of current assets less inventories to short-term liabilities

The current liquidity ratio decreased to 4.23 as of 31 December 2024, compared to 7.04 as of 31 December 2023. The lower current liquidity ratio indicates a higher growth rate of liabilities relative to the growth rate of current assets.

The quick liquidity ratio as of 31 December 2024, was 0.66, compared to 2.02 as of 31 December 2023. The decrease in this ratio is mainly due to the high level of inventories, which was maintained in order to ensure maximum availability of goods for customers. Despite the decrease in liquidity ratios, the Company has sufficient resources to settle current liabilities.

The structure of assets of TOYA S.A. (PLN '000)

	31.12.2024	31.12.2023
Non-current assets, including:	**113,608**	**114,438**
Property, plant and equipment	21,033	18,302
Intangible assets	3,241	3,600
Right-of-use assets	16,100	19,848
Investments in subsidiaries	70,803	70,803
Current assets, including:	**388,774**	**286,852**
Inventory	328,095	204,455
Trade and other receivables	52,968	33,290
Cash and cash equivalent	7,711	49,107

% asset structure of TOYA S.A.

	31.12.2024	31.12.2023
Non-current assets / Assets	23%	29%
Property, plant and equipment / Assets	4%	5%
Intangible assets / Assets	1%	1%
Right-of-use assets / Assets	3%	5%
Investments in subsidiaries / Assets	14%	18%
Current assets / Assets	77%	71%
Inventory / Assets	65%	51%
Trade and other receivables / Assets	11%	8%
Cash and cash equivalent / Assets	2%	12%

The structure of equity and liabilities of TOYA S.A. (PLN ‘000)

	31.12.2024	31.12.2023
Equity	400,073	344,405
Long-term liabilities	10,425	16,122
Short-term liabilities, including:	91,884	40,763
Short-term trade and other liabilities	71,005	25,026

% equity and liability structure of TOYA S.A.

	31.12.2024	31.12.2023
Equity / Equity and liabilities	80%	86%
Short-term liabilities / Equity and liabilities	18%	10%
Long-term liabilities / Equity and liabilities	2%	4%
Short-term liabilities / Liabilities	90%	72%
Long-term liabilities / Liabilities	10%	28%

Ratios of return on equity, assets and current assets of TOYA S.A.

For 12 months ended 31 December	2024	2023
Return on assets (ROA)	11%	13%
Return on equity (ROE)	14%	15%
Return on current assets	14%	18%

Key:

Return on assets (ROA) – the ratio of net profit to total assets as at the end of the period
Equity ratio (ROE) – the ratio of net profit to equity as at the end of the period
Return on current assets – the ratio of net profit to current assets as at the end of the period

TOYA S.A.'s property, plant and equipment as of 31 December 2024, constitute 4% of the total assets involved in the Company's operations. Property, plant and equipment mainly consist of land, buildings and structures necessary for TOYA S.A. to conduct its commercial activities. There were no significant changes in their structure in the period under review.

As of 31 December 2024, right-of-use assets accounted for 3% of the balance sheet total, down 2 percentage points from 31 December 2023. This item consists primarily of the right of perpetual usufruct of land, leased office and warehouse space, and leased cars, forklifts, and servers. The main reason for the decrease in both the value and share in the balance sheet total of this item was depreciation for a period.

As of 31 December 2024, investments in subsidiaries consisted of shares in Toya Romania S.A. in the amount of PLN 1,885 thousand, Yato Tools (Shanghai) Co. Ltd. in the amount of PLN 20,746 thousand and Yato Tools (Jiaxing) Co. Ltd. in the amount of PLN 48,172 thousand. There were no changes in the structure of subsidiaries in the current year.

In the structure of current assets used in TOYA S.A.'s operations, which as at 31 31, 2024 constitute 77% of total assets, inventories and trade and other receivables predominate, which is characteristic of TOYA S.A.'s business operations. Both of these items together as at 31 December 2024 constitute 98% of total current assets (83% as at 31 December 2023). The main reason for the increase in the share of these items in current assets was the decrease of cash, which as at 31 December 2024 constitute 2% of total assets (12% as at 31 December 2023).

TOYA S.A. efficiently manages inventory at warehouses by adjusting stock levels to customers’ demand. In order to ensure very high availability of goods for customers, which is perceived as a competitive advantage, the Company increased the level of inventories, the share of which in the balance sheet total increased from 51% to 65%.

Equity structure and debt ratios of TOYA S.A.

	31.12.2024	31.12.2023
Total debt ratio	20%	14%
Equity debt ratio	26%	17%
Long-term debt ratio	2%	4%
Short-term debt ratio	18%	10%
The ratio of coverage of non-current assets with equity and long-term liabilities	361%	315%

Key:

Total debt ratio – the ratio of long- and short-term liabilities to total equity and liabilities
Debt to equity ratio – the ratio of long- and short-term liabilities to equity
Long-term debt ratio – the ratio of long-term liabilities to total equity and liabilities
Short-term debt ratio – the ratio of short-term liabilities to total equity and liabilities
The ratio of coverage of non-current assets with equity and long-term liabilities – the ratio of total equity and long-term liabilities to non-current assets

As of 31 December 2024, the main item of TOYA S.A.'s equity was retained earnings in the amount of PLN 356,652 thousand. The Company's share capital as of 31 December 2024 and 2023 amounted to PLN 7,504 thousand.

The main sources of financing of operating activities, and in particular current assets, are equity, as well as short-term financing - mainly bank loans. As of 31 December 2024, TOYA S.A. financed its operations in 80% with equity (86% as of 31 31, 2023). As of that date, the Company had no debt under bank loans. The long-term debt ratio as of 31 December 2024 was 2%. This debt results mainly from concluded lease agreements with a term longer than 12 months.

TOYA S.A. management effectiveness ratios

For 12 months ended 31 December	2024	2023
Inventories turnover period (days)	188	129
Receivables inflow period (days)	30	21
Liabilities repayment period (days)	41	16

Key:

Inventories turnover period (days) – the ratio of inventories as at the end of the period, multiplied by 360 days, to revenue from sales
Receivables inflow period (days) – the ratio of short-term trade and other receivables as at the end of the period, multiplied by 360 days, to revenue from sales
Liabilities repayment period (days) – the ratio of trade and other liabilities as at the end of the period, multiplied by 360 days, to revenue from sales

In 2024, the repayment period for liabilities was longer than the receivables collection period. This means that the Company granted shorter trade credit to its customers than it received from its suppliers. The main reason for this change was the transfer of the burden of financing the purchase of goods to a subsidiary in China, which began using a bank loan. As a result, TOYA S.A. extended the repayment period for liabilities to its subsidiaries, which are the main suppliers of commercial goods. At the same time, the inventory turnover period in 2024 increased to 188 days, mainly due to the higher volume of purchases made compared to 2023.

The Company consistently takes action to adapt its offer to the needs of customers, increase the operational efficiency of the entire sales group and continuously improve logistics processes.

Seasonality

The Company offers seasonal products. However, due to their limited value, a wide range of other products that are in demand throughout the year, and due to the geographically diverse sales, seasonality does not occur.

4.3. INFORMATION ON OWN BRANDS

The TOYA Group offers a wide range of products sold under its own brands:

- YATO (cordless, electric, petrol, pneumatic, and hand tools; personal protective equipment),
- VOREL (workshop and construction hand tools),
- LUND (power tools),
- STHOR (power tools),
- FALA (bathroom equipment),
- FLO (manual and petrol garden tools, garden power tools).

The most profitable brand is YATO. Every year, the Group records an increase in the sales volume of this brand on both the domestic and international markets.

The value of sales revenues from the core operations of the Company and the Capital Group, broken down by brand, is presented in the tables below:

Structure and volume of sales revenues from the core (trading) operations of the Capital Group, broken down by brand.

for 12 months ended 31 December	2024	share %	2023	share %
	PLN '000	%	PLN '000	%
YATO	658,311	80%	559,991	76%
VOREL	91,368	11%	94,611	13%
LUND	21,422	3%	26,745	4%
FALA	13,287	2%	16,166	2%
FLO	15,631	2%	15,419	2%
STHOR	15,648	2%	15,065	2%
Other	5,341	1%	4,399	1%
TOTAL	**821,008**	**100%**	**732,396**	**100%**

The structure and volume of sales revenues from the core (trading) activities of TOYA S.A. by brand.

for 12 months ended 31 December	2024	share %	2023	share %
	PLN '000	%	PLN '000	%
YATO	477,265	76%	409,713	72%
VOREL	82,948	13%	85,249	15%
LUND	21,197	3%	26,478	5%
FALA	13,280	2%	16,100	3%
FLO	14,213	2%	14,620	3%
STHOR	14,657	2%	14,431	3%
Other	3,981	1%	5,245	1%
TOTAL	**627,541**	**100%**	**571,836**	**100%**

The most recognizable and leading brand of the Company, which also generates the highest sales growth, is **YATO**. **Since 2012, the YATO brand has held the largest share in the Company's sales**. It includes a wide range of high-quality hand tools, pneumatic tools, and power tools designed for automotive workshops, construction, finishing, and gardening work. The YATO assortment includes general-purpose tools as well as specialized instruments that have gained recognition among both professionals and DIY users.

Products sold under the **YATO** brand include socket wrenches, torque and impact wrenches, screwdrivers, pliers, combination wrenches, hammers, drill bits, cutting discs, lighting and PPE items. A strong position within the brand's assortment is held by automotive workshop equipment such as tool cabinets and kits, pneumatic tools, and specialized car repair instruments. The broad YATO range also includes tools for installers in the electrical, plumbing, and HVAC sectors.

In 2015, the YATO brand's offer was expanded with a line of power tools that combine excellent technical parameters with high-quality workmanship. The range includes cordless drills, rotary hammers, angle grinders, circular saws, jigsaws, routers, and more. Among YATO's power tools are also cordless devices powered by a unified battery type, creating a universal and user-friendly platform for tools used in construction, workshops, and gardens.

Since 2017, the YATO brand has also offered professional catering equipment for the HoReCa sector, including refrigeration devices, work tables, insulated transport containers, deep fryers, grills, meat grinders, pots, pans, and many other products.

YATO tools are made from high-quality alloy steels using modern technologies, including heat and chemical treatment. The Company continuously expands its product range, introducing several hundred new items each year. In selecting products, special attention is paid to their use in modern construction and automotive industries, as well as to market trends in the supported sales channels. As a result, the YATO brand is well perceived in the market in terms of both quality and price.

Revenues from sales of YATO brand products accounted for 80% of the Group's revenues in 2024 (76% in 2023).

VOREL is a brand that, for approximately 10 years, held the largest share of the Company's product sales. Its assortment includes hand and pneumatic tools essential for workshop, construction, and household applications. The VOREL offering features tools for a wide range of professionals (electricians, locksmiths, service technicians, welders, plumbers, pavers, plasterers, tilers), as well as hobbyists. These include, for example: screwdrivers and screwdriver bits, pliers, pipe wrenches, hammers, chisels, cold chisels and axes, clamps, vises, gas torches, hand planes, tile cutting tools, ladders, measuring tapes, levels, tool bags, etc. Among the pneumatic tools are grinders, impact wrenches, angle shears, air blow guns, and ratchets. The VOREL tool range also includes products designed to help maintain cleanliness in the home and workshop.

In 2024, sales of VOREL brand products accounted for 11% of the Group's revenue (compared to 13% in 2023).

The LUND brand was established in mid-2010 and offers household appliances, including mixers, blenders, deep fryers, sandwich makers, as well as vacuum cleaners, irons, mops, and air purifiers. The multifunctional and user-friendly LUND appliances facilitate everyday tasks such as cooking and maintaining cleanliness at home, and their modern design makes them a decorative addition to any interior. Charcoal and gas garden grills are also very popular among users.

In 2024, sales of LUND brand products accounted for 3% of the Group's revenue (compared to 4% in 2023).

The STHOR brand is aimed at demanding DIY enthusiasts. It includes power tools for construction, renovation and finishing work. The STHOR range also includes tool sets, accessories and equipment for work in the garage and home workshop, e.g. vacuum cleaners, rectifiers, extension cords, screwdriver bit sets, drills. STHOR products are distinguished by their ergonomic work combined with affordable prices.

Revenues from the sale of STHOR brand products accounted for 2% of the Group's revenue in 2024 (2% in 2023).

The Company sells bathroom and kitchen equipment under the **FALA** brand. The product range includes washbasin and sink faucets, shower panels and a wide selection of linear drains. Products gathered in unique collections are accompanied by accessories that complement the brand's range, such as connecting hoses, towel holders, plugs, shower heads, pumps, heaters, bathroom scales. Modern design and well-thought-out solutions make FALA products create a functional space tailored to the needs of users.

Revenues from the sale of FALA brand products accounted for 2% of the Group's revenue in 2024 and 2023.

FLO is a brand that includes a wide range of hand tools, electric and battery-powered devices designed for gardening and for the care of terrace and balcony plants. Products offered under this brand include secateurs, branch saws, spades, rakes, hoses, garden baskets, gloves. FLO power tools include hedge trimmers, chainsaws, scarifiers, pumps, sprayers, etc.

Revenues from the sale of FLO brand products accounted for 2% of the Group's revenue in 2024 (2% in 2023).

4.4. INFORMATION ABOUT MAIN SALES MARKETS

4.4.1. Sales Structure

The main distribution channels of TOYA S.A. and the TOYA Capital Group are:

a) Local markets (Poland, Romania, and China):

- wholesale market, i.e., distributors, wholesalers, and stores
- retail chains
- retail sales – mainly through online channels, including own online stores operated by TOYA S.A., TOYA Romania S.A., Yato Tools (Shanghai) Co. Ltd, and Yato Tools (Jiaxing) Co. Ltd.

b) Export.

Outside Poland, the products are introduced to the market through TOYA's subsidiaries Toya Romania S.A., YATO Tools (Shanghai), and YATO Tools (Jiaxing), as well as through distributors and sales representatives. Such a diversified sales network ensures the possibility of reaching a wide market, professional service, and optimization of the availability of the entire range of products sold by the Group.

The Company's and the Capital Group's revenues broken down by distribution channels and their profitability are presented in the tables below.

Structure and volume of sales revenues of the Capital Group broken down by segments as distribution channels.

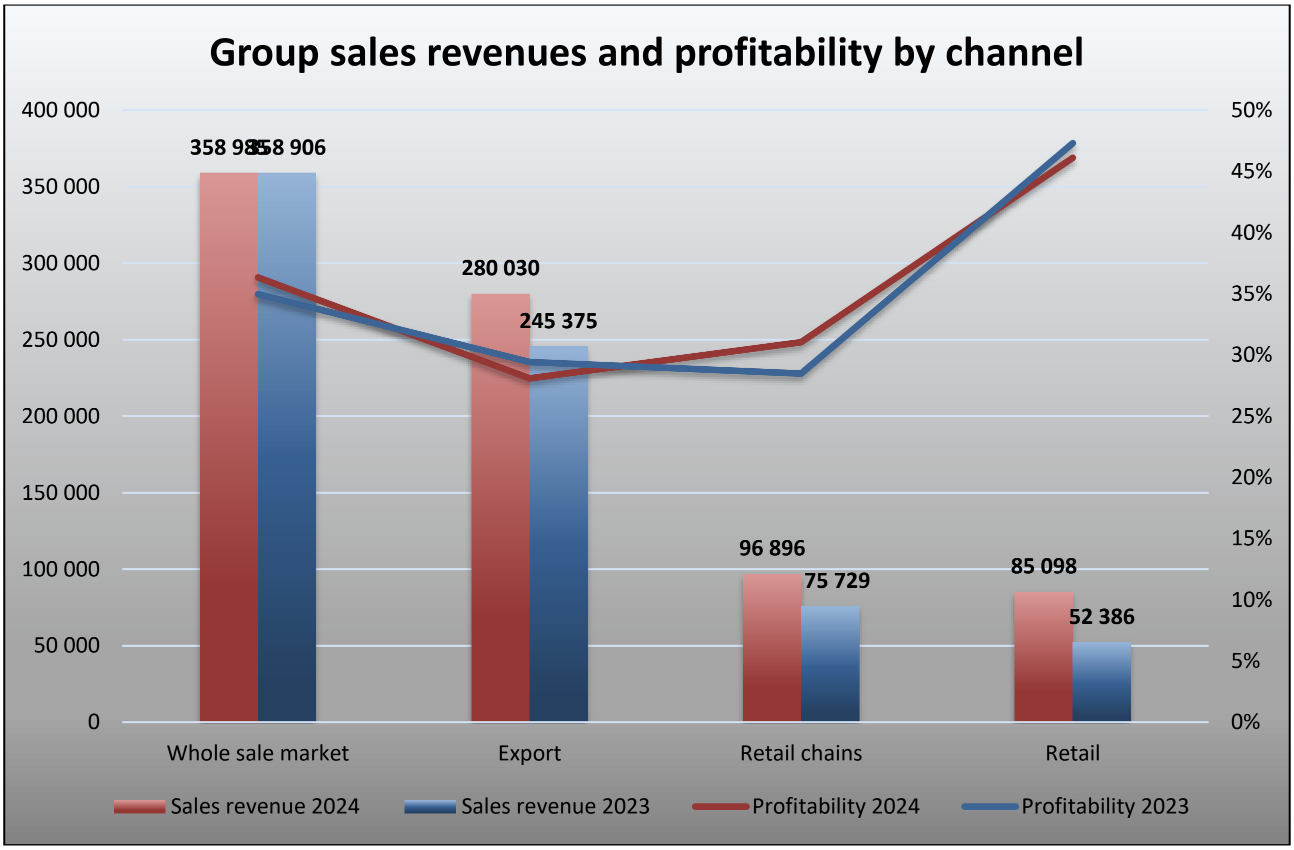
for the 12-month period ended December 31	2024	share	profitability	2023	share	profitability
	PLN '000	%	%	PLN '000	%	%
Whole sale market (*)	358,985	44%	36%	358,906	49%	35%
Export	280,030	34%	28%	245,375	33%	29%
Retail chains (*)	96,896	12%	31%	75,729	11%	28%
Retail (*)	85,097	10%	46%	52,386	7%	47%
Total / Average	**821,008**	**100%**	**34%**	**732,396**	**100%**	**33%**

(*) sales on local markets in Poland, Romania and China

Legend:

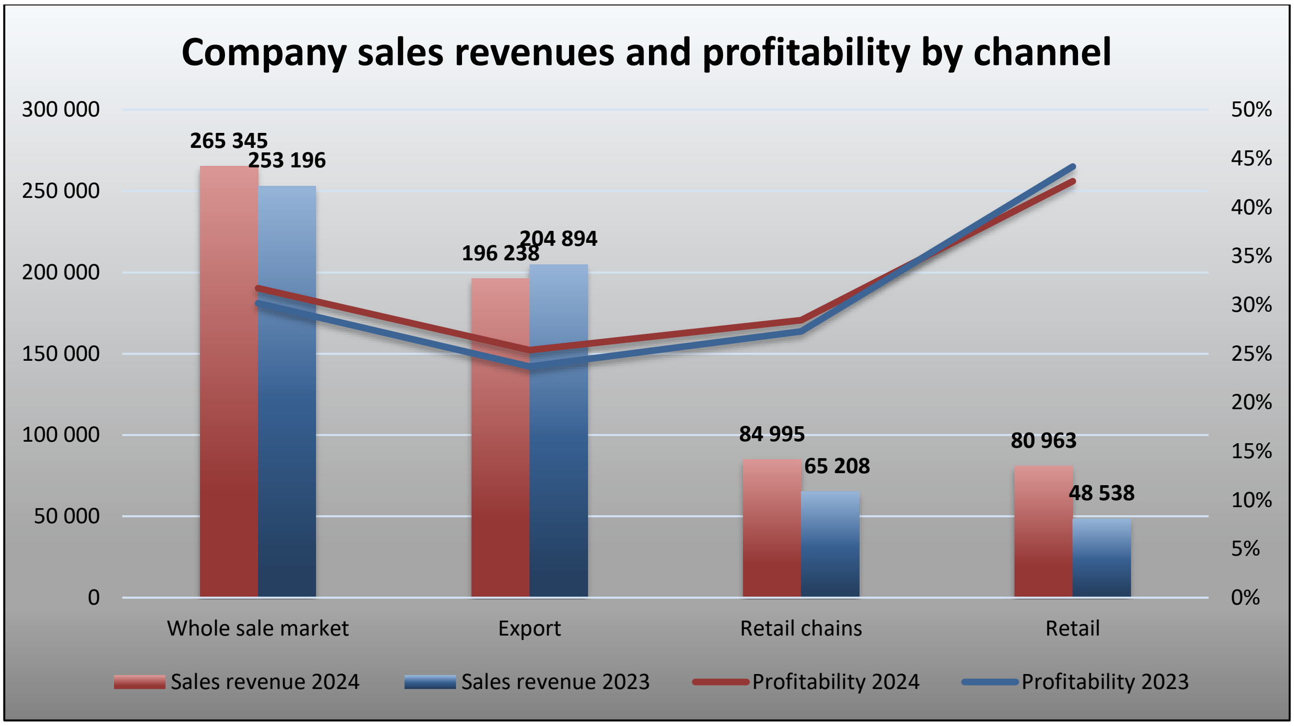
Segment sales profitability ratio – the ratio of the segment's gross profit to sales revenues in a given segment, according to the data in the financial statements

Average – the revenue-weighted average for all segments combined



The structure, size of sales revenues and profitability of the Company by segments constituting distribution channels

for the 12-month period ended December 31	2024	share	profitability	2023	share	profitability
	PLN ‘000	%	%	PLN ‘000	%	%
Whole sale market (*)	265,345	42%	32%	253,196	44%	30%
Export	196,238	31%	25%	204,894	36%	24%
Retail chains (*)	84,995	14%	28%	65,208	11%	27%
Retail (*)	80,963	13%	43%	48,538	9%	44%
Total / Average	**627,541**	**100%**	**31%**	**571,836**	**100%**	**29%**



4.4.2. Wholesale market - sales in Poland

TOYA S.A. has been present on the domestic market for over 30 years and is systematically strengthening its position there. The largest sales in Poland are realized through traditional distribution channels, i.e. through distributors, wholesalers and stores. In 2024, TOYA S.A. cooperated with many distributors, whose network is constantly being developed. The company also cooperates with several dozen wholesale recipients in all provinces, meeting the growing demand for its goods and aiming to increase margins and promote the private brands it manages. The company employs several dozen sales representatives - partner guardians on the wholesale market and plans to further develop this distribution channel.

Structure and volume of the Company's sales revenue on the wholesale market in Poland (in PLN thousand).

for 12 months ended 31 December	2024	% share	2023	% share
Distributors	185,735	70%	187,652	74%
Wholesalers and stores	79,610	30%	65,544	26%
Total	**265,345**	**100%**	**253,196**	**100%**

4.4.3. Retail chains - sales in Poland

Sales to retail chains in Poland constitute approx. 14% of TOYA S.A.'s sales revenue and 10% of the Group's sales revenue. TOYA S.A. cooperates with large chains in the country. Two key chains generate a total of 74.8% of the Company's revenue in this channel. The Parent Company sells industrial goods based on orders received from its customers for specific, in terms of quantity and date, deliveries of goods, which, after confirmation of their acceptance for execution, result in the creation of typical contractual obligations. In this channel, the Company cooperates with customers with an established market position, financially reliable and transparent, and with a positive history of debt repayment.

4.4.4. Export sales and foreign operations of the Group

TOYA S.A.

For many years, the Parent Company has been operating on international markets, focusing primarily on the markets of Central, Southern and Eastern Europe.

The structure and volume of revenues from export sales of the Parent Company by country in PLN thousand (*).TOYA S.A.

for the 12-month period ended December 31	2024	share %	2023	share %
Ukraine	46,967	26%	37,393	22%
Hungary	28,516	16%	23,905	14%
Baltic countries	19,871	11%	20,090	12%
Belarus	17,289	10%	21,324	13%
Czech Republic	14,148	8%	11,786	7%
Moldova	12,006	7%	8,708	5%
Bulgaria	10,098	6%	10,057	6%
Greece	5,980	3%	6,969	4%
Germany	3,655	2%	4,792	3%
Other	21,284	11%	25,471	14%
Total	**179,814**	**100%**	**170,495**	**100%**

(*) does not include sales to subsidiary TOYA Romania, which amounted to PLN 16,418 thousand (PLN 34,407 thousand in 2023)

Toya Romania S.A.

In addition to the export sales described above, direct sales in Romania are conducted by the subsidiary established in 2003 – Toya Romania S.A., which specializes in the sale of tools and power tools within Romania. The product assortment, offered brands, and distribution channels (apart from exports) are identical to those of the Polish company. Revenues from Toya Romania’s sales are reported within the wholesale and retail chain segments.

The development strategy for Toya Romania S.A. includes, among other things, further leveraging synergy effects within the Group, particularly optimizing the costs of purchasing goods based on shared supply sources and logistics centres. Moreover, the Romanian company intends to strengthen its position in the local market by further expanding its network of sales representatives, whose role is to acquire customers in the traditional market among specialized retail stores and institutional clients. Marketing efforts focus on increasing the share of the high-margin YATO brand in the revenue structure, which, through the use of a shortened distribution channel, will provide the Company with a significant increase in profitability.

Structure and volume of sales revenues of Toya Romania S.A. broken down by distribution channels in thousands of PLN.

for the 12-month period ended December 31	2024	share %	2023	share %
Wholesalers and stores	62,911	80%	75,296	87%
Retail chains	15,056	19%	10,521	12%
Retail sales	1,095	1%	915	1%
Total	**79,063**	**100%**	**86,732**	**100%**

Yato Tools (Shanghai) Co., Ltd.

Yato Tools (Shanghai) Co. Ltd., headquartered in Shanghai, has been operating since the second half of 2008 as a jointly controlled company, and since 2 January 2013, as a controlled company fully consolidated in the Group's financial statements. During this period, the company focused on building a distribution network across various provinces of the People's Republic of China (PRC), recruiting and training sales staff, and preparing for expansion into global markets. Recent years have allowed the company to complete the initial phase by establishing a distribution network in the main provinces of the PRC and creating a structure enabling consolidation and export of YATO products directly to customers/distributors in Southeast Asia, Africa, Australia, and the Middle East. Yato Tools (Shanghai) Co. Ltd. is also one of the main suppliers of goods to TOYA S.A. and TOYA Romania S.A.

To date, the distribution network in the Chinese market covers 31 out of 34 autonomous administrative units (23 provinces, 5 autonomous regions, 4 municipalities, and 2 special administrative regions). Depending on local conditions, population density, and traditional forms of trade in each area, one or more distributors operate there.

Currently, Yato Tools' sales network covers almost the entire territory of China, with a population of 1.4 billion people. This indicates significant potential for developing the local sales network, not only by increasing transactions through existing representatives but also by growing the number of distributors specializing in other sectors offered by the company, such as automotive tools, power tools, and garden tools. Moreover, Yato Tools is developing sales through the online channel, both via its own store and through large specialized e-commerce platforms.

Yato Tools began its export activities in the second quarter of 2010 as the next step in the company's development. In 2024, the company conducted trade exchanges with several countries in Africa, Asia, Australia, and South and Central America. The largest turnover this year was recorded with customers from Russia, Belarus, and the United Arab Emirates.

Structure and volume of sales revenues by distribution channels of YATO Tools (Shanghai) in thousands of PLN (*).

for the 12-month period ended December 31	2024	share %	2023	share %
Wholesale Market	9,135	34%	5,097	30%
Export	15,190	56%	9,572	55%
Other	2,761	10%	2,669	15%
Total	**27,087**	**100%**	**17,338**	**100%**

(*) the table does not include intra-group sales (by Yato Shanghai to the Parent Company and Yato Tools (Jiaxing), which amounted to PLN 190,849 thousand in 2024 (PLN 120,233 thousand in 2023) converted from CNY to PLN at the average NBP exchange rate.

Structure and volume of revenues from export sales of YATO Tools (Shanghai) in PLN thousand.

for the 12-month period ended December 31	2024	share %	2023	share %
United Arab Emirates	5,909	39%	2,935	31%
Russia	4,847	32%	3,349	35%
Belarus	3,169	21%	1,900	20%
Uzbekistan	1,102	7%	900	9%
Other	164	1%	488	5%
Total	**15,190**	**100%**	**9,572**	**100%**

Yato Tools (Jiaxing) Co., Ltd.

Yato Tools (Jiaxing) Co. Ltd. was established in 2019 and is located in Baibu Town, Zhejiang Province, People's Republic of China. In 2020, the company started its operations. In 2023, the new warehouse was fully operational and the company traded with dozens of countries in Africa, Asia, Australia, South and Central America.

Structure and volume of sales revenues in individual distribution channels of YATO Tools (Jiaxing) in PLN thousand (*).

for the 12-month period ended December 31	2024	share %	2023	share %
Wholesale Market	18,490	18%	25,317	28%
Export	85,025	82%	65,324	72%
Other	227	0%	264	0%
Total	**103,742**	**100%**	**90,905**	**100%**

(*) the table does not include intra-group sales (by Yato Jiaxing to the Parent Company, Toya Romania S.A. and Yato Shanghai, which amounted to PLN 428,543 thousand (in 2023: PLN 245,894 thousand) converted from CNY to PLN at the average NBP exchange rate.

Structure and volume of revenues from export sales of YATO Tools (Jiaxing) in PLN thousand.

for the 12-month period ended December 31	2024	share %	2023	share %
Chile	9,354	11%	6,239	10%
Russia	8,416	10%	4,544	7%
Guatemala	5,355	6%	3,068	5%
Democratic Republic of the Congo	5,172	6%	4,254	7%
Ukraine	2,829	3%	5,688	9%
Panama	2,718	3%	1,581	2%
Zimbabwe	2,653	3%	1,627	2%
Armenia	2,412	3%	5,047	8%
Cameroon	2,356	3%	1,769	3%
Georgia	2,279	3%	1,989	3%
Greece	2,165	3%	0	0%
Costa Rica	2,050	3%	805	1%
India	1,881	2%	1,469	2%
Vietnam	1,865	2%	1,040	2%
Libya	1,841	2%	1,687	3%
South Korea	1,732	2%	1,526	2%
Saudi Arabia	1,642	2%	655	1%
Turkmenistan	1,330	2%	2,149	3%
Malaysia	1,192	1%	1,489	2%
Tanzania	1,087	1%	712	1%
Angola	1,014	1%	17	0%
Other	23,682	28%	17,969	27%
Total	**85,025**	**100%**	**65,324**	**100%**

4.4.5. Retail sales – sales in all Group companies

The year 2024 will see further dynamic development of the online store www.toya24.pl and yatogastro.pl. In addition, sales in Poland are conducted via popular online platforms. Subsidiaries in Romania and China also conduct online sales. In total, this sales channel accounts for 10% of the Group's total sales revenue.

The increase in this sales channel compared to the previous year amounted to 62%, which was mainly caused by a change in the pricing policy in the Parent Company, focused on improving competitiveness, which affected the volume of orders from both individual customers and business entities that prefer online shopping. The Group sees great potential and plans further dynamic development of this distribution channel in the perspective of subsequent periods.

4.5. INFORMATION ABOUT SUPPLIERS

The network of suppliers with which the Group cooperates is significantly diversified. For many years, the Group has been cooperating with several hundred foreign suppliers and several dozen domestic ones, thanks to which it has established lasting business contacts. Such a wide range of suppliers ensures a high degree of independence and allows to strengthen the Group's negotiating position. This position is additionally strengthened by the presence of subsidiaries Yato Tools (Shanghai) and Yato Tools (Jiaxing), both due to greater trust of Asian producers in the local partner, as well as due to larger order volumes. The Parent Company usually orders products on the basis of individual orders, which ensures flexibility in negotiations and allows for better adjustment of the product offer to changing customer expectations.

4.6. MAJOR RESEARCH AND DEVELOPMENT ACHIEVEMENTS

The Group has a wide portfolio of offered products, and treats their development and improvement as one of the key tools for building a competitive advantage on the market. The Product Development Centre - an organizational unit of the Parent Company, has been conducting, in cooperation with subsidiaries, analyses of market design trends, analyses of their growth potential and conceptual and design work for specific tool groups for many years. This work is financed from the Parent Company's own funds.

4.7. INFORMATION ON THE EMPLOYEE STOCK PROGRAM CONTROL SYSTEM

In 2024, there was no employee share program in the Parent Company or the Group.

4.8. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are concluded in the normal course of business of the Company and the Group and are made on market terms. These transactions are presented in Note 32 of the consolidated financial statements and in Note 31 of the stand-alone financial statements. In 2024, TOYA S.A. or other entities belonging to the TOYA Group did not conclude any transaction with related parties that would be unusual or deviating from market terms.

4.9. INFORMATION ON CREDITS AND LOANS TAKEN

A summary of bank loans is provided in the table on the next page.

Borrower	Object and value of agreement	Name of the Bank / covering bonds / granting loans	Loan amount as per agreement as at 31 December 2024 PLN '000	Amount outstanding as at 31 December 2024 (*) PLN '000	Amount outstanding as at 31 December 2023 (*) PLN '000	Current interest rate	Date of expiry
TOYA S.A.	1. Overdraft facility agreement No BDK/KR-RB/000054601/0641/	Bank Handlowy w Warszawie S.A.	40,000	-	-	WIBOR 1 M + bank's margin	12 December 2025
TOYA S.A.	Overdraft credit facility agreement No WAR/8833/20/326/CB	BNP Paribas Bank Polska S.A. with its registered office in Warsaw	25,000	-	-	WIBOR 1 M + bank's margin	17 November 2025
TOYA S.A.	Overdraft credit facility agreement No 09/030/19/Z/VV	mBank S.A. with its registered office in Warsaw	60,000	-	-	WIBOR ON + bank's margin	27 March 2025
Yato Tools (Shanghai) Co. Ltd.	Short-term working capital loan agreement	CITIBANK (CHINA) CO., LTD. SHANGHAI BRANCH with its registered office in the People's Republic of China	33,726	33,840	Not applicable – contract concluded in 2024	LPR + bank's margin	12 March 2025
	Total liabilities, of which:		**158,726**	**33,840**	-		
	– short-term portion		158,726	33,840	-		
	– long-term portion		-	-	-		

(*) the utilized amount is presented including interest due but not paid as of 31 December 2024.

4.10. INFORMATION ON CREDITS AND LOANS GRANTED

In 2024, neither the Parent Company nor any Group companies granted any loans or credits.

4.11. INFORMATION ON CONCLUDED AGREEMENTS SIGNIFICANT FOR THE GROUP'S ACTIVITIES

The Company adopted the value of the agreement exceeding 10% of TOYA's equity as the criterion for determining whether the agreements are significant. Using this criterion, in 2024 the Company concluded annexes to the credit agreements with banks, which are presented in point 4.9.

The table below includes the Parent Company's insurance policies.

No	Insurance period	Subject of insurance
1a	July 1, 2024 - June 30, 2025	Insurance against all risks of physical loss or damage to property - fixed assets and real estate
1b	July 1, 2024 - June 30, 2025	Insurance against all risks of physical loss or damage to working capital
1c	July 1, 2024 -June 30, 2025	Insurance against all risks of physical loss or damage - electronic equipment
2	July 1, 2024 - June 30, 2025	Civil liability insurance for property ownership and business activity
3	December 7, 2024 – December 6, 2025	Car fleet motor insurance
4	September 20, 2024 - September 19, 2025	Civil liability insurance for members of company management boards
5	October 13, 2024 – October 12, 2025	Professional liability insurance for accountants and payroll staff
6	March 1, 2023 - June 30, 2025	Trade credit risk insurance for certain contracts
7	March 1, 2024 – February 28, 2025	Property insurance in CARGO transport
8	January 1, 2025 - December 31, 2025	Guarantee of payment of customs debt
9	June 21, 2024 –June 20, 2025	Employee travel insurance
10	September 30, 2024 – March 31, 2025	Insurance for construction and assembly works

4.12. ASSESSMENT OF FINANCIAL RESOURCE MANAGEMENT AND ASSESSMENT OF THE ABILITY TO MEET OBLIGATIONS

The Group's operations were financed with external capital in 37.8%, and the operations of TOYA S.A. - in 20%. The loan agreements stipulate that throughout the entire loan period the borrower undertakes to maintain the capitalization ratio and debt ratio at the agreed level and to maintain the inflows to bank accounts in the amount agreed, in accordance with the terms of the loan agreements.

The Parent Company has good relations with banks, financial institutions and has not had a problem with renewing loans on favourable terms. The Group continues to dynamically develop its operations, maintains liquidity at a high level and pursues a conservative debt policy. Therefore, the Management Board highly evaluates the Company's ability to meet its obligations.

At present, there are no events that, in the opinion of the Management Board, could negatively affect the ability of the Company and the entire Group to meet its obligations.

4.13. DESCRIPTION OF SIGNIFICANT OFF-BALANCE SHEET ITEMS

As of 31 December 2024, the Group companies were parties to the following guarantee agreements in connection with their business activities, granted by the entities listed below:

No	Principal	Counterparty	Type of guarantee	Subject matter and value	Date of expiry
1	TOYA S.A.	Bank Handlowy S.A. w Warszawie	Guarantee of proper performance-timely payment for the lease of warehouses in Nadarzyn by TOYA S.A.	EUR 613,352.19	28 February 2025 (*)
2	TOYA S.A.	Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A.	Security for amounts due for customs duties, taxes and other fees in relation to goods subject to release for circulation on the basis of a customs declaration by TOYA S.A.	PLN 270,000	31 December 2024 (**)
3	TOYA Romania S.A.	BRD Groupe Societe Generale	Warehouse rental payment guarantee in Bucharest	EUR 335,491	3 August 2025

(*) After the balance sheet date, the guarantee amount was increased to EUR 638,698.83 and the guarantee expiry date was changed to 28 February 2026.

(**) After the end of the year, the warranty was extended until 31 December 2025.

On 12 June 2019, TOYA S.A. provided a guarantee for the payment of liabilities resulting from the lease of office and warehouse space by Toya Romania S.A. to the lessor up to the amount of EUR 115,000. The lease agreement was concluded on 8 February 2019 and covers 10 years with an option to change this period. The guarantee expires after 3 months from the date of termination of the lease agreement.

On 29 March 2024, TOYA S.A. concluded a guarantee agreement with Citibank (China) Company Limited-Shanghai Branch, based in the People's Republic of China, in order to secure the repayment of receivables due to the bank under the conclusion by YATO TOOLS (Shanghai) Co., Ltd, of a short-term working capital loan agreement, in the amount of CNY 60,000 thousand. The agreement assumes TOYA S.A.'s guarantee for the liabilities of the subsidiary up to the amount of CNY 72,000 thousand. The guarantee was granted until 31 August 2025.

Apart from the guarantees and sureties granted, the Group has no significant contingent assets or liabilities.

4.14. DISPUTES

As of 31 December 2024, TOYA S.A. is not a party to any material proceedings pending before a court, arbitration body or public administration authority.

5. GROUP DEVELOPMENT PLANS AND PROSPECTS

The Capital Group attaches great importance to the quality of customer service. This is a key factor in maintaining a competitive advantage on the market, and one of its most important elements is ensuring full availability of the product offer for every customer in any region of the world. Supporting these goals, the Group improves logistics processes and maintains good relations with suppliers, taking into account the need to minimize delivery costs. The Group will strengthen its market position and seek new, attractive expansion opportunities.

The most important activities for the implementation of this program are:

- Development of the capital group

  The subsidiary Yato Tools (Jiaxing) headquartered in Baibu Town, a town in the Zhejiang Province of the People's Republic of China, manages a high-bay warehouse located close to two seaports, which are among the largest transshipment centres in the world, as well as relatively close to the Group's largest suppliers. It serves as the Group's central warehouse, where shipments to warehouses in Poland and Romania are consolidated, and it also serves as a local warehouse for the needs of companies located in China. The warehouse is equipped with modern warehouse automation, enabling the optimization of logistics processes, while not requiring the involvement of significant human resources. The process of supporting and developing logistics capabilities will be continued, as it is an important element in building the Group's competitive advantage in the long term.

- Development of the export channel

  The military conflict between Russia, Belarus and Ukraine has an impact on sales in the export channel, mainly due to the inability to expand the sales network in these markets. Despite this situation, the Group achieved good sales dynamics in Ukraine in 2024. It should be emphasized that the necessary condition for maintaining this trend in the future is the stabilization of the political and macroeconomic situation in this market.

  Regardless of the situation mentioned above, the Group will strengthen its position in the other markets in which it is present. This applies to markets in which the Group has traditionally been present for many years, e.g. the Hungarian market, but also in the countries of southern Europe, where the Group has been less visible so far.

  The Group will also strengthen itself outside Europe. In these markets, the Chinese subsidiary Yato Tools (Jiaxing) will develop sales and acquire new customers. This applies primarily to South American markets, where the Group is strengthening its position, as well as African markets, which are a natural place of expansion for Chinese companies. Support for this subsidiary will be the development of logistics processes in the Capital Group, based on a newly built warehouse in China, equipped with modern infrastructure.

- Effective product management

  The Group attaches great importance to effective product management from the moment it enters the market until it is withdrawn from the offer. Currently, the Group has in its portfolio a very rich offer of several thousand products addressed to a wide range of recipients. The Group is constantly developing the product offer with the participation of the Product Managers team, so that it is attractive, modern and very well adapted to the expectations of a wide range of customers, both in Europe and other parts of the world, where the Group sees development potential. The team is supported by modern IT technology and systems and devices supporting product management.

  This process will continue in the coming quarters.

- Development of logistics processes

  The Group is working to optimize logistics processes. The analytical work undertaken is aimed at finding and later implementing solutions that will increase the Group's competitive advantage in the long term.

Operational activities that will produce an effect in the short term are primarily equipping currently used warehouses with modern tools, which will increase the efficiency of logistics processes and increase safety at work stations. This automation will primarily support the most time-consuming warehouse operations, allowing for a flexible response to changing demand, minimizing process service costs while respecting the natural environment.

- Capital investments

  Parent Company systematically supports the development of subsidiaries. In December 2022, Toya S.A. paid the last tranche of capital for Yato Tools (Jiaxing), completing the process of paying capital for this company in the amount of USD 12.5 million. The Group continues to monitor the market in search of an attractive acquisition target that provides added value for shareholders.

ASSESSMENT OF THE POSSIBILITY OF IMPLEMENTING INVESTMENT INTENDED USE

In the opinion of the Management Board of the Parent Company, there are no threats to the implementation of the above-mentioned investment plans. In addition to funds generated from operating activities, the Group has secured external financing in the form of credit limits in accordance with the agreements described in point 4.9.

6. RISK MANAGEMENT

6.1. MAIN TYPES OF RISK

The basic **financial risks** include:

- currency risk,
- interest rate risk,
- liquidity risk.

The characteristics of financial risks are included in point 6.2.

The basic **non-financial risks** include:

- the risk of changes in the macroeconomic situation, including in particular changes in the GDP growth rate, the level of inflation, the situation in the industrial, automotive, home and garden, infrastructure and residential construction, construction and assembly segments, the level of investment in enterprises, interest rate policy, the budget situation, or the income situation of society,
- competition risk,
- risk related to changes in the legal and tax environment,
- risk of disruption of the supply chain.

The characteristics of these risks are included in point 2.

6.2. RISK MANAGEMENT SYSTEM

The purchase prices of goods sold by the Group are subject to fluctuations, primarily due to changes in production costs of acquired goods (including raw material prices) incurred by the Group’s suppliers. In addition, the purchase price of goods depends on the USD/PLN and CNY/PLN exchange rates. These factors affect the profit margins achieved. To minimize the negative impact of purchase price fluctuations on financial performance, the Group negotiates relatively high-value contracts and selects manufacturers offering competitive prices and commercial terms. The Group does not use financial instruments to hedge against the risk of changes in purchase prices due to currency exchange rate fluctuations.

A portion of the Group's sales revenue is generated through export activities, with prices denominated in foreign currencies. As a result, the Group partially benefits from natural hedging. However, there remains a risk that future currency fluctuations could have a temporary negative impact on the Group's financial results.

Client credit risk is not significant due to the high diversification of customers. To mitigate the risk of overdue receivables, the Group periodically assesses the creditworthiness of its counterparties and conducts systematic (internal and external) monitoring of outstanding balances. Credit limits for individual customers are determined by the Management Board. For customers who consistently exceed payment terms, appropriate debt collection procedures and restrictions on purchasing goods from the Group are applied. To further minimize risk, the Parent Company also concludes receivables insurance agreements with one of the leading financial institutions.

Due to the nature of its operations, the Group requires working capital to settle payments with suppliers before receiving payment from customers, in exchange for favourable purchasing terms. The necessary capital is provided, among other sources, through short-term credit agreements for working capital financing. To diversify its lenders, the Parent Company cooperates with several banks that hold high credit ratings. Loan interest rates are based on the WIBOR benchmark rate. The Group does not use instruments to hedge against interest rate risk.

The Parent Company maintains good relationships with banks and has not experienced any issues with loan renewals to date. Therefore, the Management Board of the Parent Company considers the risk associated with short-term debt to be low.

In the opinion of the Management Board of the Parent Company, the Group's liquidity is secured for the foreseeable future. The Group follows a strict liquidity risk management policy by maintaining an adequate level of cash and ensuring access to available credit lines. The Parent Company monitors the level of short-term liabilities, working capital, and the current cash flows of both the Company and the Group

7. TOYA GROUP SUSTAINABILITY REPORT

7.1. ESRS 2 GENERAL DISCLOSURE

This report concerning the TOYA Group has been prepared in accordance with Article 63x, Chapter 6c of the Accounting Act of 29 September 1994 and Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, together with the Delegated Regulations of the Commission (EU) 2021/2139 of 4 June 2021, 2021/2178 of 6 July 2021, and 2022/1214 of 9 March 2022, as well as taking into account Delegated Regulation (EU) 2023/2772 of 31 July 2023, applicable from 1 January 2024, supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards.

The report has been prepared on a consolidated basis, and the scope of data consolidation is consistent with the consolidated financial statements. The data, indicators, and statements presented in this report refer to the Parent Company TOYA S.A. and the TOYA Capital Group.

The Sustainability Report of the TOYA Group for the year 2024 applies to the organization and its value chain when describing material impacts, risks, and opportunities, in order to better understand them. In preparing the document, the Group did not exercise the option to omit information relating to intellectual property, know-how, or the results of innovation.

In preparing the Sustainability Report, TOYA Capital Group generally did not deviate from the definitions of short-, medium-, and long-term time horizons as set out in ESRS 1, adopting a 1-year horizon for short-term, 5 years for medium-term, and over 5 years for long-term perspectives. However, for the assessment of climate-related risks (physical and transition risks) and scenario analysis, different medium- and long-term horizons were applied — up to 2040 and up to 2050, respectively — in alignment with the European Union's decarbonization target for 2050.

The TOYA Capital Group has decided to present the following disclosures in other sections of the Management Report of TOYA S.A. and the TOYA Group:

Disclosure	Place in the report on the operations of the Company and the TOYA Group
(ESRS 2 GOV-1) 21a-d	Item 8.8 (statement regarding corporate governance)
(ESRS2 GOV-3) 27	Item 8.8 (statement regarding corporate governance)
(G1) 5b	Item 8.8 (statement regarding corporate governance)

This sustainability report is the first to be prepared in accordance with the ESRS standard. As such, no changes in the way information is prepared or presented, or errors from previous reporting periods, are reported.

7.1.1. Management

TOYA Capital Group consists of four companies:

- TOYA S.A. – a Parent Company that meets the criteria for reporting on sustainable development,
- TOYA Romania S.A.,
- YATO Tools (Shanghai) Co., Ltd.,
- YATO Tools (Jiaxing) Co., Ltd.

According to the statute, the TOYA S.A. Management Board consists of one to seven members - this number is determined by the Supervisory Board. The Management Board members are appointed by the Supervisory Board for a joint, three-year term of office. The Company provides membership in the Management Board and Supervisory Board to persons with the widest possible range of competences and qualifications. In the opinion of TOYA S.A., the General Meeting and the Supervisory Board, when selecting the Supervisory Board and the Management Board, respectively, are guided primarily by the interests and needs of the company in terms of ensuring a diversified pool of talents necessary to meet the challenges facing the organization.

As of 31 December 2024, the Management Board of TOYA S.A. consisted of:

- Grzegorz Pinkosz – Chairman of the Board,
- Maciej Lubnauer – Vice President of the Management Board,
- Robert Borys – Vice President of the Management Board,
- Jan Jakub Szmidt[1] – Vice President of the Management Board.

Composition of the Supervisory Board as at 31 December 2024:

- Piotr Mondalski – Chairman of the Supervisory Board,
- Jan Szmidt – Vice-Chairman of the Supervisory Board,
- Beata Szmidt – Member of the Supervisory Board,
- Dariusz Górka – Member of the Supervisory Board,
- Zenon Beker – Independent Member of the Supervisory Board (independent member),
- Grzegorz Maciąg – Member of the Supervisory Board,
- Wojciech Papierak – Independent Member of the Supervisory Board (independent member).

More information on the Management Board and the Supervisory Board of TOYA S.A. can be found in section 8.8 of the Report on operations of the Company and the TOYA Group.

The organizational structure of the Management Board does not designate a specific individual responsible for overseeing impacts, risks, and opportunities. Each member of the Board is responsible for these issues within the organizational units under their supervision. It is also the Management Board that, by way of resolution, adopts Company policies and is responsible for their implementation within the organization.

The Company's risk management system is based on an established organizational structure composed of specialized units responsible for identifying potential risks, assessing their impact on specific decision-making processes, monitoring, and reporting directly to the Management Board. The Management Board of TOYA S.A. oversees the achievement of business objectives and supports managerial staff and operational employees in their daily activities, including risk management. In 2020, the Company established a specialized Legal and Compliance Department, responsible for the comprehensive oversight and control of business and organizational units regarding compliance with legal regulations, market best practices, adopted business ethics standards, and internal policies. The Legal and Compliance Department reports directly to the Management Board. This solution has provided the Board with access to consolidated knowledge regarding the Company's compliance across all areas and aspects of its operations, including applicable law, internal regulations, and the *Best Practices for WSE Listed Companies*. Currently, the Company has set

[1] Jan Jakub Szmidt was appointed to the Management Board on 26 June 2024.

objectives related to its material impact on climate change. The Management Board of TOYA S.A. is informed annually of progress made in achieving these objectives.

The Management Board's knowledge of sustainability is continuously developed through participation in specialized training. Board members also have access to the expertise of ESG advisors with whom the Company collaborates. The Management Board plays a key role in defining, approving, and supervising the sustainability strategy, and is also responsible for reviewing and approving the reported data.

For several years, the TOYA Capital Group has identified its material sustainability topics. The most recent analysis was fully conducted in accordance with the double materiality principle, meaning it took into account both the organization's impact on the environment and the assessment of financial risks and opportunities for the Group. The Management Board of the parent company is informed about the results of the double materiality assessment process, and a Board representative actively participated in the process. The Board is informed about performance indicators, allowing it to assess the effectiveness of management at TOYA S.A.

The Management Board of the parent company has been made aware of all significant impacts and risks identified through the double materiality assessment (no opportunities were identified). A list of the material impacts and risks is provided in disclosure SBM-3. These risks and opportunities are taken into account in the Company's management processes. For this reason, in 2024, a decarbonization action plan was developed. The next area to be addressed by a new policy will concern the circular economy and waste management within the TOYA Capital Group.

7.1.2. ESG governance and due diligence

TOYA Capital Group has adopted an ESG Governance Policy to implement and maintain an effective ESG management system. In order to ensure completeness and effectiveness of management, the ESG management structure is based on three levels of management:

- SUPERVISORY LEVEL - Comprehensive supervision over ESG management and implementation of ESG commitments / priorities.
- MANAGEMENT LEVEL - Strategic management of ESG and implementation of ESG commitments / priorities / reporting.
- OPERATIONAL LEVEL - operational activities. Implementation of individual initiatives and projects.

Responsibility for the scope of disclosures and review of the reported data lies with the Management Board of the Parent Company within the TOYA Capital Group. Employees of TOYA S.A., TOYA Romania S.A., YATO Tools (Shanghai) Co., Ltd., and YATO Tools (Jiaxing) Co., Ltd., who are responsible for specific areas within the Company, participate in the preparation of the sustainability disclosures.

The risk associated with sustainability reporting may relate to inaccurate data or errors in the calculation of quantitative indicators. Although this risk is not listed in the ESG Management Policy, measures are taken during the preparation of the TOYA Group's sustainability report to minimize it. The content of the report is reviewed by individuals responsible for each area, as well as by the person coordinating the preparation of the report. The Management Board of TOYA S.A. is also involved in this process. ESG management-related information is communicated to the Management Board of TOYA S.A. at least once a year.

The TOYA Capital Group exercises due diligence, particularly in matters related to labour practices, environmental protection, and corporate governance (including anti-corruption efforts). All of these aspects are described in the TOYA Group's Sustainability Report.

Due diligence	
Basic Elements of the Due Diligence Process	**Sustainability Statement Points**
Integrating Due Diligence into Corporate Governance, Strategy and Business Model	ESRS2 GOV-2, ESRS2 SBM-3,
Engage with affected stakeholders throughout all key stages of the due diligence process	ESRS2 SBM-2, S1-2, S4-2
Identification and assessment of adverse impacts	ESRS2 IRO-1, ESRS2 SBM-3
Taking action to mitigate identified adverse impacts	E1-1, E5-1, S1-1, S2-1, G1-3
Monitoring the effectiveness of these efforts and providing relevant information in this regard	E1-6, E5-4, S1-17, G1-3

7.1.3. Business model and value chain

In 2024, TOYA Group did not have a business strategy related to sustainable development. Climate change was considered the most important area of activity. The Climate Strategy adopted in 2024 is presented in Chapter E1 of this TOYA Group Sustainability Report.

TOYA Capital Group sold products under 6 own brands, which meant about 13 thousand products in 23 categories.

TOYA Capital Group's own brands and the scope of the offer are:

- YATO - power tools, battery-powered, electric, petrol-powered, pneumatic and hand-held tools, as well as health and safety articles).
- VOREL - hand-held, workshop and construction tools.
- FLO - hand-held and petrol-powered garden tools and garden power tools.
- STHOR - power tools and workshop tools.
- FALA - bathroom and kitchen fittings, accessories.
- LUND - small household appliances, household products.

More information on own brands can be found in point 4.3 of the Report on the operations of the Company and the TOYA Group.

The TOYA Capital Group operates in Poland, Romania and China, offering its products to individual customers and in wholesale. Companies in China facilitate contact with manufacturers of products sold by the TOYA Capital Group. Thanks to cooperation with distributors on local markets, the TOYA Capital Group reaches customers in over 100 countries in Europe, Asia, Africa, Australia and the countries of both Americas.

No goals related to sustainable development have been adopted for product groups and customer categories and geographical areas. Despite this, the TOYA Capital Group undertakes activities that are consistent with the idea of sustainable development. In the context of distributed products and the provision of services, the TOYA Capital Group offers the possibility of repairing equipment after the warranty has expired and the possibility of purchasing spare parts for selected products, which allows for further use of the equipment. Both professionals and DIY enthusiasts have access to information helpful in repairing equipment. In this way, the TOYA Capital Group works for sustainable consumption.

As of 31 December 2024, 346 people were employed in Poland, 86 in Romania, and 162 in China.

TOYA Capital Group strictly complied in 2024 with all sanctions imposed by the European Union, Poland, and other governments on entities, persons, and goods indicated in the relevant legal acts.

The Capital Group's revenues by ESRS sectors were as follows:

Revenues by significant ESRS sectors [PLN thousand]	
Sector	**Revenues**
Sales and trade	821,008
Total revenues	**821,008**

TOYA Capital Group does not conduct business related to the fossil fuel sector, including coal, oil or gas.

TOYA Capital Group's business model and value chain are focused on inputs, outputs and benefits for stakeholders. Inputs include financial resources such as revenues, as well as assets such as the online store toya24.pl, yatogastro.pl and toya24.ro. In addition, intellectual and human capital contribute to value creation in the form of brand reputation, employee knowledge, relationships with customers and business partners. TOYA Capital Group puts customers at the centre of its activities, which in the opinion of the organization translates into specific results and benefits.

Customer benefits:

- High quality products. TOYA Capital Group supplies tools and accessories that meet international quality standards. Own brands such as YATO, VOREL or STHOR are recognizable and valued by customers from various industries.
- Wide range of products. TOYA Capital Group's portfolio includes products tailored to various customer needs. The customer can choose products tailored to various technical requirements and budgets.
- Availability and customer service. TOYA Capital Group develops its distribution channels (traditional and online) and offers professional after-sales service. The benefits for customers include quick access to products, convenient shopping, and technical and warranty support.
- Innovation. Regular introduction of new products that take into account the latest trends. The benefits for customers can be better functionality and ergonomics of tools, which increases work efficiency.

Benefits for investors:

TOYA Capital Group delivers value to its investors through:

- Stable financial results. TOYA Capital Group records regular growth in revenues and profits;
- International development. TOYA Capital Group is expanding into foreign markets in Europe, Asia and other regions;
- Cost optimization and effective resource management;
- Transparency. Regular reporting of financial results increases trust and certainty related to the way the Company is managed.

Benefits for other stakeholders:

- employees:
    - training and development of team competences,
    - stable employment.
- business partners:
    - long-term relationships with suppliers and distributors,
    - stable orders,
    - transparent terms of cooperation.
- environmental protection:
    - reducing the negative impact on the environment and promoting sustainable development.

TOYA Group value chain:

- **Research and development, including brand management** – takes place at TOYA S.A. and is carried out by the Product Development Department responsible for market analysis in terms of finding new products, analysis of design trends, conceptual work and product designs. The team also has an influence on product life cycle management.

- **Order process management** – in the TOYA Capital Group business model, the production function (outsourced to external entities, most often in Asia) is separated from the product management function and the broadly understood sales process. The purchase of goods for sale is made directly by TOYA S.A., TOYA Romania or through subsidiaries in China. The management of the purchasing process takes place in subsidiaries in China or with independent suppliers until the delivery is loaded onto a ship – from that moment on, the management of the process as well as the risk and costs related to transport are taken over by TOYA Capital Group. Customs clearance is carried out by TOYA Capital Group companies directly or through a customs agency. Deliveries are accepted at warehouses located in Poland and Romania

- **Sales process service** – sales process logistics require handling many product lines. TOYA Capital Group places emphasis on continuous improvement of logistics systems and constant modernisation of its systems. For efficient customer service, constant availability of goods for sale is also necessary. Considering that production is outsourced, most often to manufacturers operating in geographically distant locations, ensuring the availability of goods is crucial to ensuring customer satisfaction. Therefore, TOYA Capital Group considers it necessary to maintain significant warehouse stocks, which requires significant financial outlays.

- **Sales and marketing** - maintaining good sales dynamics requires constant development of the sales network, which in the TOYA Capital Group is divided into four distribution channels - wholesale market, export, retail chains, retail sales. Conducting business in many distribution channels requires adapting different sales methods to them, conducting diverse marketing, because each channel is dedicated to a different group of recipients. The TOYA Capital Group is responsible for most marketing functions, including creating a marketing strategy. Additionally, the Group manages its brands, makes decisions regarding the product range and prepares appropriate marketing materials (catalogues, banners, leaflets).

- **After-sales service** – apart from a few exceptions, the TOYA Capital Group's product range includes goods intended for longer use. This is consistent with the expectations of customers who expect the possibility of using tools for a longer period. Market practice focused on customer care requires the organization of well-functioning after-sales service in the form of, for example, the availability of spare parts, support services, ensuring technical support for tools after the warranty expires. At the same time, good functioning of the after-sales service is not only well received by customers and potential recipients, but also builds trust in the brand and may be one of the elements of competitive advantage on the market.

Activities supporting core supply chain include:

- Investments in modern IT systems, e.g. ERP system.
- Human resources management.
- Digitalization of business processes, including customer service, digitalization of document flow, supply chain management.
- E-commerce and modern sales platforms.

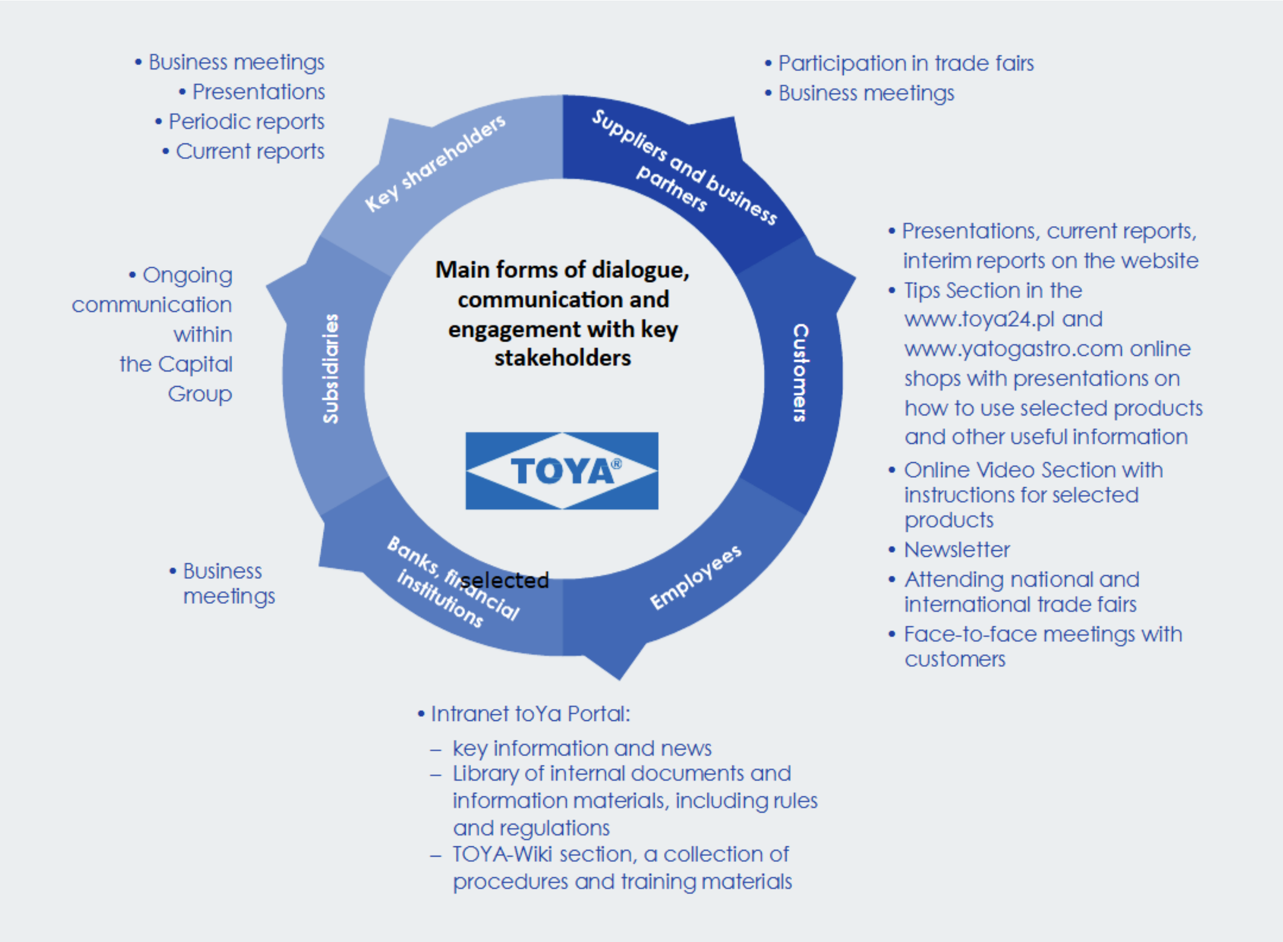
7.1.4.TOYA Capital Group Stakeholders

TOYA Capital Group has established a list of key stakeholders of the organization in the process of double materiality assessment. These are:

- current employees,
- subsidiaries,
- key suppliers and business partners,
- key shareholders,
- long-term strategic customers, domestic,
- long-term strategic customers, foreign,
- banks, financial institutions,
- suppliers and business partners (smaller),
- non-strategic customers, domestic.

TOYA Capital Group provides interested parties with information on current activities, achievements and challenges. Communication - in terms of topics, communication channels, method of data presentation, place and time - is adapted to the expectations of each stakeholder group. TOYA S.A. is a listed company and fulfils its reporting and information obligations by publishing current and periodic reports on its website. Relationships with the most important stakeholder groups were verified in the process of internal assessment by representatives of key departments of the organization. The results of the verification together with conclusions were used in everyday practice to regulate and improve relations with stakeholders. TOYA Capital Group prepared, among others, a survey for the most important stakeholder groups in order to learn about their perspective on the assessment of the significance of individual issues of sustainable development of the organization. The stakeholders with whom the dialogue was conducted were selected due to their direct relations with TOYA Capital Group. The collected opinions allowed for an assessment of whether the organization takes into account the stakeholder perspective in its activities. TOYA Capital Group treats them as an expression of interest in the further development of the organization, recognizing that these observations may be important for the results achieved in the future. The summary of the double materiality assessment together with the important topics that were indicated in the survey addressed to stakeholders were accepted by the Management Board of TOYA S.A. As a result of the dialogue with stakeholders, no decision was made to change the business model or other key decisions taken.

Main channels and method of cooperation with stakeholders:



7.1.5.Material Impacts and Risks of TOYA Capital Group

TOYA Capital Group identified material impacts, risks and opportunities during the double materiality assessment.

	IRO	TYPE	DESCRIPTION	Place of occurrence
E1	Impact	Potential positive	TOYA Group can manage the risks associated with climate change (heavy rain, floods, tornadoes, windstorms, droughts) by developing business continuity plans, developing technologies that reduce the negative impact of climate change and implementing changes in operational processes and supply chains to maintain continuity of supply in order to minimize exposure to risk (this may include diversifying sources of raw materials, securing infrastructure against extreme weather conditions or investing in technologies that reduce greenhouse gas emissions)	Organization, Upstream
E1	Impact	Potential negative	Climate change may affect the availability of raw materials, supply chain stability and working conditions.	Organization, Upstream
E1	Impact	Actual negative	The organization's suppliers and other entities in the value chain emit greenhouse gases into the atmosphere while producing their services.	Upstream

	IRO	TYPE	DESCRIPTION	Place of occurrence
E1	Impact	Potential positive	An organization can choose suppliers that use energy-efficient technologies, optimize logistics to reduce emissions from transportation, and invest in renewable energy sources.	Upstream
E1	Risk		Change in stakeholders' perception of the Company's activities and/or negative assessment of the Company by stakeholders	Organization
E1	Risk		Changing consumer behaviour and unpredictable market situation	Organization
E5	Impact	Actual negative	TOYA Group business partners may use various non-renewable natural resources, such as metals, minerals, water and energy, in their production processes. Excessive use of these resources can lead to their depletion and negative impact on the environment. Activities in the value chain can mitigate negative impacts but will not contribute to the creation of positive impacts.	Upstream, Downstream
E5	Impact	Potential negative	TOYA Group business partners can use various non-renewable natural resources, such as metals, minerals, water and energy, to a greater extent than they do now in their production processes. Excessive use of these resources can lead to their depletion and negative impact on the environment. Activities in the value chain can mitigate negative impacts but will not contribute to the creation of positive impacts.	Upstream, Downstream
E5	Impact	Actual negative	TOYA Group and its business partners may generate various types of waste, including solid, liquid and gaseous waste, which may be hazardous to human health and the environment. The organization should implement effective waste management systems that include segregation, recycling, recovery of raw materials and safe disposal of hazardous waste.	Organization, Upstream, Downstream
E5	Impact	Potential negative	Improper waste management can lead to air, water and soil pollution. The organization should implement effective waste management systems that include segregation, recycling, recovery of raw materials and safe disposal of hazardous waste.	Organization, Upstream, Downstream
S1	Impact	Actual positive	The TOYA Group should strive to provide competitive wages for both new and existing employees.	Organization
S1	Impact	Potential negative	TOYA Group could potentially stop striving to provide competitive wages for both new and existing employees.	Organization
S1	Impact	Potential positives	TOYA Group can strive to provide even more competitive wages for both new and existing employees.	Organization
S1	Impact	Actual positive	TOYA Group adheres to rigorous occupational health and safety standards to minimize the risk of accidents and occupational diseases. Regular training and health and safety audits are essential to maintain a high level of safety.	Organization
S1	Impact	Potential positives	TOYA Group can implement even more stringent occupational health and safety standards to minimise the risk of accidents and occupational diseases.	Organization
S1	Impact	Actual positive	The organization strives to ensure equal employment and advancement opportunities for women and men and equal pay for work of equal value. Gender equality supports diversity and justice in the workplace.	Organization
S1	Impact	Potential positives	An organization may strive to ensure equal opportunities for employment and advancement for women and men and greater equality of pay for work of equal value.	Organization

	IRO	TYPE	DESCRIPTION	Place of occurrence
S1	Impact	Actual positive	TOYA Group offers its employees a training system, invests in their competences and development, and also offers employees attractive benefits.	Organization
S1	Impact	Potential positives	TOYA Group offers its employees a training system, invests in their competences and development, and also offers employees attractive benefits	Organization
S1	Impact	Actual positive	All regulations regarding ethics, values, equality, diversity and anti-corruption are included in the Code of Ethics. It is intended to help TOYA Capital Group employees understand its commitment to the highest ethical and legal standards in business activities, facilitates proper assessment of the situation and conduct in an appropriate manner, and provides information on how to report possible violations of the rules.	Organization
S1	Impact	Potential positive	The Code of Ethics will be implemented within the organization and employees will receive training in this area.	Organization
S2	Risk		Increased contract costs resulting from rising operating costs associated with the remuneration of employees in the supply chain.	Upstream
S2	Impact	Actual positive	Regular occupational health and safety training and audits are essential to maintain a high level of safety throughout the value chain.	Upstream
S2	Impact	Actual negative	Despite training and maintaining a high level of safety, accidents can occur in the value chain.	Upstream
S2	Impact	Potential positives	TOYA Group value chain participants can implement and maintain rigorous occupational health and safety standards to minimize the risk of accidents and occupational diseases. Regular OHS training and audits are essential to maintain a high level of safety. TOYA Group can conduct audits of its business partners in this regard.	Upstream
S2	Impact	Actual negative	TOYA Capital Group has not yet implemented the Code of Ethics approved by the Management Board and Supervisory Board, which is to replace the Code of Conduct for Suppliers applicable in other respects.	Upstream
S2	Impact	Potential positives	All regulations regarding ethics, values, equality, diversity and anti-corruption are included in the Code of Ethics, which will be binding for suppliers. TOYA Capital Group wants its business partners to replicate the values it professes. Each supplier is obliged to respect human rights, including ensuring fair working conditions.	Upstream
S4	Impact	Actual positive	The organization regularly analyses new requirements for product labelling. All products meet legislative requirements, have full labelling, including contact information for consumers. Each product is equipped with a detailed safety data sheet, some of them - where necessary - with instructions for use, which increases transparency and safety of use. Distributors in individual countries are responsible for labelling in local markets.	Organization, Downstream
S4	Impact	Potential positives	TOYA Capital Group can increase transparency and safety of use. Distributors in individual countries are responsible for labelling in local markets.	Organization, Downstream
S4	Impact	Actual both negative and positive	The quality and safety of each product are analysed. There is a dedicated channel for reporting irregularities and ensuring consumer safety. Regular safety tests and compliance with standards are key to protecting users. Despite this, there are situations in which TOYA	Organization, Downstream

	IRO	TYPE	DESCRIPTION	Place of occurrence
			Capital Group has withdrawn a product from the market due to concerns about the safety of the product.	
S4	Impact	Potential positives	Regular security testing and compliance are key to protecting users in the future.	Organization, Downstream
S4	Impact	Actual positive	The organization regularly analyses new regulations in the field of marketing practices. Internal quality control and information about products in the framework of marketing activities are carried out. TOYA Capital Group avoids misleading advertisements and ensures that all marketing information is accurate and reliable.	Organization, Downstream
S4	Impact	Potential positives	Responsible marketing practices build customer trust and loyalty.	Organization, Downstream
G1	Impact	Actual positive	The TOYA Group applies corporate governance principles that aim to ensure transparency, integrity and responsibility in the way it conducts business.	Organization
G1	Impact	Potential positives	TOYA Group may apply corporate governance principles that are intended to ensure greater transparency, honesty and responsibility in the way it conducts business.	Organization
G1	Impact	Actual positive	The organization has implemented a system and procedures defining how to report irregularities. There is a dedicated channel that allows stakeholders to anonymously report irregularities and guarantees no retaliatory actions. Until September 2024, the issue was directed internally to the organization, and since the entry into force of the Act on Whistleblowers, the channels have also been made available externally. Reports are possible in the categories specified in the Act. Training for employees has been held. Suppliers and recipients have access to the procedure for whistleblowers, which is on the TOYA Group website.	Organization, Upstream, Downstream
G1	Impact	Potential positives	TOYA Group may expand the system to include other categories of reports and promote it among its stakeholders.	Organization, Upstream, Downstream
G1	Impact	Actual both negative and positive	The organization does not have a separate code defining relations and conduct with suppliers in the context of business relations and issues related to sustainable development, including payment terms. Payment terms for contractors are set individually depending on the business relationship.	Organization, Upstream,
G1	Impact	Actual positive	The organisation has standard anti-corruption training.	Organization
G1	Impact	Potential positives	TOYA Group should implement anti-corruption policies, procedures to prevent and detect corruption, and regular training for employees on ethics and compliance. The Company should also conduct internal audits and monitor its operations to minimize the risk of corruption. Prevention and detection of corruption is essential to maintaining the Company's integrity and reputation.	Organization

TOYA Group does not report specific impacts that do not result from the ESRS standard.

TOYA Capital Group has identified significant risks in the long term. Therefore, it does not bear current financial consequences, and actions to mitigate the indicated risks do not have to be immediate. In the long term, the identified risks may contribute to a decrease in revenues of between 8% to 16%. Therefore, in Chapter E1, TOYA Group has described the steps taken to manage these risks and limit their impact on the functioning of the organization in the long term.

7.1.6. Double materiality assessment process

The double materiality assessment was performed in accordance with the guidelines described in the ESRS standards and additional EFRAG publications in this area. The aim of the double materiality assessment was to create a list of material topics for the TOYA Group. The TOYA Capital Group consists of 4 companies:

- TOYA S.A. – Parent Company,
- TOYA ROMANIA S.A.,
- YATO Tools (Shanghai) Co., Ltd.,
- YATO Tools (Jiaxing) Co., Ltd.

The following disclosure requirements were considered in the materiality assessment process:

- ESRS 1 chapter 3 - Description of the double materiality assessment principle, definitions and parameters of impact materiality and financial materiality and the relationship between them.
- ESRS 1 AR 16 - AR 16 contains a three-level list of issues that should be subject to materiality testing
- ESRS 2 SBM-2 - Requirement specifying how stakeholders were considered in the materiality testing.
- ESRS 2 IRO-1 - Requirements specifying what information about the materiality testing process should be disclosed in the report.

The process included a series of analyses and discussions, including two workshops. A benchmarking analysis of entities with a similar business profile was also carried out (in 2024), a value chain analysis (conducted in 2023), a stakeholder assessment of materiality (in 2024), and interviews with internal stakeholders (conducted in 2023). The process was conducted with an external advisor and lasted from November 2024 to February 2025. The process used materials and analyses prepared in previous years, which remained relevant at the time of the double materiality assessment process.

For the purposes of the double materiality process, the channels of contact with the most important stakeholders and methods of engaging stakeholders were discussed. A prepared survey was sent to the indicated most important stakeholders in Polish or English. The survey allowed for an assessment of which topics and subtopics and smaller topics in ESRS 1 AR 16 are important in the assessment of stakeholders (what type of impact occurs and what is its strength). The survey also included an open-ended question, in which stakeholders could additionally comment on a topic that was important to them. The survey was conducted from December 9 to 20, 2024. During this time, a total of 158 responses were collected. The stakeholder assessment was taken into account when deciding on the significance of the impact of given topics.

In accordance with the ESRS methodology, an assessment was made from the perspective of the materiality of the impact and from the perspective of the financial materiality of the operations conducted in Poland, Romania and China.

Within the framework of the materiality of the impact, all the impact criteria (positive and negative, actual and potential) were taken into account, as well as the scale according to which the size of a given impact is identified (scale, scope, reversibility or irreversibility of the impact). A scale from 1 to 5 was used, where 1 is the lowest score and 5 is the highest score.

Within the framework of financial materiality, risks and opportunities were identified, including dependence on natural and social resources. A scale defining the potential size of the financial impact on the TOYA Capital Group and the probability of occurrence was used for the assessment. On the applied scale, 1 means low impact/scope, and 5 means very high impact/wide scope.

As a result of the workshops, a list of risks was created, which were assigned an appropriate rating within the financial significance assessment scale, thanks to which important topics were identified from the perspective of financial significance. None of the identified impacts and risks were assessed as more important than the others. Climate risks (change in the perception of the Company's activities by stakeholders and/or negative assessment of the Company by stakeholders; change in consumer behaviour and unpredictability of the market situation) are related to the impact on the climate in the form of greenhouse gas emissions affecting climate change.

A member of the Management Board of TOYA S.A. participated in the double materiality assessment process, and the entire Management Board of the Parent Company was familiar with the result of the process, including a description of the identified impacts and risks.

In accordance with the TOYA Group Risk Management Policy, identified risks are categorized in the main risk register, divided into the main types of risks that have been considered by the Risk Committee as key from the point of view of TOYA's business (e.g. regulatory risks, financial risks, legal risks, climate-related risks, etc.) and other risks. All risks are reviewed at least once a year to assess the probability of risk materialization and the consequences for the Company.

In the TOYA Group's 2024 Sustainability Report, TOYA Group discloses information resulting from the double materiality assessment and identifies specific material topics. The report presents policies aimed at managing material impacts and risks. The presented metrics are used to assess the effectiveness of this management. Thus, it presents the information required by the ESRS standard.

The table below includes all ESRS disclosures. In the case of non-material disclosures, information about this fact replaces the page number.

Discolosure number	Point
ESRS 2 - General Disclosures, including information provided under the ESRS Thematic Application Requirements listed in ESRS 2, Appendix C	
BP-1 – General basis for making sustainability statements	7.1
BP-2 – Disclosure in relation to specific circumstances	7.1
GOV-1 – The role of administrative, management and supervisory bodies	7.1.1
GOV-2 – Information provided to the administrative, management and supervisory bodies of the entity and the issues related to sustainable development undertaken by them	7.1.1
GOV-3 – Integration of sustainability-related performance in incentive schemes	8.8
GOV-4 – Due Diligence Statement	7.1.2
GOV-5 – Risk management and internal controls over sustainability reporting	7.1.2
SBM-1 – Strategy, business model and value chain	7.1.3
SBM-2 – Interests and opinions of interested parties	7.1.4
SBM-3 – Material impacts, risks and opportunities, and their interaction with strategy and business model	7.1.5
IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	7.1.6
IRO-2 – Disclosure requirements in the ESRS covered by the undertaking's sustainability statement	7.1.6
ESRS E1 – Climate Change	
E1-1 – Climate Change Mitigation Transition Plan	7.2.2
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interrelationships with the strategy and the business model	7.2.2
E1-2 – Climate change mitigation and adaptation policies	7.2.3
E1-3 – Actions and resources in relation to climate policy	7.2.4
E1-4 – Targets related to climate change mitigation and adaptation	7.2.4
E1-5 – Energy consumption and mix	Irrelevant

Discolosure number	Point
E1-6 – Gross scope 1, 2, 3 and total GHG emissions	7.2.5 Information regarding Scope 3 GHG emissions and total GHG emissions was omitted in the first year of reporting.
E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	Irrelevant
E1-8 – Carbon pricing internally	Irrelevant
E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Omitted in first year of reporting
ESRS E2 – Pollution	
ESRS2 IRO-1 - Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	Irrelevant
E2-1 – Policies related to pollution	Irrelevant
E2-2 – Pollution Actions and Resources	Irrelevant
E2-3 – Pollution targets	Irrelevant
E2-4 – Pollution of air, water and soil	Irrelevant
E2-5 – Substances of concern and substances of very high concern	Irrelevant
E2-6 – Anticipated financial effects from pollution-related impacts, risks and opportunities	Irrelevant
ESRS E3 – Water and marine resources	
ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities related to water and marine resources	Irrelevant
E3-1 – Policies related to water and marine resources	Irrelevant
E3-2 – Activities and resources related to water and marine resources policies	Irrelevant
E3-3 – Water and marine resources objectives	Irrelevant
E3-4 – Water consumption	Irrelevant
E3-5 – Anticipated financial effects of risks and opportunities related to water and marine resources	Irrelevant
ESRS E4 – Biodiversity and ecosystems	
E4-1 – Biodiversity and ecosystems transition plan and integrating biodiversity and ecosystems into strategy and business model	Irrelevant
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interrelationships with the strategy and the business model	Irrelevant
ESRS 2 IRO-1 – Description of processes for identifying and assessing material impacts, risks and opportunities related to biodiversity and ecosystems	Irrelevant
E4-2 – Biodiversity and Ecosystem policies	Irrelevant
E4-3 – Biodiversity and ecosystem related activities and resources	Irrelevant
E4-4 – Biodiversity and ecosystem goals	Irrelevant
E4-5 – Impact metrics related to biodiversity and ecosystems change	Irrelevant
E4-6 – Estimated financial impacts of biodiversity and ecosystem risks and opportunities	Irrelevant

Discolosure number	Point
ESRS E5 – Resource use and circular economy	
ESRS 2 IRO-1 – Description of processes for identifying and assessing material impacts, risks and opportunities related to resource use and the circular economy	7.3
E5-1 – Resource use and circular economy policies	7.3
E5-2 – Activities and resources related to resource use and the circular economy	7.3
E5-3 – Resource use and circular economy goals	7.3
E5-4 – Resources Input – Disclosure Requirement	7.3.1
E5-5 - Resource outflows	7.3.2
E5-6 – Estimated financial impacts from impacts, risks and opportunities related to resource use and the circular economy	Omitted in first year of reporting
ESRS S1 – Own workforce	
ESRS 2 SBM-2 – Interests and opinions of interested parties	7.4
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interrelationships with the strategy and business model	7.4
S1-1 – Policies related to own employee resources	7.4.1
S1-2 – Procedures for cooperating with own employee resources and employee representatives on revenue matters	7.4.2
S1-3 – Processes for remediating the effects of negative impacts and channels for reporting concerns by own employee resources	7.4.2
S1-4 – Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches	7.4.2
S1-5 – Objectives for managing material negative impacts, increasing positive impacts and managing significant risks and opportunities	7.4.2
S1-6 – Characteristics of the undertaking's employees	7.4.3
S1-7 – Characteristics of non-employee workers in the undertaking's own workforce	7.4.3
S1-8 - Collective bargaining coverage and social dialogue	Irrelevant
S1-9 - Diversity metrics	7.4.3
S1-10 – Adequate pay	7.4.4
S1-11 – Social protection	Irrelevant
S1-12 – People with disabilities	Irrelevant
S1-13 – Training and skills development metrics	7.4.3
S1-14 – Occupational health and safety measures	7.4.5
S1-15 – Work-life balance metrics	Irrelevant
S1-16 – Remuneration metrics (pay gap and total compensation)	7.4.4
S1-17 – Incidents, complaints and severe human rights impacts	7.4.5
ESRS S2 – Workers in the value chain	
ESRS 2 SBM-2 – Interests and opinions of interested parties	7.1.4
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interrelationships with the strategy and business model	7.5
S2-1 – Policies related to people performing work in the value chain	7.5.1

Discolosure number	Point
S2-2 – Processes for working with people working in the value chain on impact	7.5.1
S2-3 – Processes for remediating negative impacts and channels for people working in the value chain to raise concerns	7.5.2
S2-4 – Taking action to address material impacts on people performing work in the value chain and applying approaches to manage significant risks and opportunities related to people performing work in the value chain and the effectiveness of these actions	7.5.2
S2-5 – Objectives for managing material negative impacts, increasing positive impacts and managing significant risks and opportunities	7.5.2
ESRS S3 – Affected Communities	
ESRS 2 SBM-2 – Interests and opinions of interested parties	7.1.4
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interrelationships with the strategy and business model	Irrelevant
S3-1 – Policies related to affected communities	Irrelevant
S3-2 – Impact Collaboration Processes with Affected Communities	Irrelevant
S3-3 – Processes for remediation of negative impacts and channels for affected communities to raise concerns	Irrelevant
S3-4 – Taking action to address material impacts on affected communities and applying approaches to manage significant risks and opportunities related to those communities and the effectiveness of those actions	Irrelevant
S3-5 – Objectives for managing material negative impacts, increasing positive impacts and managing significant risks and opportunities	Irrelevant
ESRS S4 - Consumers and end-users	
ESRS 2 SBM-2 – Interests and opinions of interested parties	7.6
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interrelationships with the strategy and business model	7.6
S4-1 – Consumer and End-User Policies	7.6.1
S4-2 – Collaboration processes on revenue with consumers and end users	7.6.2
S4-3 – Processes for remediating negative impacts and channels for reporting concerns by consumers and end users	7.6.2
S4-4 – Taking action on material impacts on consumers and end-users and applying approaches to manage significant risks and opportunities related to consumers and end-users and their effectiveness	7.6.2
S4-5 – Objectives for managing material negative impacts, increasing positive impacts and managing significant risks and opportunities	7.6.2
ESRS G1 – Business conduct	
ESRS 2 GOV-1 – The role of administrative, supervisory and management bodies 7.7	
ESRS 2 IRO-1 – Description of processes for identifying and assessing material impacts, risks and opportunities 7.7	
G1-1 – Business Conduct Policies and Corporate Culture	7.7.1
G1-2 – Supplier Relationship Management	7.7.2
G1-3 – Preventing and detecting corruption and bribery	7.7.3
G1-4 – Incidents of corruption or bribery	Irrelevant
G1-5 – Political influence and lobbying activities	Irrelevant
G1-6 – Payment practices	7.7.2

The table below provides an overview of ESRS data taken from other EU legislation included in the sustainability statement.

ESRS Disclosure	Data point		Legislation	Point
ESRS2 GOV-1	21d	Gender diversity of board members	Article 12(1) of Delegated Regulation (EU) 2020/1818, Annex II of Delegated Regulation (EU) 2020/1816	8.8
	21e	Percentage of independent board members	Article 2(1) of Regulation (EU) 2021/1119	8.8
ESRS2 GOV-4	30	Summary of information contained in the Sustainability Statement on Due Diligence Process	Indicator No. 10 in Table 3 in Annex I	7.1.2
ESRS2 SBM-1	40d i	Demonstration of activity related to the fossil fuel sector	Indicator No. 4 in Table 1 of Annex I Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6), Table 1: Qualitative information on environmental risks and Table 2: Qualitative information on social risks Annex II of Delegated Regulation (EU) 2020/1816	Irrelevant
ESRS2 SBM-1	40d ii	Demonstration of conducting business related to the production of chemicals	Indicator No. 9 in Table 2 in Annex I Annex II of Delegated Regulation (EU) 2020/1816	Irrelevant
ESRS2 SBM-1	40d iii	Demonstration of conducting business related to controversial types of weapons	Indicator No. 14 in Table 1 of Annex I Article 12(1) of Delegated Regulation (EU) 2020/1818 (7), Annex II of Delegated Regulation (EU) 2020/1816	Irrelevant
ESRS2 SBM-1	40d iv	Demonstration of conducting business related to tobacco cultivation and production	Article 12(1) of Delegated Regulation (EU) 2020/1818, Annex II of Delegated Regulation (EU) 2020/1816	Irrelevant
E1-1	14	Transition plan to achieve climate neutrality by 2050	Article 2(1) of Regulation (EU) 2021/1119	7.2.2
E1-1	16g	Entities excluded from the scope of Paris-aligned benchmarks	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking portfolio – Climate change related transition risk: credit quality of exposures by sector, issue and residual maturity Article 12(1)(d) to (g) and Article 12(2) of Delegated Regulation (EU) 2020/1818	Irrelevant
E1-4	34	Greenhouse gas emission reduction targets	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking portfolio	7.2.4

ESRS Disclosure	Data point		Legislation	Point
			– Climate change related transition risk: adaptation metrics; Article 6 of Delegated Regulation (EU) 2020/1818	
E1-5	38	Energy consumption in the sector with significant climate impact from fossil sources	Indicator No. 5 in Table 1 and Indicator No. 5 in Table 2 in Annex I	Irrelevant
E1-5	37	Total energy consumption in MWh related to own operations	Indicator No. 5 in Table 1 and Indicator No. 5 in Table 2 in Annex I	Irrelevant
E1-5	40-43	Energy intensity in sectors with significant climate impact	Indicator No. 6 in Table 1 and Indicator No. 5 in Table 2 in Annex I	Irrelevant
E1-6	44	Scope 1, 2, 3 gross and total GHG emissions	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking Book – Climate change related transition risk: credit quality of exposures by sector, issue and residual maturity; Articles 5(1), 6 and 8(1) of Delegated Regulation (EU) 2020/1818	7.2.5
E1-6	53-55	Gross greenhouse gas emission intensity	Article 8(1) of Delegated Regulation (EU) 2020/1818	7.2.5
E1-7	56	Information on the removal and storage of greenhouse gases	Article 2(1) of Regulation (EU) 2021/1119	Irrelevant
E1-9	66	Estimated financial impact of significant physical risks	Annex II to Delegated Regulation (EU) 2020/1818, Annex II to Delegated Regulation (EU) 2020/1816	Omitted in first year of preparing sustainability statements
E1-9	66a, 66c	The amount and percentage of assets with significant physical risks and their location	Article 449a of Regulation (EU) No 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; Template 5: Banking book – Climate change related physical risk: Exposures subject to physical risk	Omitted in first year of preparing sustainability statements
E1-9	67c	Estimated financial impact of significant transition risks	Article 449a of Regulation (EU) No 575/2013; point 34 of Commission Implementing Regulation (EU) 2022/2453; Template 2: Banking portfolio – Climate change related transition risk: loans secured by real estate – Energy efficiency of collateral	Omitted in first year of preparing sustainability statements
E1-9	69	Revealing the potential to seize climate-related opportunities	Annex II to Delegated Regulation (EU) 2020/1818	Omitted in first year of preparing sustainability statements
E2-4	28	Pollutants emitted from own operations	Indicator No. 8 in Table 1 of Annex I, Indicator No. 2 in Table 2 of Annex I, Indicator No. 1 in Table 2 of Annex I and Indicator No. 3 in Table 2 of Annex I	Irrelevant
E3-1	9	Policies adopted to manage their material impacts, risks and	Indicator No. 7 in Table 2 in Annex I	Irrelevant

ESRS Disclosure	Data point		Legislation	Point
		opportunities related to water and marine resources		
E3-1	13	Disclosure regarding the location of the unit in areas of significant water stress	Indicator No. 8 in Table 2 in Annex I	Irrelevant
E3-1	14	Disclosure of Ocean and Sea Sustainability Policies or Practices	Indicator No. 12 in Table 2 in Annex I	Irrelevant
E3-4	28c	Water consumption outcomes related to material impacts, risks and opportunities.	Indicator No. 6.2 in Table 2 in Annex I	Irrelevant
E3-4	29	Information on water absorption	Indicator No. 6.1 in Table 2 in Annex I	Irrelevant
E4	16a i	Listing of activities that negatively impact biodiversity-sensitive areas	Indicator No. 7 in Table 1 in Annex I	Irrelevant
E4	16b	Material negative impacts in terms of land degradation, desertification or soil sealing	Indicator No. 10 in Table 2 in Annex I	Irrelevant
E4	16c	Impact on endangered species	Indicator No. 14 in Table 2 in Annex I	Irrelevant
E4-2	24b	Sustainable land/agriculture practices or policies	Indicator No. 11 in Table 2 in Annex I	Irrelevant
E4-2	24c	Sustainable ocean/sea practices or policies	Indicator No. 12 in Table 2 in Annex I	Irrelevant
E4-2	24d	Anti-deforestation policies	Indicator No. 15 in Table 2 in Annex I	Irrelevant
E5-5	37d	Impact metrics related to changes in biodiversity and ecosystems	Indicator No. 13 in Table 2 in Annex I	Irrelevant
E5-5	39	Metrics for the accidental or intentional introduction of invasive unfamiliar species	Indicator No. 9 in Table 1 in Annex I	Irrelevant
S1	14f	List of operations at significant risk of forced labour	Indicator No. 13 in Table 3 in Annex I	7.4
S1	14g	List of operations at significant risk of child labour	Indicator No. 12 in Table 3 in Annex I	7.4
S1-1	20	Human Rights Policy Commitments	Indicator No. 9 in Table 3 and Indicator No. 11 in Table 1 in Annex I	7.4.1
S1-1	21	Due diligence strategies for matters covered by ILO Fundamental Conventions 1-8	Annex II to Delegated Regulation (EU) 2020/1816	7.4.1
S1-1	22	Disclosure Regarding Explicit Policy Addresses Human Trafficking, Forced or Compulsory Labor, and Child Labor	Indicator No. 11 in Table 3 in Annex I	Irrelevant
S1-1	23	Disclosure regarding occupational accident prevention policy or management system	Indicator No. 1 in Table 3 in Annex I	7.4.1
S1-3	32c	Disclosure Regarding Employee Complaints Mechanism	Indicator No. 5 in Table 3 in Annex I	7.4.2
S1-14	88b, 88c	The number of work-related deaths and the number and rate of work-related accidents	Indicator No. 2 in Table 3 in Annex I Annex II of Delegated Regulation (EU) 2020/1816	7.4.5
S1-14	88e	Number of days lost due to work-related injuries and work-related fatalities	Indicator No. 3 in Table 3 in Annex I	7.4.5
S1-16	97a	Unadjusted gender pay gap	Indicator No. 12 in Table 1 of Annex I	7.4.4

ESRS Disclosure	Data point		Legislation	Point
			Annex II of Delegated Regulation (EU) 2020/1816	
S1-16	97b	Annual total compensation of the highest earner to the median annual total compensation of all employees	Indicator No. 8 in Table 3 in Annex I	7.4.4
S1-17	103a	Total number of incidents of discrimination, including harassment, reported during the reporting period	Indicator No. 7 in Table 3 in Annex I	7.4.5
S1-17	104a	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines	Indicator No. 10 in Table 1 and Indicator No. 14 in Table 3 in Annex I Annex II of Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818	7.4.5
S2	11b	Information regarding geographical areas where there is a significant risk of child or forced labour	Indicators no. 12 and no. 13 in table 3 in annex I	7.5
S2-1	17	Human rights policies for people performing work in the value chain	Indicator No. 9 in Table 3 and Indicator No. 11 in Table 1 in Annex I	7.5.1
S2-1	18	Policy towards workers in the value chain related to human trafficking	Indicator No. 11 and No. 4 in Table 3 in Annex I	7.5.1
S2-1	19	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines	Indicator No. 10 in Table 1 of Annex I Annex II of Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818	7.5.1
S2-1	19	Due diligence strategies for matters covered by ILO Fundamental Conventions 1-8	Annex II to Delegated Regulation (EU) 2020/1816	7.5.1
S2-4	36	Reported serious human rights issues and incidents related to the value chain	Indicator No. 14 in Table 3 in Annex I	7.5.2
S3-1	16	Commitments under its human rights policy relevant to affected communities	Indicator No. 9 in Table 3 of Annex I and Indicator No. 11 in Table 1 of Annex I	Irrelevant
S3-1	17	Disclosure of policies regarding affected communities in line with internationally recognized standards regarding communities, in particular indigenous peoples	Indicator No. 10 in Table 1 of Annex I Annex II of Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818	Irrelevant
S3-4	36	Reports of serious human rights issues and incidents relating to affected communities	Indicator No. 14 in Table 3 in Annex I	Irrelevant
S4-1	16	Human rights policies that are relevant to consumers or end users	Indicator No. 9 in Table 3 and Indicator No. 11 in Table 1 in Annex I	7.6.1
S4-1	17	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines	Annex II to Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818	7.6.1
S4-4	35	Reports of serious human rights issues and incidents involving	Indicator No. 14 in Table 3 in Annex I	7.6.2

ESRS Disclosure	Data point		Legislation	Point
		consumers or end users		
G1-1	10b	Information on the policy in accordance with the United Nations Convention against Corruption	Indicator No. 15 in Table 3 in Annex I	7.7.1
G1-1	10d	Information regarding whistleblower protection policy	Indicator No. 6 in Table 3 in Annex I	Irrelevant
G1-4	24a	Penalties for violating anti-corruption and anti-bribery laws	Indicator No. 17 in Table 3 of Annex I Annex II of Delegated Regulation (EU) 2020/1816	Irrelevant
G1-4	24b	Information on any actions taken to address violations of anti-corruption and bribery procedures and standards	Indicator No. 16 in Table 3 in Annex I	Irrelevant

7.2. ENVIRONMENTAL INFORMATION

7.2.1. Taxonomy

Below, in accordance with Article 8 of Regulation (EU) 2020/852 (Taxonomy), information is provided on how and to what extent the activities of the TOYA Capital Group are related to economic activities that qualify as environmentally sustainable (activities consistent with the taxonomy). The key performance indicators have been prepared in accordance with the requirements set out in Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 (Delegated Act specifying the technical screening criteria), as updated by Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 and Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council and amending Commission Delegated Regulation (EU) 2021/2178, to the best of knowledge and with due diligence.

The assessment of the compliance of the economic activity with the taxonomy, within the individual key performance indicators, was carried out based on the technical criteria set out in EU delegated acts 2021/2139 and 2022/1214.

Minimum guarantees

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

The assessment of compliance with the Minimum Safeguards in the TOYA Capital Group was carried out based on the recommendations from the Final Report on Minimum Safeguards by Platform On Sustainable Finance published in October 2022, which indicates that failure to comply with the Minimum Safeguards is the occurrence of at least one of two conditions within four areas of activity:

- Human Rights
- Corruption
- Taxes
- Fair Competition

Turnover KPI

					Criteria for a Substantial Contribution					"Do no serious harm" criteria										
	Code	Turnover (3)	Part of turnover, year N (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 guarantees (17)	Share of revenues from activities aligned with the taxonomy (%)		Category Supporting activities (19)	Category Transition activities (20)
		PLN '000	%	Y; N; N/EL	Y; N; N/EL		Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. Activities eligible for taxonomy																				
A.1. Types of environmentally sustainable activities (according to taxonomy)																				
A.1. Turnover from environmentally sustainable activities (according to taxonomy)		0	0	0	0		0	0	0								0			
Including supporting activities			0	0	0		0	0	0										E	
Including transition activities			0	0																T
				Y; N; N/EL	Y; N; N/EL		Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N				
A.2. Activities that qualify for taxonomy but are environmentally unsustainable (non-taxonomy compliant activities)																				
A.2. Turnover from activities that qualify for the taxonomy but are environmentally unsustainable (non-taxonomy-compliant activities)		0	0																	
A. Turnover from activities qualifying for taxonomy (A1+A2)		0	0																	
B. ACTIVITIES NOT QUALIFYING FOR TAXONOMY																				
Other		821,007.8	100													Y				
Turnover from activities not eligible for taxonomy		821,007.8	100																	
TOTAL		821,007.8	100														0		0	0

	Share in turnover	
	Compliance with the taxonomy by purpose	Eligibility for taxonomy by purpose
CCM	0	0
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

Disclosures for Nuclear and Natural Gas Activities

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

Turnover

Template 1 Nuclear and natural gas activities		
Row	**Nuclear Energy Activities**	
1.	The Company conducts research, development, demonstration and deployment of innovative electricity generation facilities that generate energy from nuclear processes with minimal waste from the fuel cycle, or finances or has exposure to such activities.	NO
2.	The Company builds, finances or has exposure to new nuclear facilities for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as their safety modernization, using best available technologies.	NO
3.	The Company operates, finances or has exposure to the safe operation of existing nuclear facilities that generate electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Natural Gas Activities	
4.	The Company constructs or operates an installation for the generation of electricity using gaseous fossil fuels, finances such activity, or has exposure to such activity.	NO
5.	The Company builds, modernises and operates installations for the combined production of heat/cooling and electricity using gaseous fossil fuels, finances this activity or has exposure to it.	NO
6.	The Company builds, modernises and operates heat generation installations that generate heating/cooling energy using gaseous fossil fuels, finances this activity or has exposure to it.	NO

Template 2 Economic activity according to the taxonomy (denominator)							
Row	Types of business activities	Amount and share (information should be presented in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Adaptation to Climate Change (CCA)	
		Amount (PLN thousand)	%	Amount (PLN thousand)	%	Amount (PLN thousand)	%
1.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and share of other economic activities consistent with the taxonomy not included in rows 1–6 above in the denominator of the applicable KPI**	0	0%	0	0%	0	0%
8.	Total applicable KPI	0	0	0	0	0	0

Template 3 Economic activity according to the taxonomy (numerator)							
Row	Types of business activities	Amount and share (information should be presented in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Adaptation to Climate Change (CCA)	
		Amount (PLN thousand)	%	Amount (PLN thousand)	%	Amount (PLN thousand)	%
1.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%

3.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
7.	Amount and share of other business activities consistent with the taxonomy not included in rows 1–6 above in the numerator of the applicable KPI	0	0%	0	0%	0	0%
8.	Total amount and total share of the economic activities consistent with the taxonomy in the numerator of the applicable KPI	0	0%	0	0%	0	0%

Template 4. Economic activity that qualifies for taxonomy but is not consistent with taxonomy							
Row	Types of business activities	Amount and share (information should be presented in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Adaptation to Climate Change (CCA)	
		Amount (PLN thousand)	%	Amount (PLN thousand)	%	Amount (PLN thousand)	%
1.	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%

6.	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and share of other economic activities eligible but not compliant with the taxonomy not included in rows 1–6 above in the denominator of the applicable KPI**	**0**	0	**0**	0%	0	0%
8.	**Total amount and total share of taxonomically eligible but non-taxonomically compliant economic activities in the denominator of the applicable KPI**	**0**	0	**0**	0%	0	0%

Template 5. Economic activity not eligible for taxonomy			
Row	**Types of business activities**	**Amount (PLN thousand)**	**%**
1.	Amount and share of economic activities not qualifying for the taxonomy referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%
2.	Amount and share of economic activities not qualifying for the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%
3.	Amount and share of economic activities not qualifying for the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%
4.	Amount and share of economic activities not qualifying for the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%
5.	Amount and share of economic activities not qualifying for the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%
6.	Amount and share of economic activities not qualifying for the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%
7.	Amount and share of other economic activities not eligible for the taxonomy not included in rows 1-6 above in the denominator of the applicable KPI	821,007.8	100%
8.	**Total amount and total share of economic activities not eligible for taxonomy in the denominator of the applicable KPI**	**821,007.8**	**100%**

Accounting principles

The basis for calculating the key performance indicator for Turnover (Turnover KPI) was the consolidated financial statements of the TOYA Capital Group for 2024 prepared in accordance with International Reporting Standards (IFRS). The denominator of the indicator was net sales revenues from the above-mentioned statement.

Information on assessing compliance with Regulation (EU) 2020/852

The individual categories of revenues of the TOYA Capital Group were analysed in terms of their eligibility for the taxonomy. This process included an analysis of the activities eligible for the taxonomy defined in EU Regulation 2021/2139 and EU Regulation 2022/1214 in order to confirm whether the activities conducted by the TOYA Capital Group were listed in the aforementioned regulations.

As a result of the analysis, no revenues from activities eligible for the taxonomy were identified.

Contribution to multiple objectives, disaggregation of KPIs

Not applicable. Within the TOYA Capital Group revenues for 2024, no revenues related to environmentally sustainable activities (in line with the taxonomy) were identified.

Contextual information

Not applicable. Within the TOYA Capital Group revenues for 2024, no revenues related to environmentally sustainable activities (in line with the taxonomy) were identified.

Capex KPI

				Criteria for a Substantial Contribution						"Do no serious harm" criteria							2022			
Economic activity (1)	Code or codes (a) (2)	Nakłady inwestycyjne (3)	Investment outlays percentage, year N (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 guarantees (17)	Share of revenues from activities aligned with the taxonomy (%)		Category Supporting activities (19)	Category Transition activities (20)
		PLN '000	%	Y; N; N/EL	Y; N; N/EL		Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. Activities eligible for taxonomy																				
A.1. Types of environmentally sustainable activities (according to taxonomy)																				
Capital expenditure for environmentally sustainable activities (in accordance with the taxonomy) (A.1)		0	0	0	0	0	0	0	0								0			
Including supporting activities			0	0	0	0	0	0	0										E	
Including transition activities			0	0																T
				Y; N; N/EL	Y; N; N/EL		Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N				
A.2. Activities that qualify for taxonomy but are environmentally unsustainable (non-taxonomy compliant activities)																				
Infrastructure supporting low-emission road and public transport	6.15	6,771.8	28,6																	
Installation, maintenance and repair of electric vehicle charging stations in buildings (and in car parks next to buildings)	7.4	40.4	0,2																	
Renovation of existing buildings																				
Capital expenditure for activities that qualify for the taxonomy but are environmentally unsustainable (activities that do not comply with the taxonomy) (A.2)		6,812.1	28,7																	
A. Capital expenditure for activities that qualify for the taxonomy (A.1+A.2))		6,812.1	28,7																	
B. ACTIVITIES NOT QUALIFYING FOR TAXONOMY		16,893	71,3																	
Other		16,893	71,3													Y				
Capital expenditures for business activities that do not qualify for taxonomy		16,893	71,3																	
TOTAL (A + B)		23,705.1	100,00														0		0	0

Part of investment expenditures / Total investment expenditures		
	Compliance with the taxonomy by purpose	Eligibility for taxonomy by purpose
CCM	0	6 812,1
CCA	0	0
WTR	0	0
CE GOZ	0	0
PPC	0	0
BIO	0	0

Nuclear and natural gas activities

Template 1 Nuclear and natural gas activities		
Row	**Nuclear Energy Activities**	
1.	The Company conducts research, development, demonstration and deployment of innovative electricity generation facilities that generate energy from nuclear processes with minimal waste from the fuel cycle, or finances or has exposure to such activities.	NO
2.	The Company builds, finances or has exposure to new nuclear facilities for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as their safety modernization, using best available technologies.	NO
3.	The Company operates, finances or has exposure to the safe operation of existing nuclear facilities that generate electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Natural Gas Activities	
4.	The Company constructs or operates an installation for the generation of electricity using gaseous fossil fuels, finances such activity, or has exposure to such activity.	NO
5.	The Company builds, modernises and operates installations for the combined production of heat/cooling and electricity using gaseous fossil fuels, finances this activity or has exposure to it.	NO
6.	The Company builds, modernises and operates heat generation installations that generate heating/cooling energy using gaseous fossil fuels, finances this activity or has exposure to it.	NO

Template 2 Economic activity according to the taxonomy (denominator)

Row	Types of business activities	Amount and share (information should be presented in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Adaptation to Climate Change (CCA)	
		Amount (PLN thousand)	%	Amount (PLN thousand)	%	Amount (PLN thousand)	%
1.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation	0	0%	0	0%	0	0%

	(EU) 2021/2139 in the denominator of the applicable KPI						
6.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	Amount and share of other economic activities consistent with the taxonomy not included in rows 1–6 above in the denominator of the applicable KPI	0	0%	0	0%	0	0%
8.	Total applicable KPI	0	0%	0,00	0%	0,00	0%

Template 3 Economic activity according to the taxonomy (numerator)							
Row	Types of business activities	Amount and share (information should be presented in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Adaptation to Climate Change (CCA)	
		Amount (PLN thousand)	%	Amount (PLN thousand)	%	Amount (PLN thousand)	%
1.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
7.	Amount and share of other business activities consistent with the taxonomy not included in rows 1–6 above in the numerator of the applicable KPI	0	0%	0	0%	0	0%
8.	Total amount and total share of the economic activities consistent with the taxonomy in the numerator of the applicable KPI	0	0%	0	0%	0	0%

Template 4. Economic activity that qualifies for taxonomy but is not consistent with taxonomy							
Wiersz	Rodzaje działalności gospodarczej	Amount and share (information should be presented in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Adaptation to Climate Change (CCA)	
		Amount (PLN thousand)	%	Amount (PLN thousand)	%	Amount (PLN thousand)	%
1.	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and share of other economic activities eligible but not compliant with the taxonomy not included in rows 1–6 above in the denominator of the applicable KPI**	6,812.1	29%	6,812.1	29%	0	0%
8.	**Total amount and total share of taxonomically eligible but non-taxonomically compliant economic activities in the denominator of the applicable KPI**	6,812.1	29%	6,812.1	29%	0	0%

Template 5. Economic activity not eligible for taxonomy			
Row	Types of business activities	Amount (PLN thousand)	%
1.	Amount and share of economic activities not qualifying for the taxonomy referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%

2.	Amount and share of economic activities not qualifying for the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%
3.	Amount and share of economic activities not qualifying for the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%
4.	Amount and share of economic activities not qualifying for the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%
5.	Amount and share of economic activities not qualifying for the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%
6.	Amount and share of economic activities not qualifying for the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%
7.	Amount and share of other economic activities not eligible for the taxonomy not included in rows 1-6 above in the denominator of the applicable KPI	16,893	71,3%
8.	**Total amount and total share of economic activities not eligible for taxonomy in the denominator of the applicable KPI**	16,893	71,3%

Accounting principles

The basis for calculating the KPI for capital expenditures was the capital expenditures included in the consolidated financial statements in accordance with the applicable International Financial Reporting Standards (IFRS). The denominator of the Capex KPI was assigned 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) (in the case of the fair value model);

d. IAS 40 Investment Property, paragraph 79(d)(i) and (ii) (in the case of the model based on the cost of acquisition or production);

e. IAS 41 Agriculture, paragraph 50(b) and (e);

f. IFRS 16 Leases, paragraph 53(h).

Information on assessing compliance with Regulation (EU) 2020/852

The individual categories of TOYA Capital Group's capital expenditures have been 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. relate to an assets or processes related to an economic activity that is compliant with the taxonomy

b. are part of a plan to expand an economic activity that is compliant with the taxonomy or to enable an economic activity that is eligible for the taxonomy to adapt to the taxonomy ("capital expenditure plan") in accordance with the conditions set out in the second paragraph of this point 1.1.2.2;

c. relate to the purchase of products from an economic activity that is compliant with the taxonomy and individual measures that enable the targeted activity to become low-emission or to reduce greenhouse gas emissions, in particular the activities listed in points 7.3 to 7.6 of Annex I to the Delegated Act on Climate, as well as other economic activities listed in delegated acts adopted pursuant to Article 10(1). 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 these measures are implemented and made operational within 18 months.

The analysis identified investment expenditure covering products purchased from three economic activities eligible for the taxonomy, enabling the target activity to become low-emission:

- 6.15. - Infrastructure supporting low-emission road and public transport
- 7.4. - Installation, maintenance and repair of electric vehicle charging stations in buildings (and in building car parks)

No expenditure related to activities compliant with the taxonomy (item a above) was identified. No expenditure was identified that met condition b or c indicated above.

Contribution to multiple objectives, disaggregation of KPIs

Not applicable. As part of the TOYA Capital Group's capital expenditures for 2024, no expenditures related to environmentally sustainable activities (in line with the taxonomy) were identified.

Contextual information

Not applicable. As part of the TOYA Capital Group's capital expenditures for 2024, no expenditures related to environmentally sustainable activities (in line with the taxonomy) were identified.

Opex KPI

				Criteria for a Substantial Contribution						"Do no serious harm" criteria							2022			
Business activity (1)	Code or codes (a) (2)	Operating Expenses (3)	Percentage of operating expenses, year N (4)	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 guarantees (17)	Share of revenues from activities aligned with the taxonomy (%)		Category Supporting activities (19)	Category Transition activities (20)	Climate change adaptation (6)
		PLN '000	%	Y; N; N/EL	Y; N; N/EL		Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. Activities eligible for taxonomy																				
A.1. Types of environmentally sustainable activities (according to taxonomy)																				
Operating expenses for environmentally sustainable activities (in line with the taxonomy) (A.1)		0	0	0	0	0	0	0	0								0			
Including supporting activities			0	0	0	0	0	0	0										E	
Including transition activities			0	0																T
				Y; N; N/EL	Y; N; N/EL		Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N				
A.2. Activities that qualify for taxonomy but are environmentally unsustainable (non-taxonomy compliant activities)																				
Operating expenses for activities that are eligible for the taxonomy but are environmentally unsustainable (non-taxonomy-compliant activities) (A.2)		0	0																	
A. Operating expenses for activities eligible for taxonomy (A.1+A.2)		0	0																	
B. ACTIVITIES NOT QUALIFYING FOR TAXONOMY																				
Other		1,399.9	100													Y				
Operating expenses for activities that do not qualify for taxonomy		1,399.9	100																	
TOTAL (A + B)		1,399.9	100														0		0	0

Operating Expense Portion/ Total Operating Expense		
	Compliance with the taxonomy by purpose	Eligibility for taxonomy by purpose
CCM	0	0
CCA	0	0
WTR	0	0
CE	0	0
PPC	0	0
BIO	0	0

Nuclear and natural gas activities

Template 2 Economic activity according to the taxonomy (denominator)							
Row	Types of business activities	Amount and share (information should be presented in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Adaptation to Climate Change (CCA)	
		Amount (PLN thousand)	%	Amount (PLN thousand)	%	Amount (PLN thousand)	%
1.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	Amount and share of other economic activities consistent with the taxonomy not included in rows 1–6 above in the denominator of the applicable KPI	0	0%	0	0%	0	0%
8.	Total applicable KPI	0	0	0	0	0	0

Template 3 Economic activity according to the taxonomy (numerator)							
Row	Types of business activities	Amount and share (information should be presented in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Adaptation to Climate Change (CCA)	
		Amount (PLN thousand)	%	Amount (PLN thousand)	%	Amount (PLN thousand)	%
1.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.26 of Annexes I and II to Delegated Regulation	0	0%	0	0%	0	0%

	(EU) 2021/2139 in the numerator of the applicable KPI						
2.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and share of economic activities in line with the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
7.	Amount and share of other business activities consistent with the taxonomy not included in rows 1–6 above in the numerator of the applicable KPI	0	0%	0	0%	0	0%
8.	Total amount and total share of the economic activities consistent with the taxonomy in the numerator of the applicable KPI	0	0%	0	0%	0	0%

Template 4. Economic activity that qualifies for taxonomy but is not consistent with taxonomy							
Row	Types of business activities	Amount and share (information should be presented in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Adaptation to Climate Change (CCA)	
		Amount (PLN thousand)	%	Amount (PLN thousand)	%	Amount (PLN thousand)	%
1.	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%

4.	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and share of other economic activities eligible but not compliant with the taxonomy not included in rows 1–6 above in the denominator of the applicable KPI**	0	0%	0	0%	0	0%
8.	**Total amount and total share of taxonomically eligible but non-taxonomically compliant economic activities in the denominator of the applicable KPI**	0	0%	0	0%	0	0%

Template 5. Economic activity not eligible for taxonomy			
Row	**Types of business activities**	**Amount (PLN thousand)**	**%**
1.	Amount and share of economic activities not qualifying for the taxonomy referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%
2.	Amount and share of economic activities not qualifying for the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%
3.	Amount and share of economic activities not qualifying for the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%
4.	Amount and share of economic activities not qualifying for the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%
5.	Amount and share of economic activities not qualifying for the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%
6.	Amount and share of economic activities not qualifying for the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0%
7.	Amount and share of other economic activities not eligible for the taxonomy not included in rows 1-6 above in the denominator of the applicable KPI	1,399.9	100%
8.	**Total amount and total share of economic activities not eligible for taxonomy in the denominator of the applicable KPI**	1,399.9	100%

Accounting principles

The basis for calculating Opex KPI in accordance with the provisions of Annex 1 to Regulation 2021/2178 was the separation from the TOYA Capital Group's general costs of direct, non-capitalized expenses, based on the consolidated financial statements of the TOYA Capital Group for the year ended on 31 December 2024, related to:

- activities related to the renovation of buildings,
- maintenance and repairs, and
- any other direct expenses related to the ongoing maintenance of property, plant and equipment by the Company or a third party to which the activities necessary to ensure the continuous and effective functioning of these assets were outsourced

Information on assessing compliance with Regulation (EU) 2020/852

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

a. they relate to assets or processes related to the economic activity compliant with the taxonomy, including training and other needs related to the adaptation of human resources and direct non-capitalized costs representing research and development

b. they are part of a plan to expand the economic activity compliant with the taxonomy or to enable the economic activity qualifying for the taxonomy to adapt to the taxonomy ("capital expenditure plan") in accordance with the conditions set out in the second paragraph of this point 1.1.2.2;

c. relate to the purchase of products from economic activities in line with the taxonomy and individual measures enabling the targeted activity to become low-emission or enabling it to reduce greenhouse gas emissions, in particular the activities listed in points 7.3 to 7.6 of Annex I to the Delegated Act on Climate, as well as other economic activities listed in 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 those measures are implemented and operational within 18 months.

As a result of the analysis, no operational expenditure meeting at least one of the above criteria has been identified.

Contribution to multiple objectives, disaggregation of KPIs

Not applicable. As part of the TOYA Capital Group's operating expenses for 2024, no expenses related to environmentally sustainable activities (in line with the taxonomy) were identified.

Contextual information

Not applicable. As part of the TOYA Capital Group's operating expenses for 2024, no expenses related to environmentally sustainable activities (in line with the taxonomy) were identified.

7.2.2. ESRS E1 Climate change

During the double materiality assessment, TOYA Capital Group diagnosed as a material actual negative impact that suppliers and other entities in the value chain (upstream) produce their products and services emit greenhouse gases. On the other hand, TOYA Capital Group can select suppliers using energy-efficient technologies, optimize logistics to reduce emissions from transport and invest in renewable energy sources, which potentially has a positive impact on climate change within the organization and in the upper range of the value chain (upstream).

In the long term (2041-2050), two risks were identified for TOYA Capital Group (both are transition risks):

1) Change in the perception of TOYA Capital Group's activities by stakeholders or negative assessment by stakeholders;

2) Change in consumer behaviour and unpredictability of the market situation.

TOYA Capital Group analysed its activities in the context of sustainable development, taking into account environmental, social and corporate governance aspects. The analysis concerned the organisation's own activities taking into account the impact of suppliers on TOYA Capital Group. It was conducted in conjunction with the double materiality assessment process. As a result of this analysis, TOYA Capital Group is aware of climate change and the challenges it poses in terms of ensuring the resilience of its business model. Therefore, a climate strategy was developed. At the same time, as a distributor, TOYA Group has limited influence on the activities of its suppliers and can change them depending on its needs and goals.

The significant potential and actual impact and significant risks were diagnosed in the double materiality assessment process. It included an assessment of the value chain, stakeholder opinions and an analysis of the regulatory context, ESG ratings and comparative analysis. An own assessment of both the materiality of the impact and the financial materiality was also made, using the scoring criteria developed based on the ESRS. The analysis of risks and opportunities related to climate change was divided into three main categories based on their location in the value chain: upstream, organisation, downstream. Risks were identified in three time perspectives - short-term, medium-term and long-term and according to two SSP scenarios:

- RCP 4.5 – a scenario assuming the introduction of new technologies to achieve a higher than current reduction in greenhouse gas emissions. This means an increase in the average temperature of the Earth by 2.5°C compared to the pre-industrial era.

- RCP 8.5 – a scenario assuming the current rate of growth of greenhouse gas emissions. This means an increase in the average temperature of the Earth by 4.5°C compared to the pre-industrial era".

Carbon footprint calculations were also performed in Scope 1 and 2, which allowed for the identification of their source. A methodology was also developed to calculate Scope 3. This activity aims to understand how TOYA Capital Group contributes to negative actual impacts within the value chain, as well as how it may materialize its potential positive impact in the future. Any increase in greenhouse gas emissions may result from business development.

TOYA Capital Group has not identified any physical risks. The scenario analysis showed that the two transition risks mentioned above occur in the RCP 8.5 scenario. Assets and business activities may be significantly exposed to these risks if mitigation measures are not taken in the long term.

7.2.3. Climate change mitigation and adaptation policies

TOYA Capital Group adopted a document stating that the value of Scope 1 and 2 emissions in 2023 amounted to 1,581.78 t CO2e according to the market-based method, therefore the next step in the implementation of the decarbonization process will be to include Scope 3 emissions. The aim is to estimate Scope 3 emissions based on the developed methodology for calculating Scope 3 carbon footprint. The current goal does not refer to the Paris Agreement assuming limiting global warming to 1.5 °C.

Decarbonization levers have been included, such as modernization of building infrastructure to increase energy efficiency and continuing purchase of guarantees of origin of electricity from renewable energy sources (RES). In the case of operations in Poland, this means that guarantees of origin will cover 100% of electricity demand, and their purchase is associated with the allocation of appropriate financial resources for this purpose. Any frozen greenhouse gas emissions are not related to the actions taken or planned.

The implementation of the activities is included in the financial and operational planning of the TOYA Capital Group. The organization can limit its impact on the climate and adapt to the ongoing climate changes, which was approved by the Management Board of TOYA S.A.

Together with the calculation of greenhouse gas emissions from Scope 3, the TOYA Capital Group can set its decarbonization goal, taking into account all three scopes of the GHG Protocol.

In 2024, TOYA Capital Group did not have any policies in place regarding climate change mitigation or adaptation, except for the climate strategy described above. Its objective is to mitigate climate change by reducing greenhouse gas emissions within Scope 1 and 2 and involves the use of renewable energy. The transition to renewable energy may be associated with greater stability in energy prices, which will protect the organization against sudden changes in energy prices that may result from climate change. The current decarbonization action plan focuses only on activities within the organization and has been approved by the Management Board of TOYA S.A.

Climate-related issues are not included in the remuneration of members of the Supervisory Board and Management Board of TOYA S.A., nor in other companies of TOYA Capital Group.

7.2.4. Climate change actions and targets

In 2024, TOYA Capital Group did not undertake any activities related to climate strategy or adaptation to climate change. In 2025, the following activities will be undertaken:

- inventory of greenhouse gas emissions,
- review and analysis of possible activities to limit climate change and adapt to climate change.

As part of its activities, the organization purchases guarantees of origin of electricity and plans to improve energy efficiency. These activities are to contribute to achieving zero emissions within Scope 2 of the carbon footprint. TOYA Capital Group stakeholders were not directly involved in setting the goal. At the same time, their opinions on the impact of the organization on climate change were taken into account.

TOYA Capital Group does not incur any significant capital expenditures or operating expenses related to climate change issues. In 2024, CapEx related to infrastructure supporting low-emission road and public transport, installation, maintenance and repair of electric vehicle charging stations in buildings (and in building parking lots) and renovation of buildings amounted to PLN 8,871.3 thousand and OpEx PLN 0, as further described in the taxonomic disclosures.

Due to the need to calculate greenhouse gas emissions in Scope 3, TOYA Capital Group has not set targets (based on conclusive scientific evidence) related to climate change mitigation and adaptation. At present, apart from the actions planned for 2025, the organization does not monitor the effectiveness of its climate strategy.

7.2.5. Greenhouse gas emissions

TOYA Capital Group greenhouse gas emissions in 2024

	tCO2e
Scope 1	1,620.66
Scope 2	
Location-based method	1,422.99
Market-based method	583.05
Total emission (location based)	3,042.05
Total emission (market-based)	2,202.11

TOYA Group has no emissions in Scope 1 and 2 under the regulated emissions trading system.

Scope 1 and 2 GHG emissions were calculated in accordance with the GHG Protocol. The results are reported in carbon dioxide equivalent, which includes the following GHGs: CO2, CH4, N2O, HFCs, PFCs, SF6 and NF3. The calculations were performed for each company in TOYA Group and the results were consolidated in accordance with the operational control approach. The emissions from the production of consumed electricity were calculated using two methods: market-based (emissions related to electricity calculated using the emission factor of the energy seller) and location-based (emissions related to electricity calculated using the average national emission factors). For Poland and Romania, the source of emission factors was: in the market-based method, factors from European Residual Mixes 2023 were used, in the location-based method, factors for Poland from KOBIZE were used, and for Romania from ANRE. For emissions from fuel combustion, the source of emission factors was DEFRA 2024 (Department of Environment, Food and Rural Affairs in the British Government, Greenhouse gas reporting: conversion factors 2024). For China, the source of emission factors was: for electricity in the location and market approach - Statista Power sector carbon intensity 2023. TOYA Capital Group uses guarantees of origin to reduce its carbon footprint calculated in accordance with the market method - this concerns 1,104.30 MWh of energy consumed. TOYA Capital Group has not identified biogenic CO2 emissions from the combustion or biodegradation of biomass in its operations.

Due to the fact that the average number of employees in the financial year did not exceed 750 as of the balance sheet date, TOYA Capital Group does not disclose information on greenhouse gas emissions in Scope 3, in the first year of preparing the sustainable development statement. At the same time, TOYA Capital Group has developed a methodology for calculating Scope 3.

TOYA Capital Group greenhouse gas emission intensity (tCO2e/PLN million)

	2024
Scope 1	1.97
Scope 2 (location-based)	1.73
Scope 2 (market-based)	0.71
Total emission (location-based)	3.71
Total emission (market-based)	2.68

The net revenues of the TOYA Capital Group amounted to PLN 821,008 thousand. The amount is included in the consolidated financial statements in note 24.

7.3. ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY

Material impacts, risks and opportunities related to resource use and the circular economy (CE) were identified for TOYA Group during the double materiality assessment process. Circular economy was identified as a material issue for the Group and the organisation began work on defining areas and activities that will be addressed in the circular economy policy. In 2024, the Group did not have classified information on resource use - this list will be indirectly linked to the determination of scope 3 of the carbon footprint and the Group plans to report this indicator for 2025. The Group does not conduct its own production - resource use is concentrated in the upper range of the value chain. However, impacts related to waste affect the upper and lower range of the value chain and to a limited extent the organisation itself.

TOYA Group conducted a dialogue with stakeholders as part of the double materiality assessment to identify its material impacts, including those related to the circular economy. There were no separate consultations with stakeholders on resource use and the circular economy. The identified impacts related to the circular economy and waste relate indirectly to the upper and lower ranges of the value chain and directly to the organization, i.e. the four companies that make up the TOYA Capital Group. The Group companies monitor the waste they generate, including by waste category. In the reporting period, no detailed analysis was conducted regarding the impacts and risks related to maintaining the current scenario of action in the matter of introduced resources, including the use of resources and waste. As part of the double materiality assessment, the TOYA Group did not identify material risks and opportunities for itself, as a distributor, related to the use of resources and the circular economy or the transition to a circular economy.

In 2024, TOYA Group did not have internal regulations regarding issues related to resource use or waste management. In the Group's opinion, there was no need to adopt such a document in previous years, which was in line with the priorities at the time. At the same time, TOYA Group began work on preparing a circular economy policy. They consist of an analysis of the structure of TOYA Capital Group in terms of individual activities and are related to recording information required to calculate Scope 3 of the carbon footprint. The aim of the policy will be to optimize the use of resources throughout the value chain, including managing the negative impact of the organization's activities on the environment and supporting activities for the circular economy by maximizing the efficiency of product use and minimizing waste. The implementation of the policy will be supervised by the Management Board of the Parent Company of TOYA Group.

In 2024, TOYA Group did not undertake any activities related to the circular economy due to the lack of internal regulations in this area. As a circular economy policy is developed and implemented, future actions will be taken to implement the provisions of such a policy.

During the reporting period, TOYA Group did not have any resource use and circular economy targets – such targets will be possible to set after the adoption of a circular economy policy. TOYA Group companies currently maintain waste records.

7.3.1. Resources introduced by TOYA Capital Group

Packaging material usage (in kg) in warehouses	
Non-renewable materials made of plastics	**64,293.52**
Stretch foil	47,709.70
Bubble wrap	2,130.16
Foil sheets	4,225.86
Tapes	6,413.22
Foil-pack	3,814.58
Renewable materials made of wood or paper	**556,576.00**
Pallets	506,496.00
Cartons	33,582.79
Angles	8,133.09
Labels	2,897.65
Replacement packaging	1,059.34
Paper envelopes	4,406.80

Weight of packaging introduced to the market - excluding packaging in warehouses (in kg)	
Plastic packaging	411,208.00
Paper and cardboard packaging	2,129,470.00
Wooden packaging	148,253.00

Weight of equipment, products and batteries introduced to the market (in kg)	
Electrical and electronic equipment	
Temperature Exchange Equipment B2B	**553,093**
Lamps B2C	**32,019**
Large Equipment with any external dimension exceeding 50 cm B2C	**860,075**
Large Equipment with any external dimension exceeding 50 cm B2B	**155,265**
Small Equipment with no external dimension exceeding 50 cm B2C	**2,369,385**
Small Equipment with no external dimension exceeding 50 cm B2B	**32,963**
Products introduced to the market	
Lubricating oils	10,007
New pneumatic rubber tyres of a kind used for agricultural machinery and other new pneumatic rubber tyres	12,125
Mass of batteries introduced to the market	
Portable Alkaline (Zinc-Manganese) Batteries (LR)	1,683.07
Portable Zinc-Carbon (R) Batteries	2,859.50
Portable Button Batteries: Lithium, Silver (Mercury Free)	397.20
Portable Lithium-Ion (Li - Ion) Batteries	127,612.66
Portable Lithium-Polymer (Li - Po) Batteries	226.26
Portable Silver Oxide (Ag2O) Batteries	53.10
Portable Nickel-Metal Hydride (NiMH) Batteries	183.15

	Weight (kg)	Share in all packages
Biological materials used to provide services	2,497,560	87%
Reused or recycled components, products and materials	The organization has no information about recycled materials	

Data on the entered resources come from internal IT systems in TOYA Capital Group companies. This data is consistent with information reported under the obligations arising from extended producer responsibility.

7.3.2. Waste generated by TOYA Capital Group

With the development of a circular economy policy, TOYA Group will align its approach with the waste hierarchy in the European Union. The hierarchy prioritizes waste prevention and preparation for reuse over recycling, other forms of waste use and disposal.

TOYA Group companies do not conduct professional waste management activities and have not set a waste target. TOYA S.A. has the status of a waste producer and conducts non-professional waste collection activities. Waste is transferred to waste management entities.

TOYA Group reports waste related to significant impacts resulting from its activities and operations. The total amount of waste generated from its own operations in 2024 amounted to 245.2086 Mg.

				Amount of waste avoided from disposal in Mg:
	Preparation for reuse	Recycling	Other recovery processes	Total amount of waste
Hazardous waste	0	1.6876	0	1.6876
Non-hazardous waste	0	185.184	10.352	195.536
Total	0	186.8716	10.352	197.2236
				Amount of waste sent for disposal in Mg:
	Combustion	Storage	Other disposal processes	Total amount of waste
Hazardous waste	0	0	0	0
Non-hazardous waste	0	47.985	0	47.985
Total	0	47.985	0	47.985

The total mass of non-recycled waste within the TOYA Group in 2024 amounted to 58.337 Mg, which constituted 23.79% of all waste generated.

Data on waste generated by TOYA S.A. comes from internal records and from the national Waste Database. In the case of the company operating in Romania, the data comes from the local equivalent of such a database. Other companies from the TOYA Capital Group also keep internal records of generated waste.

Waste transferred to External entities dealing with waste management comes from the Company's current operations, service work and is waste accepted from consumers on the basis of national regulations on non-professional waste activities that are not subject to records. The stream of recorded waste is dominated by electronic waste, generated, among others, during service work and waste from warehouse operations. Materials found in waste include metals, plastics, paper and cardboard, as well as electrical and electronic equipment containing critical raw materials. The organization does not produce radioactive materials.

7.4. ESRS S1 OWN WORKFORCE

As part of the double materiality assessment process, TOYA Capital Group employees were engaged to assess its impact on environmental, social (including employee) and corporate governance matters. The impacts raised by employees were considered material, which is associated with further management of these impacts within the adopted business model. Employees also have the opportunity to share their concerns through channels for reporting irregularities. The organization takes into account the interests of employees and respect for human rights, which has been codified in the Code of Ethics, Human Rights Policy and the Policy of dialogue with employees of TOYA Capital Group.

The scope of information disclosure in this chapter covers all persons creating their own employee resources of TOYA Capital Group, i.e. persons employed under an employment contract, persons employed under a contract of mandate and temporary employees. The organization does not specify any group within its employee resources that could be more exposed than others to the effects of negative impact.

TOYA Capital Group conducted the double materiality assessment process and according to its results, it has an impact on its employees. In terms of appropriate pay, the organization has a real positive impact by striving to provide competitive pay for both new and existing employees. At the same time, a potential negative impact has been identified, manifesting itself in the potential cessation of providing competitive pay for employees, which would result from too high pay pressures in relation to the organization's capabilities and achieved work efficiency. On the other hand, a potentially positive impact is that the TOYA Group can strive for even more competitive pay in relation to the market. This impact may be systemic and result from the adopted business model, in which the organization buys finished products and distributes them to its customers and end users.

Another impact related to this is equal pay and equal opportunities at work. The organization has a real positive impact by striving to ensure equal employment and promotion opportunities and equal pay for work of equal value. This is confirmed by data on the pay gap and the number of women and men in management positions. As part of the double materiality assessment, a potential positive impact was also identified consisting in striving for equal pay for work of equal value.

Equal opportunities and pay are related to another identified impact that the TOYA Capital Group has on its employees. The organization offers its employees training and invests in the development of competences and also provides attractive benefits, which was considered a real positive impact. On the other hand, a potential positive impact is the possibility of developing a training system and increasing investment in the competences of its employees.

Another real positive impact is that the TOYA Capital Group, or more precisely the companies that make it up, adheres to rigorous occupational health and safety standards in order to minimize the risk of accidents and occupational diseases. Regular training and OHS audits increase the level of employee safety. A potentially positive impact on occupational health and safety issues is associated with the possibility of implementing rigorous occupational health and safety standards.

As part of the double-materiality assessment process, TOYA Capital Group has diagnosed the actual potential impact regarding measures to prevent violence and harassment in the workplace. All regulations regarding ethics, values, equality, diversity and anti-corruption are included, among others, in the Code of Ethics. It is intended to help TOYA Capital Group employees understand its commitment to the highest ethical and legal standards in business activities, facilitates proper assessment of the situation and conduct in an appropriate manner and provides information on how to report possible violations of the rules. The potentially positive impact is related to the fact that the Code of Ethics is implemented in all group companies and employees will receive training in this area.

The above material impacts do not result from the business strategy. They are also not directly related to the business model, which consists of designing products, commissioning their production to business partners, distributing finished products and providing warranty and post-warranty service. The above impacts result from TOYA Capital Group's ambitions related to its own employee resources.

The double materiality assessment process did not identify any risks or opportunities for TOYA Capital Group. Nor were any risks or impacts identified resulting from the adopted decarbonization action plan. Similarly, no risk of forced labor or child labour was identified within the companies forming the group in Poland, Romania and China.

7.4.1. Documentation relating to employee matters

TOYA Capital Group manages significant impacts on its own employee resources in accordance with the adopted regulations, which did not change during the reporting period. They apply to all employees, and the Management Board of the Company is responsible for implementing their provisions. The internal regulations described in this chapter are available to employees on the intranet – together they also define the organization's approach to respecting human rights, including employee rights and cooperation with employees.

Impact	Regulations	Key Content
Adequate pay	• *Work Regulations,* • *Remuneration Regulations,* • *Diversity Policy,* • *Human Rights Policy,* • *Code of Ethics*	The remuneration for work is established in an amount corresponding to the type of work performed, the employee's qualifications required for its performance, taking into account the quantity and quality of the work performed. The remuneration guaranteed to the employee cannot be lower than the minimum regulated in separate state regulations. Employees have the right to equal remuneration for equal work or for work of equal value. A person against whom the employer has violated the principle of equal treatment in employment has the right to compensation in an amount not lower than the minimum remuneration for work, established on the basis of separate regulations. Employees are paid adequately to the qualifications, type, quantity, quality and workload, taking into account the need to provide employees and their families with a decent standard of living.
Occupational health and safety	• *Work Regulations,* • *Diversity Policy,* • *Human Rights Policy,* • *Code of Ethics*	TOYA Capital Group is responsible for the state of occupational health and safety at the workplace and complies with the provisions and principles of occupational health and safety. The Group undertakes to protect the life and health of employees by ensuring their safe and hygienic working conditions, protecting them from accidents at work and occupational diseases. In accordance with the adopted regulations, the basic obligation of employees is to know and comply with occupational health and safety regulations. In the event that working conditions do not comply with occupational health and safety regulations and pose a direct threat to the health or life of the employee, the employee has the right to refrain from working, immediately notifying the superior. Employees are informed about occupational risks during initial training and periodic training. All employees are subject to initial training in the field of occupational health and safety and fire protection before being allowed to work. The Group also finances periodic medical examinations.
Gender equality and equal pay for work of equal value	• *Work Regulations,* • *Code of Ethics,* • *Diversity Policy,* • *Human Rights Policy*	TOYA Capital Group undertakes in the adopted regulations to counteract discrimination in employment, in particular on the grounds of gender, age, disability, race, religion, nationality, political beliefs, union membership, ethnic origin, denomination, sexual orientation, as well as employment for a specified or indefinite period or full-time or part-time. Employees have equal rights due to the equal performance of the same duties; this applies in particular to the equal treatment of men and women in employment. Discrimination is also considered to include encouraging another person to violate the principle of equal treatment and behaviour whose purpose or effect is to violate the dignity or humiliate or humiliate the employee (harassment). Discrimination on the grounds of gender also includes any unacceptable behaviour of a sexual nature or related to the employee's gender, the purpose or effect of which is to violate the dignity or humiliate or humiliate the employee. The regulations adopted in the Group clearly indicate that employees have the right to equal pay for equal work or for work of equal value. Work of equal value is work whose performance requires comparable professional qualifications from employees, confirmed by documents provided for in separate regulations or professional practice and experience, as well as comparable responsibility and effort. A person against whom the principle of equal treatment in employment has been violated has the right to compensation in an amount not lower than the minimum wage.
Training and skills development	• *Work Regulations,* • *Order on the financing of TOYA S.A.*	In accordance with the regulations adopted by the Group, employees have equal access to training to improve their professional qualifications, in particular regardless of gender, age, disability, race, religion, nationality, political beliefs, trade union membership, ethnic origin, denomination, sexual orientation, and regardless of employment for a fixed or indefinite period or full or part-time.

	employee training, • *Code of Ethics*

The Group ensures appropriate remedies in terms of the impact on the observance of human rights. In TOYA S.A., the content of the Human Rights Policy will be available to employees via the intranet. In other companies, it will be made available via dedicated channels of communication with employees. This will take place in the next three years. The Group has also launched channels for reporting possible irregularities in the field of human rights. All comments and information can be reported to the persons responsible for employee matters in the companies of the TOYA Capital Group. Immediately after receiving the report, they are obliged to notify the Management Board of the company in which they work and the HR Director at TOYA S.A.

The Human Rights Policy covers activities in the area of protection of human rights throughout the value chain and is based on the principles defined in the Universal Declaration of Human Rights, the International Bill of Human Rights, the 10 principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

7.4.2. Collaboration with employees

The procedures for cooperation with persons belonging to its own employee resources, including in the scope of influence, are defined, among others, by the Code of Ethics. In the part concerning communication with employees, the document emphasizes the efforts of the TOYA Capital Group to maintain communication between employees and the employer at the highest possible level. The organization strives to comply with the information obligations provided for in the laws in force in the countries where the companies that are part of it are headquartered. The ambition of the organization - in accordance with the provisions of the Code - is to cooperate with employees and give them a place to express their opinions. In the Group's opinion, dialogue and respect for both parties are necessary tools to achieve the best results and reach compromise solutions that satisfy all participants. The TOYA Capital Group assesses the ideas and initiatives of employees as important, concerning both the business sphere (e.g. process improvement) and the business-related sphere (e.g. activities promoting integration or involvement in local communities).

Additionally, TOYA S.A. has adopted the Employee Dialogue Policy. The document defines the compliance of the dialogue with employees with the international standard for stakeholder engagement – AA1000SES. According to the Policy, the purpose of the employee engagement process at TOYA S.A. is to effectively manage the organization and concerns issues important to employees. The regulation obliges the Company to conduct a cyclical analysis of existing channels and tools for dialogue with employees and to ensure the availability of these channels. The listed policies do not specify the type, frequency or forms of cooperation with persons considered to be their own employee resources.

In the Parent Company of the TOYA Capital Group, in accordance with the Employee Dialogue Policy, activities are carried out to identify the key needs and expectations of employees. On their basis - in the event of identifying a negative impact - the Company develops and proposes a remedial plan. In accordance with the principles of the double materiality assessment process, no actual negative impacts were identified, to which the organization would have to respond immediately.

The TOYA Capital Group has launched channels enabling employees to report information about irregularities, concerns and problems. The Code of Ethics in this regard indicates that the first contact person for employees should be their direct superior. Issues related to compliance should be additionally consulted with employees of the Legal and Compliance department, and employee issues - with employees of the human resources management unit. Employees can also use the external channel for reporting violations indicated in the Code of Ethics. Each of the companies in the TOYA Capital Group has created and made available to employees its own channels for receiving and analysing all reports.

Persons responsible for receiving reports are required to keep all information received (including the personal data of the reporting party) confidential. Reports can also be made anonymously.

The channels for reporting violations related to discrimination, harassment and intimidation, among others, are also listed in the Diversity Policy. Reports can be made using the channels customarily adopted in the Company (in person, by phone or by e-mail by informing the superior, HR Department or Compliance Officer, by e-mail to a dedicated mailbox or - also anonymously - via the operating online platform).

The TOYA Capital Group has not implemented a separate mechanism for handling complaints in employee matters. The practice in companies is to respond to employee concerns through the relevant departments.

The employees of the TOYA Capital Group are informed about the existence of channels for reporting irregularities via the Intranet. Due to the short period of operation of the channels listed in the Code of Ethics and Diversity Policy, the awareness of their existence among employees and other persons performing work for the companies is not assessed at the moment. However, in the opinion of TOYA S.A., the channels specified in the Procedure for reporting irregularities and conducting explanatory proceedings at TOYA S.A., conducted since 2020, are widely known to its employees.

In 2024, TOYA Capital Group did not monitor reported cases - appropriate registers regarding violations of human rights and the Code of Ethics will be maintained from 2025. In accordance with the adopted policies, the effectiveness of the channels is assessed during the monitoring of regulations, including through annual reports prepared by policy owners. Information on monitoring reports regarding cases listed in the Procedure for reporting irregularities and conducting explanatory proceedings at TOYA S.A. is described in Chapter 7.7 - ESRS G1.

TOYA Capital Group identified only one negative impact in the double materiality assessment process, which is also potential. It concerns the possible cessation of providing competitive salaries for employees. At the moment, the companies strive to provide competitive salaries, which is done by monitoring the market situation and salaries in the industry.

TOYA Capital Group does not undertake any other actions aimed at ensuring or strengthening a positive impact on its own employee resources and there is no monitoring of the effectiveness of the actions taken.

TOYA Capital Group has not set goals related to the management of material impacts related to its own employee resources. However, the organization reviews policies related to material impacts, and each time the result of such a review is a report on the implementation of commitments, which, together with conclusions and recommendations, is presented to the Management Board of the Parent Company. The decision to update the policies is made by the Management Board of TOYA S.A. in situations where it deems it necessary.

The ambition of TOYA S.A. Capital Group is to provide competitive wages in order to retain employees and acquire new people who will support the organization in its activities with their knowledge and experience. The organization is aware of the impact it has on employees, which is why it strives for no accidents. Companies care not only about safe, but also competent and trained employees. The internal documents applicable throughout the TOYA Capital Group show the ambition to create appropriate working conditions for all employees, because the organization is convinced that equal pay and equal opportunities at work help attract and retain valuable employees who influence the results of the TOYA Capital Group. Another ambition related to preventing violence is also related to this - there is no consent to violence and harassment in the workplace, and the adopted procedures are to exclude the risk of such cases.

7.4.3. Information about employees and collaborators

Number of employees in total and by gender:	
Gender	**Number of employees at the end of the reporting period**
Male	437
Female	157
Total Employees	**594**

	Female	Male	Total (at the end of the reporting period)
Number of employees			
	157	437	594
Number of employees employed on fixed-term contracts			
	17	61	78
Number of employees employed for not-defined period			
	140	376	516
Number of employees whose working hours are not guaranteed			
	0	0	0
Number of full-time employees			
	156	431	587
Number of part-time employees			
	1	6	7

	Poland	Romania	China
Number of full-time employees			
Male	263	70	98
Female	77	15	64
Total Employees	340	85	162
Number of part-time employees			
Male	5	1	0
Female	1	0	0
Total Employees	6	1	0

TOYA S.A. at the end of 2024 used the work of 8 people on contracts for services and 1 temporary employee. Among its own employee resources there were no people running their own business. Chinese companies also used the work of people who were not employed by the company. In 2024, there were 12 such people in companies operating in China and they were temporary workers employed by an employment agency.[2]

Gender distribution in numerical and percentage terms in the top management staff of the TOYA Capital Group:		
	Number of employees	**Percentage of employees**
Female	**6**	**27%**
Male	**16**	**73%**

[2] Data on the number of employees cooperating on terms other than employment contract are provided as of 31 December 2024, i.e. at the end of the reporting period.

Age structure of TOYA Capital Group employees:		
	Number of employees	Percentage of employees
under 30	**108**	**18%**
30–50	**402**	**68%**
over 50	**84**	**14%**

In the TOYA Capital Group in 2024, there were no structured development interviews or reviews of employee career development. Employees receive feedback from their superiors on an ongoing basis. The companies that make up the Group organize training for their employees in order to provide them with the appropriate knowledge needed for work and development.

	Average number of training hours
Female	24.33
Male	17.66
Total	**20.09**

7.4.4. Adequate remuneration

Measuring the pay gap is a key tool that allows us to assess the effectiveness of policies on equal pay for the same work or work of equal value. Taking into account the provisions in this internal document, TOYA Capital Group strives to achieve the smallest possible pay gap, so that in practice there is none at all.

In 2024, the pay gap in TOYA Capital Group was -7%. This means that women received on average 107% of men's basic pay.

The pay gap was calculated based on the average hourly pay in individual TOYA Capital Group companies. The sum of women's and men's pay as of 31 December 2024 was divided by the annual hourly working time. The average pay received in companies in Romania and China was converted into Polish zloty at the NBP exchange rate of 31 December 2024. Using a weighted average, the average pay of women and men in the entire TOYA Capital Group was calculated, and then these values were used to calculate the pay gap.

The ratio of the annual total remuneration of the highest earner to the median annual total remuneration of all employees (except the highest earner) was 5.73 in 2024 in the TOYA Capital Group.[3]

According to the adopted internal regulations, the amount of remuneration of an employee employed full-time monthly cannot be lower than the minimum wage regulated in separate state regulations in Poland, Romania and China. For this reason, in none of the companies in the TOYA Capital Group did any employee receive remuneration lower than the minimum wage provided for by law.

[3] The remuneration of employees on 31 December 2024 working part-time has been recalculated for the value of full-time employment, and the remuneration of persons remaining on 31 December 2024 who worked for part of the year has been recalculated for the value of employment in the entire year.

7.4.5. Employee safety

All TOYA Capital Group companies have occupational health and safety rules that are in line with the relevant national regulations and occupational health and safety standards. Each company has a person delegated to ensure safety at work and provide employees with all necessary information on health hazards at work. They also ensure adequate precautions. These activities cover 100% of employees and associates in TOYA Capital Group.

In 2024, no fatal accident at work or work-related ill health occurred in any of the companies. In TOYA S.A., 2 work-related accidents were recorded in 2024 (the accident rate was 3.43). As a result of these events, a total of 14 days of absence from work were recorded. On the other hand, in the companies in Romania and China, no work-related accidents, work-related ill health or days of absence from work due to injuries sustained at work were recorded.

In 2024, TOYA Capital Group did not record any cases of discrimination or incidents related to respect for the human rights of employees. The organization was also not the subject of:

- complaints filed by employees through channels for reporting concerns,
- complaints filed with national contact points for the OECD Guidelines for Multinational Enterprises.

7.5. ESRS S2 OSOBY WORKERS IN THE VALUE CHAIN

During the double materiality assessment, TOYA Capital Group diagnosed that it has an impact related to workers in the value chain. In the case of occupational health and safety, it is potentially positive, because entities in the TOYA Capital Group value chain can implement and comply with rigorous occupational health and safety standards to minimize the risk of accidents and occupational diseases. This impact is also actually positive, because TOYA Capital Group representatives maintain contact with suppliers, visit production plants and conduct inspections of suppliers' compliance with health and safety rules. At the same time, a real negative impact was diagnosed, because despite maintaining safety, it should be assumed that the specificity of work at suppliers of products distributed by TOYA Capital Group may be associated with possible accidents at work.

The issue of preventing violence and harassment in the workplace is related to working conditions in the upper range of the value chain (upstream). During the double materiality assessment process, an actual negative impact and a potential positive impact were identified. The negative impact is related to the fact that the TOYA Capital Group Code of Ethics, which business partners are to be obliged to comply with, has not yet been implemented. The positive potential impact, however, results from the fact that after the implementation of the Code of Ethics, regulations concerning, among others, equality and diversity of employees will also apply in the value chain. TOYA Capital Group wants its business partners to share its values.

The diagnosed impacts are related to the TOYA Capital Group's business model, which assumes sourcing suppliers - primarily - in China and distributing goods manufactured there. The organization does not expect to change its business model in the near future.

During the double materiality assessment, one risk related to the value chain was identified, which results from the adopted business model. In the long term, there is a risk of increased costs resulting from increasing operating costs related to employee remuneration in the supply chain. The increase may also result from increasing safety standards, which is related to the impact on occupational health and safety.

Among the people performing work in the value chain, employees producing tools, power tools and other devices later distributed under various brands by TOYA Capital Group dominate. A significant group is also people responsible for the transport and logistics of manufactured goods to warehouses belonging to the organization or for transport directly to the customer. These people perform their work in Asia (mainly in China) and Europe.

The diagnosed material negative impacts are systemic and result from the specificity of the TOYA Capital Group value chain. On the other hand, positive impacts result from actions taken such as visits to suppliers or the planned inclusion of suppliers in the provisions of the TOYA Capital Group Code of Ethics and Human Rights Policy.

As part of the double materiality assessment process, individual groups of people performing work in the value chain were not analysed. It was assumed that the impact exerted is similar, regardless of the group of employees, a specific supplier or geographical region.

As part of the double materiality assessment process, some entities in the value chain were involved in assessing the impact of TOYA Capital Group. The organisation strives to take into account the rights of people performing work in its value chain, as reflected in its Code of Ethics and Human Rights Policy.

7.5.1. Requirements for suppliers

TOYA Capital Group manages its significant influence on people performing work in the value chain through the Code of Ethics, the Code of Conduct for TOYA S.A. suppliers and the Human Rights Policy. The provisions of these documents apply to TOYA Capital Group, as well as business partners, and affect their employees. The TOYA S.A. Management Board is responsible for implementing the policy in the organization.

In the area of occupational health and safety, the Code of Ethics clearly expresses the TOYA Group's expectation towards all suppliers to provide safe and healthy working conditions for their employees. This issue is also raised in the Human Rights Policy, which emphasizes the need to provide a safe workplace in accordance with applicable regulations and requirements regarding health and safety, and consequently minimize the risk of accidents, injuries and threats.

The Code of Ethics is also a firm expression of TOYA Group's opposition to any manifestations of harassment and mobbing. According to the content of the Code - also applicable to the Group's suppliers - every employee has the right to work in a healthy environment free from all forms of hostility and harassment considered to be contrary to the provisions of the law. Any form of mobbing, harassment, sexual harassment or discrimination is considered unacceptable, in particular on the basis of gender, age, position, education, sexual orientation, religion, racial or ethnic origin, disability, worldview or membership in employee organizations. Additionally, in the Human Rights Policy, the TOYA Group declares zero tolerance for all forms of discrimination, mobbing, harassment, exploitation, abuse and violence against employees. The policy also emphasizes opposition to forced labour, human trafficking, modern slavery and child labour.

The Code and Policy also form the basis of the Company's overall approach to respecting the human rights of employees in the value chain, directly referring to the principles included in the Universal Declaration of Human Rights, the International Bill of Human Rights; the 10 principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. During the reporting period, TOYA Capital Group did not record any violations of these regulations at the upstream or downstream levels of the value chain.

In accordance with the provisions of the above-mentioned documents, TOYA Capital Group provides its employees with a channel for reporting irregularities. With the implementation of the Code of Ethics and its extension to suppliers, the organization will enable reporting by people performing work in the value chain. Thanks to the reports received, it will be possible to take measures to remedy the negative impact in terms of respect for human rights.

TOYA Capital Group is open to all signals and information from people performing work in the value chain, including those related to occupational health and safety and the prevention of violence and harassment in the workplace. Suppliers are key to the business, which is why TOYA Capital Group expects them to be committed to respecting recognized ethical standards and business practices. The organization pays attention to this cooperation and encourages its suppliers to comply with policies aimed at limiting negative impacts. In 2024, the Group did not receive any signals in this regard from people performing work in the value chain.

7.5.2. Implementing ethical aspects in the value chain

TOYA Capital Group has developed a Code of Ethics and a Human Rights Policy and will oblige its suppliers to comply with their provisions. Representatives of the organization maintain contact with suppliers and visit production plants, which allows for the selection of appropriate partners or initiation of talks aimed at limiting or eliminating the negative impact on people performing work in the value chain.

With the implementation of the Code of Ethics and its extension to suppliers, their employees will also be able to use this channel to report doubts or suspicions of violations. At the same time, TOYA Capital Group does not plan to directly inform suppliers' employees about this channel, leaving this to their employers.

Reported cases will be registered as they are received, but at this time TOYA Capital Group cannot assess the effectiveness of the channel for reporting irregularities.

Actions aimed at taking into account significant impacts on people performing work in the value chain and preventing negative impacts on them focused in the TOYA Group in 2024 on the adoption, implementation, launch and monitoring of contact channels specified in the Human Rights Policy, Code of Ethics and Procedure for reporting irregularities and conducting explanatory proceedings of TOYA S.A. In 2024, no corrective actions were taken because there was no such need.

TOYA Capital Group has developed a Code of Ethics and Human Rights Policy and will oblige its suppliers to comply with their provisions. Representatives of the organization maintain contact with suppliers and visit production plants, which allows for the selection of appropriate partners or initiation of talks aimed at limiting or eliminating the negative impact on people performing work in the value chain.

TOYA Capital Group, together with its suppliers' commitment to comply with the provisions of the Code of Ethics and Human Rights Policy, will begin to monitor and assess the effectiveness of implemented solutions through a review of policies. Actions needed in response to specific, actual or potential, negative impacts on people working in the value chain are related to each case analysis conducted in relation to the negative impact and are adapted to the nature of the impact and its circumstances. In 2024, the Group did not record any reports from people working in the value chain. The Capital Group will take action to cover its suppliers and indirectly their employees with the Code of Ethics. The resources allocated to managing its material impacts are related to the time that TOYA Capital Group employees spent on preparing the Code of Ethics and Human Rights Policy.

During the reporting period, there were no issues or incidents concerning human rights violations related to the Company's value chain at an upstream or downstream level.

In 2024, the Company did not undertake any actions related to the risk of higher costs, which may materialize in the longer term.

TOYA Capital Group has not set goals for managing material negative impacts, increasing positive impacts and managing material risks related to employees in the value chain. At present, the organization does not plan to set goals for people performing work in the value chain and does not have any other way of monitoring the effectiveness of its activities. The ambition of TOYA Capital Group is to have no negative impacts in the value chain or to have them as small as possible.

7.6. ESRS S4 CONSUMERS AND END-USERS

TOYA Capital Group strives to strictly comply with consumer rights regulations in force in the European Union and in the individual countries where it operates. The Group monitors the recommendations of the authorities in this area and adapts to the changing regulatory environment.

TOYA Capital Group is aware that without respecting consumer rights, it would not be able to build positive relationships with current customers of its brands and acquire new customers. In online stores operated by TOYA Group, consumers can provide two types of opinions. The first concerns the functioning of the online store, transactions and the sales process. The second type of opinion concerns the purchased product. The opinions submitted are taken into account by TOYA Capital Group and serve the further development of its business.

During the double materiality assessment process, TOYA Capital Group defined its impact on consumers and end users. The impact occurs both within TOYA Capital Group itself and with product distributors, i.e. in the lower range of the value chain.

The current positive impact is related to the fact that the organization regularly analyses new requirements for product labelling. All products meet legislative requirements, have full labelling, including contact information for consumers. Each product is equipped with a detailed safety data sheet, some of them - where necessary - with instructions for use, which increases transparency and safety of use. Distributors in individual countries are responsible for labelling in local markets. Another potential positive impact is that TOYA Capital Group and distributors in foreign markets can increase transparency and safety of use by creating more intuitive labelling and instructions for consumers.

The current impact, which is both negative and positive, is related to quality and safety. Each product is analysed, and regular safety testing and compliance with standards are key to ensuring user protection. There is a dedicated channel for reporting irregularities and ensuring consumer safety. Despite this, there have been situations in which TOYA Capital Group has withdrawn a product from the market due to concerns about product safety. Regular product testing is intended to eliminate such situations, and such action has been identified as a potentially positive impact.

During the double materiality assessment process, another impact was identified, which is both actual and potential. It concerns marketing practices. TOYA Capital Group analyses new regulations and conducts internal controls regarding its marketing activities to provide accurate, reliable information that is not misleading. This potentially builds consumer trust and loyalty. The identified impacts are not directly related to TOYA Capital Group's strategy and business model and do not affect their change.

No material risks and opportunities were identified as part of the double materiality assessment process.

Consumers who are subject to the influence of TOYA Capital Group are users of the products distributed by it – both professional and amateur users. TOYA Capital Group does not offer products that are harmful to humans by their nature. The organization's assortment complies with all required standards regarding the health and safety of end users. The electrical equipment offered complies with the RoHS directive, which is confirmed by the product's declaration of conformity. Additionally, TOYA Capital Group suppliers declare that the products they supply do not contain substances included in the REACH regulation. In the case of products intended for contact with skin or clothing, information on their composition is always provided.

TOYA Capital Group also clearly informs end users about their rights in accordance with local regulations. In the case of European countries, these actions are based on Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC, in short GDPR. People visiting the organization's website and its online stores are informed about the cookies used.

The products are accompanied by operating instructions not only when required by law, but also whenever such instructions may facilitate the use of the product by consumers. A product card with an assembly drawing and an operating manual are developed before the product is introduced to distribution and sale. The organization's offer does not include products aimed at children or other products or services that would be related to the privacy or health of consumers.

As part of the double materiality assessment process, TOYA Capital Group did not diagnose any material negative impacts on consumers or end users. However, when a product defect is identified individually, TOYA Capital Group takes appropriate remedial action. These may include:

- supplementing the data, e.g. on the label or in the product description,
- removing the cause of the product hazard,
- repairing or replacing the product with a new one in the case of individual defects.

In the event of a product being withdrawn from sale due to a defect, it is withdrawn for all consumer groups. The Group does not identify end users with particular characteristics who may be at greater risk of harm than other users.

7.6.1. Consumer and End-User Policies

Policies related to the management of material impacts on consumers and end-users in the TOYA Group are:

- *Code of Good Practices in Communication with Consumers and End-Users of the TOYA Group.*
- *Code of Ethics of the TOYA Group*

The Code of Good Practices in Communication with Consumers and End-Users of the TOYA Group summarizes the good practices in the organization in the field of communication with consumers and end-users. The Code describes the Group's obligations and actions in the field of, among others:

- communication with consumers and opinions in the online store,
- product quality,
- documentation attached to products,
- sale of spare parts and post-warranty repairs,
- information on the principles of product complaints,
- communication regarding the handling of used equipment.

The process of creating the Code involved indirectly TOYA's internal stakeholders. This resulted from the materiality assessment process conducted in 2023, as a result of which TOYA Capital Group developed the Code of Good Practices in Communication with Consumers and End Users to better respond to the needs of stakeholders reported at that time.

The TOYA Group *Code of Ethics* contains the most important principles guiding the Group's activities, including ethical principles in sales and marketing activities, respect for consumer rights and concern for product quality.

The scope of the Codes covers the entire Group's activities, and both regulations are based on:

- OECD Guidelines for Multinational Enterprises - in relation to the protection of consumer interests, including compliance with fair business, marketing and advertising practices in contacts with consumers and actions taken by TOYA to ensure the appropriate quality of the products offered.

- UN Consumer Protection Guidelines – regarding transparency in consumer information about products, applicable conditions, fees and final costs, privacy guidelines, complaints and disputes with consumers.

The Management Board of the Parent Company in the TOYA Capital Group is responsible for implementing the provisions of the regulations.

In its activities, the organization respects human rights that are important for end users. This issue is regulated by the Human Rights Policy in the Parent Company, ensuring the protection of human rights throughout the value chain. The TOYA Capital Group did not identify a negative impact on the observance of human rights in the context of consumers and end users in 2024 or as part of the double materiality assessment process, therefore no corrective measures were applied in this area.

7.6.2. Consumer and End-User Collaboration Processes

TOYA Capital Group makes every effort to eliminate the risk of adverse product impact to the greatest possible extent. The organization analyses market trends and responds to the needs of consumers, striving to create a situation in which they can find products in the offer that meet their expectations. Opinions sent on an ongoing basis by users of TOYA Capital Group online stores and opinions received in surveys sent in December 2024 as part of the double materiality assessment process, in which the Management Board of the Parent Company was involved, are also taken into account. At the same time, the principle of meeting all local legal requirements related to quality and safety is strictly observed.

As part of the double materiality assessment process, TOYA Capital Group did not identify a negative impact on consumers and end users. Therefore, it has no corrective measures. Nevertheless, in accordance with the TOYA Capital Group Code of Ethics, each of the companies in the capital group is to create channels for receiving and analysing reports of violations of the Code. The companies provide reporting parties with a local channel that meets the needs and expectations of stakeholders to the greatest extent possible. Reports can be made in person or by sending an e-mail to dedicated addresses. Additionally, any comments and information about activities violating the provisions of the Code of Good Practices in the field of communication with consumers and end users should be reported to the persons responsible for contact with consumers, designated by the Management Board in each company of the TOYA Capital Group. End users of TOYA Capital Group products can obtain support and necessary information by contacting the Customer Service Office team. This applies not only to reports of problems with the use of the product, but also to providing information on the product offer, deliveries or other questions related to sales in the online store.

Depending on the market, customers can use the Helpline, e-mail or forms available on the corporate website and online store websites. Information can also be found in the regulations of online stores, which are posted on the store websites at the bottom of the home page, in the Regulations section.

As part of the after-sales service, a customer who has purchased a product can file a complaint or contact the service department, e.g. regarding the purchase of spare parts. The Group provides appropriate channels and mechanisms for reporting comments on the products offered and procedures for considering such reports.

All reports that reach the Customer Service Office of the online store are monitored and resolved.

There are no formal processes in the TOYA Capital Group that allow for assessing the extent to which consumers are aware of the possibility of contacting the Customer Service Office and reporting, among other things, violations of the Code of Ethics.

Activities undertaken on an ongoing basis by TOYA Capital Group companies related to material impacts on end users include:

- reliable preparation of user manuals and product descriptions. Where required, characteristics, pictograms and graphical or photographic references, energy labels and disposal methods are additionally attached.

- offering products and packaging that comply with the requirements of the REACH directive. In the case of products that are intended for contact with skin or clothing, information about their composition is always provided.
- conducting marketing strategies in accordance with the adopted market standards and TOYA values, expressed in the TOYA Capital Group Code of Ethics.
- publishing clear product documentation containing an assembly drawing of the product with numbered components and a list of spare parts intended for the product. This documentation allows the buyer to familiarize themselves with the construction of the device and allows them to make a decision on how to perform a post-warranty repair and possibly purchase spare parts and carry out the repair themselves.

In addition, TOYA Capital Group has a complaint process described in the regulations, which allows customers to easily exercise all their rights arising from legal regulations or the organization's own guarantees. In the event of a complaint, the consumer can count on free collection of the damaged product from the place indicated by them and consideration of the complaint to the extent indicated in the complaint notification. In addition, TOYA Capital Group provides post-warranty service, which includes the sale of spare parts and repairs in its own service centre.

The organization has not implemented a formal method of tracking and assessing the effectiveness of these activities.

During the double materiality assessment process, TOYA Capital Group did not identify any negative actual or potential impacts on consumers or end users. Also, possible risks and opportunities related to consumers and end users were not considered significant. In 2024, no serious issues and incidents concerning human rights related to consumers were reported.

Despite the lack of material negative impacts, TOYA Capital Group has developed a Code of Good Practice in Communication with Consumers and End Users. In the interests of the comfort of buyers, their safety and the proper and trouble-free use of tools and devices, the products offered by TOYA Capital Group have carefully prepared and legally required operating instructions and necessary descriptions, and if necessary, energy labels and methods of product disposal are attached. The TOYA Capital Group did not adopt any goals related to the management of material impacts related to end users in 2024. The Group does not plan to set goals related to impacts diagnosed in the double materiality assessment process.

TOYA Capital Group has not adopted any targets for managing material impacts related to end users in 2024. The Group does not plan to set targets for impacts diagnosed in the double materiality assessment process.

Despite this, TOYA Capital Group monitors the effectiveness of the adopted documents in order to manage material impacts. This is evidenced by the number of reports received by the Customer Service Office. They are analysed in terms of issues related to access to high-quality information, security or marketing practices. The lack of reports regarding these areas indicates the effectiveness of the policies. On the other hand, in a situation where information appears from a consumer about the lack of significant information in the instructions, actions are taken to correct it. There is no formal procedure in place that would determine the number of reports, the achievement of which would mean that the policies adopted in TOYA Capital Group are ineffective. Our ambition is to completely eliminate such cases.

7.7. ESRS G1 BUSINESS CONDUCT

The competences of the Management Board of TOYA S.A. include all matters that have not been reserved for the competences of the General Meeting or the Supervisory Board. The Management Board manages the Company's affairs and represents it externally. The tasks of the Supervisory Board include constant supervision of the Company's activities. Within the Supervisory Board, the Audit Committee operates in the Parent Company. Its task is to advise and support the Supervisory Board in the performance of its control and supervisory duties, in the scope of broadly understood financial reporting, in accordance with the Act on auditors, audit firms and public supervision. Information on the professional knowledge of the members of the Management Board and the Supervisory Board has been disclosed in the chapter ESRS2 General disclosure of information.

The TOYA Group's material impacts, risks and opportunities related to business conduct were identified in the double materiality assessment process conducted in 2024. The process, methodology used and stakeholder consultations are disclosed in this statement in the ESRS-2 General Information indicator.

The double materiality assessment process identified:

- actual positive and potential positive impacts related to corporate culture,
- actual positive and potential positive impacts related to whistleblower protection,
- actual negative and positive impacts related to supplier relationship management, including payment practices,
- actual positive and potential positive impacts related to corruption prevention.

7.7.1. Corporate governance in TOYA Capital Group

TOYA Capital Group manages significant revenues based on internally implemented and observed regulations in daily operations, for the implementation of which the Management Board of the Parent Company is responsible. They apply to all employees of the organization, and additionally the Procedure for reporting irregularities also includes people who are not employed in the Group.

Corporate Governance Area	Adopted regulation	Key Content
Corporate culture	Code of Ethics	The Capital Group has adopted a Code of Ethics, which it plans to implement in 2025. The Code includes the most important principles guiding the Company's activities, such as respect for human rights, counteracting corrupt practices and avoiding conflicts of interest, relations with customers, responsibility for impact, ethical relations with suppliers, care for the environment and compliance with applicable law and market standards. The provisions of the Code of Ethics will apply to employees, associates and suppliers of the TOYA Capital Group. The Code of Ethics was created based on the provisions contained in, among others, the UN guidelines on business and human rights and the OECD guidelines for multinational enterprises, including the principles and rights set out in the eight fundamental conventions indicated in the International Labor Organization 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 TOYA values: responsibility, focus on development and profit, focus on customer needs and expectations and innovation.
Whistleblower protection	Procedure for reporting irregularities and conducting explanatory proceedings at TOYA S.A.	The procedure enables responding to non-compliance with regulations by identifying violations and taking follow-up actions. The regulation also defines reporting channels. The content of the procedure is made available on the Company's website.
Supplier relationship management, including payment practices	Code of Conduct for TOYA S.A. suppliers	The Code includes the commitment of suppliers to respect human rights, ensure fair working conditions, ensure safe and healthy working conditions and conduct their business in an environmentally friendly manner. The Code is available on the TOYA S.A. website. In 2025, it will be replaced by the Code of Ethics to be binding on all TOYA Capital Group companies and their suppliers.
Prevention and detection of corruption, including training	• *TOYA S.A. Anti-Corruption Code* • *TOYA S.A. Gift Policy* • *Procedure for the application of anti-corruption clauses in contracts concluded by TOYA S.A.*	The Anti-Corruption Code defines the concepts of corruption and establishes rules and principles that limit the risk of corruption, as well as actions in the event of its occurrence. The Code is detailed in the Gift Procedure, which regulates the principles of giving and receiving business gifts. The provisions of the Anti-Corruption Code are consistent with Polish law, and thus indirectly refer to the United Nations Convention against Corruption. The Group makes anti-corruption regulations available to employees on its internal IT network. Additionally, as a rule, an anti-corruption clause is included in contracts with contractors, obliging them to comply with the Anti-Corruption Code.

The corporate culture in the TOYA Capital Group is based on ethical business practices, building and developing trust among customers and strict compliance with regulations. Part of the Mission and Vision adopted at the organizational level are values - responsibility, orientation towards development and profit, customer-centricity and innovation. These values accompany the Group in its daily functioning and are the foundation for making strategic and operational decisions.

The corporate culture is shaped by the Group's management, which regularly communicates and reinforces values through its actions, decisions and management method. The Group encourages employees to co-create the corporate culture by providing access to the Intranet. Additionally, employees participate in compliance training, which raises awareness of the Company's principles and values. The topics of compliance training include, among others, the provisions of the anti-corruption code and other procedures related to minimizing the risk of corruption and the system for reporting irregularities. Cyclic training is dedicated to all employees and people starting work in the organization.

Procedure for reporting irregularities and conducting explanatory proceedings in TOYA S.A. introduces mechanisms in TOYA S.A. for identifying, reporting and investigating concerns related to conduct that is inconsistent with the provisions concerning, among others, corruption, money laundering and supporting terrorism, product safety and compliance with legal requirements, environmental protection, consumer protection, protection of privacy and personal data. The Company accepts reports from internal or external stakeholders. In accordance with the provisions of the regulations, whistleblowers may provide information through the provided safe, confidential and effective channels. Reports are accepted orally or in writing, including using an online tool that guarantees anonymity.

An oral report may be made during a conversation with the Compliance Officer or Compliance Coordinator via the Microsoft Teams program and - at the request of the whistleblower - during a direct meeting. A written report may be sent to a dedicated e-mail address, by traditional mail to the registered office of TOYA S.A. and via the online platform.

The information provided is initially verified by the Compliance Officer or Compliance Coordinator. If the report is deemed justified, an explanatory proceeding is initiated. During the proceedings, all employees of the organization are obliged to make available all documents and provide the information necessary to determine the circumstances of the case being considered.

In accordance with the Procedure for reporting irregularities and conducting explanatory proceedings at TOYA S.A., persons submitting reports in good faith are protected against retaliatory actions. The organization ensures, among other things, full protection of the confidentiality of the whistleblower's data and a limited circle of people with access to the information covered by the report to the necessary minimum. The Management Board is responsible for the protection of whistleblowers, which is obliged to respond to all attempts to take retaliatory actions. Consequences may be drawn against employees who have taken retaliatory actions against the whistleblower, in accordance with the provisions of labour, criminal and civil law.

The procedure for reporting irregularities in force in the Company does not specify matters related to incidents of corruption or bribery, as priority, considering that each report should be considered quickly and efficiently.

No separate anti-corruption training is conducted due to the position held that is particularly exposed to the risk of corruption, because preventing such cases applies to all employees to the same extent. At the same time, the TOYA S.A. Gift Procedure distinguishes a category of exposed persons - these are members of the Management Board, members of the Supervisory Board and persons managing individual departments, employees of the sales department, proxies, as well as other persons indicated each time by a resolution of the Management Board due to their direct participation in relations with contractors.

The procedure for reporting irregularities was consulted with employee representatives during the development of its provisions. In the case of other regulations, no consultations were conducted with stakeholders.

7.7.2. Supplier Relationships

TOYA Capital Group manages supplier relations based on the Code of Ethics, which emphasizes the requirements of respecting human rights, ensuring fair working conditions, occupational health and safety, and ecological responsibility. The Group expects its suppliers to apply the same standards to their sub-suppliers. The Code of Ethics, and previously the Supplier Code of Conduct, promotes corporate culture throughout the value chain.

TOYA Capital Group, through its two companies - YATO Tools (Shanghai) Co. Ltd. and YATO Tools (Jiaxing) Co. Ltd. - maintains close contacts with factories and trading companies, which allows for effective local verification of quality and compliance with standards. Visits to factories and warehouses additionally support responsible business practices, which favours the selection of suppliers who comply with environmental and social standards.

The Group has not adopted policies regarding payments to suppliers, including with particular emphasis on small and medium-sized enterprises. The business practice in the organization is to pay receivables on time agreed with contractors.

Due to the different payment practices in the markets where TOYA Group operates, no formal policy has been adopted to prevent late payments. Due to the size of the Company and the number of invoices processed, TOYA S.A. has implemented an electronic document flow that supports the processing of documents from the moment they are received to the moment they are recorded in the accounting records. This system defines the individual steps and rules for accepting costs, which contributes to timely payment. In other companies in the TOYA Group, the invoice flow is initiated by the purchasing department, and payments are made by the finance departments with the authority to make payments.

The standard time to pay an invoice issued for TOYA S.A. is from 7 to 30 days, and the average time needed to make a payment in 2024 was 22 days. About 60% of the Company's payments were purchases of commercial goods within the Capital Group. In TOYA Romania, the time to pay was from 7 to 180 days, and the average time to pay an invoice was 75 days. In two companies in China, the invoice payment term is 45 days from the moment the goods are delivered to the warehouse, and the average payment time was 45 days. In 2024, there were no legal proceedings against any of the companies regarding late payments.

7.7.3. Preventing corruption

The prevention of allegations or incidents related to corruption and bribery is based on the anti-corruption regulations adopted in the Parent Company - the TOYA S.A. Anti-Corruption Code, the TOYA S.A. Gift Policy and the Procedure for the Application of Anti-Corruption Clauses in Agreements Concluded by TOYA S.A. Information on the provisions of these regulations is included in this report in chapter 7.7.1 - Business Conduct Policies and Corporate Culture.

TOYA S.A. has adopted procedures ensuring impartiality, objectivity and independence of conducting explanatory proceedings regarding corruption. The unit responsible for receiving reports and taking follow-up actions in TOYA S.A. is the Legal and Compliance Department, within which the Compliance Officer or Compliance Coordinator have been authorized by the Company to perform these activities.

In order to maintain an appropriate level of impartiality and proper consideration of reports concerning members of the company’s management board, the Compliance Officer or the Compliance Coordinator, the following solutions have been adopted:

- if the report concerns a member of the Management Board – the report is accepted and follow-up actions are taken by the Compliance Officer. The Compliance Officer shall immediately upon receipt of the report inform the Chairman of the Supervisory Board. The member of the Management Board concerned by the report does not have access to information about the course of the explanatory proceedings until it is completed.

- if the report concerns the Compliance Officer – the report is accepted and follow-up actions are taken by the Compliance Coordinator. The Compliance Coordinator shall immediately upon receipt of the report inform the Vice President of the Management Board, whose competence includes supervision over the compliance zone. The Compliance Officer is excluded from all activities concerning the report in question, and also does not have access to information about the course of the explanatory proceedings until it is completed.
- if the report concerns the Compliance Coordinator – the report is accepted and follow-up actions are taken by the Compliance Officer. The Compliance Officer shall immediately upon receipt of the report inform the Vice President of the Management Board, whose competence includes supervision over the compliance zone. The Compliance Coordinator is excluded from all activities related to the report in question, and also does not have access to information about the course of the investigation until it is completed.

Each explanatory proceeding ends with the submission to the Management Board of a detailed report summarizing the actions and findings. If a violation of the law is found, the report includes a recommendation for remedial measures.

In order to raise the awareness of TOYA S.A. employees regarding the risks associated with corruption, the organization undertakes to conduct regular training tailored to individual groups, including in particular new employees and people working in departments particularly exposed to corruption. The Compliance Coordinator is responsible for fulfilling training obligations by TOYA S.A. employees. Training programs are developed, with the support of the Compliance Coordinator, by the Compliance Officer, ensuring their compliance with the currently applicable legal regulations and taking into account the potential risks associated with the current activities of TOYA S.A. All employees are exposed to the risk of corruption to a similar extent, therefore no positions particularly exposed to this risk have been identified. Members of the Management Board and Supervisory Board are also covered by anti-corruption training. All training includes the definition of corruption, internal regulations in force in the Company regarding the prevention of corruption, as well as information on actions taken in the event of a suspected case of corruption.

The table below presents information on training in all companies forming the TOYA Capital Group. Members of the Management Board of TOYA S.A. hold functions in other companies of the TOYA Capital Group, so in order to avoid double counting, the table presents information on training for the Management Board and Supervisory Board of the Parent Company. YATO Tools (Shanghai) Co., Ltd. and YATO Tools (Jiaxing) Co., Ltd. have identified employees who are particularly exposed to the risk of corruption.

	Management Board of TOYA S.A.	Supervisory Board of TOYA. S.A.	Employees	Employees at risk of corruption
Number of people	4	7	531	58
Number of people undergoing training	4	7	404	52
Duration and nature of training	1 hour of mandatory training	1 hour of mandatory training	In Poland it is 1 hour of mandatory training. In China 1 hour of optional training. In Romania the training is optional.	In China 2 hours of mandatory training.
Frequency of training	Once a year	Once a year	Once a year	In companies in China, training is held once a quarter.

8. STATEMENT ON THE APPLICATION OF CORPORATE GOVERNANCE PRINCIPLES

In accordance with § 70 section 6 point 5) Regulation of the Minister of Finance dated 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognizing as equivalent information required by laws of non-member state, the Management Board hereby presents its corporate governance statement for 2024.

8.1. PRINCIPLES OF CORPORATE GOVERNANCE

Indication of the set of corporate governance rules governing the Parent Company and the place where the set is publicly available

From 1 July 2021, the Company applies the corporate governance principles set out in the "Best Practices of WSE Listed Companies 2021", attached to the Resolution of the Stock Exchange Supervisory Board No. 13/1834/2021 of 29 March 2021, the content of which is publicly available on the website of the Warsaw Stock Exchange S.A. at the address: https://www.gpw.pl/dobre-praktyki2021.

The text of the statements regarding each year with an indication of the extent to which the Company declared compliance with the rules mentioned above, is available on the Company's website at: https://toya.pl/lad-korporacyjny in the "Best practices" tab.

The Company does not apply any corporate governance practices that go beyond the requirements of local law.

An indication to the extent that the Parent Company departed from the provisions of the set of principles of corporate governance, with an indication of those provisions and the reasons for the withdrawal.

Pursuant to Article 29.3 of the Regulations of the Warsaw Stock Exchange S.A., the Management Board of the Company presented "Information on the status of the Company's application of the recommendations and principles contained in the Best Practices of WSE Listed Companies 2021" in the EBI report No. 1/2021 of 2 August 2021. In reference to the content of this document, in 2024 the Company complied with the detailed rules contained in the "Best Practices of WSE Listed Companies 2021", with the exception of the following:

RULE NUMBER	CONTENT OF THE RULE	EXPLANATION OF THE REASONS FOR THE COMPANY'S DEVIATION FROM THE PRINCIPLE:
1.3.1.	Companies integrate ESG factors in their business strategy, including in particular environmental factors, including measures and risks relating to climate change and sustainable development	In its business strategy, the Issuer does not include ESG factors, which include environmental factors, including measures and risks relating to climate change and sustainable development. The Issuer is aware of the growing importance of non-financial reporting as well as ESG issues, therefore, meeting the expectations of various stakeholder groups, it will consider taking steps to implement and apply this principle
1.3.2.	Companies integrate ESG factors in their business strategy, including in particular social and employee factors, including among other actions taken and planned to ensure equal treatment of women and men, decent working conditions, respect for employees' rights, dialogue with local communities, customer relations.	In its business strategy, the Issuer does not include ESG factors, including social and employee factors, including among others actions taken and planned to ensure equal treatment of women and men, decent working conditions, respect for employees' rights, dialogue with local communities, customer relations. The Issuer is aware of the growing importance of non-financial reporting as well as ESG issues, therefore, meeting the expectations of various stakeholder groups, it will consider taking steps to implement and apply this principle. The Issuer and the entire TOYA S.A. Capital Group

RULE NUMBER	CONTENT OF THE RULE	EXPLANATION OF THE REASONS FOR THE COMPANY'S DEVIATION FROM THE PRINCIPLE:
		pays particular attention to the issues related to the core values to which this principle applies.
1.4.	To ensure quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial. ESG information concerning the strategy should among others:	The Issuer presents its Strategy within periodic reports. This information does not contain all the elements set out in this rule. If the Strategy document is formally adopted and disclosed in accordance with applicable regulations, it will be made available to stakeholders on the website. The Issuer is aware of the growing importance of non-financial reporting as well as ESG issues, therefore, meeting the expectations of various stakeholder groups, it will consider taking steps to implement and apply this principle
1.4.1.	explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks;	The Issuer's current Strategy does not take into account the ESG issues. The Issuer is aware of the growing importance of non-financial reporting as well as ESG issues, therefore, meeting the expectations of various stakeholder groups, it will consider taking steps to implement and apply this principle.
1.4.2.	present the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of the equality target.	The Strategy presented by the Issuer in its periodic reports does not address the issues raised in this principle. The Issuer pursues an active policy in the field of working conditions and employee pay, providing the Company with staff that contributes to the organic growth of the organization.
1.5.	Companies disclose at least on an annual basis the amounts expensed by the company and its group in support of culture, sports, charities, the media, social organisations, trade unions, etc. If the company or its group pay such expenses in the reporting year, the disclosure presents a list of such expenses	The Issuer does not disclose the expenses incurred by the Issuer and its group for supporting culture, sports, charities, media, social organizations, trade unions, etc. The reason for this is the marginal scale of this type of expenses from the point of view of the Company's financial situation.
1.6.	Companies participating in the WIG20, mWIG40 or sWIG80 index hold on a quarterly basis and other companies hold at least on an annual basis a meeting with investors to which they invite in particular shareholders, analysts, industry experts and the media. At such meetings, the management board of the company presents and comments on the strategy and its implementation, the financial results of the company and its group, and the key events impacting the business of the company and its group, their results and outlook. At such meetings, the management board of the company publicly provides answers and explanations to questions raised	The Issuer enables investors, analysts, shareholders and representatives of the media to ask questions and obtain explanations on topics of interest to these persons, provided that the applicable law provides for such a possibility. The implementation of this principle takes place in the form of direct meetings with the above-mentioned stakeholders or answers to questions in electronic form.
2.1.	Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.	The Issuer does not have a diversity policy towards the Management Board and the Supervisory Board adopted by the Supervisory Board or the General Meeting, respectively. Nevertheless, the principle of diversity among its bodies is close to the Issuer and constitutes an added value for the organization. The Issuer ensures that the bodies are composed of persons with the broadest possible scope of competences and qualifications. The members of the Supervisory Board are elected by the General Meeting, while the Management Board is appointed by the Supervisory Board. Despite the lack of a diversity policy, the Issuer is deeply convinced that the General Meeting and the Supervisory Board, when selecting the Supervisory Board and the Management Board, are guided primarily by the

RULE NUMBER	CONTENT OF THE RULE	EXPLANATION OF THE REASONS FOR THE COMPANY'S DEVIATION FROM THE PRINCIPLE:
		interests and needs of the Issuer to ensure a diverse pool of talents necessary to meet the challenges faced by the Issuer. The above can be confirmed by the current composition of the Supervisory Board and the Management Board, which ensures diversity in terms of education, specialist knowledge and age
2.2.	Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.	The members of the Supervisory Board are elected by the General Meeting, while the Management Board is appointed by the Supervisory Board. Despite the lack of a diversity policy, the Issuer is deeply convinced that the General Meeting and the Supervisory Board, when selecting the Supervisory Board and the Management Board, are guided primarily by the interests and needs of the Issuer to ensure a diverse pool of talents necessary to meet the challenges faced by the Issuer. The above can be confirmed by the current composition of the Supervisory Board and the Management Board, which ensures diversity in terms of education, specialist knowledge and age.
2.7.	A company's management board members may sit on corporate bodies of companies other than members of its group subject to the approval of the supervisory board.	A member of the Management Board may not, without the consent of the General Meeting, deal with competitive interests or participate in a competitive company as a partner in a civil partnership, partnership or as a member of a ruling body of a company, or participate in another competitive legal person as a member of a ruling body. This prohibition also covers participation in a competitive company, if a Management Board Member holds at least 10% of shares or stocks or the right to appoint at least one Management Board Member. The prohibition does not apply to performing functions in entities belonging to the capital group of the Company.
2.11.5.	In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following: assessment of the rationality of expenses referred to in principle 1.5;	The Issuer does not disclose the expenses incurred by the Issuer and its group for supporting culture, sports, charities, media, social organizations, trade unions, etc. The reason for this is the marginal scale of this type of expenses from the point of view of the Company's financial situation.
2.11.6.	In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following: information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1.	Due to the fact that the Issuer does not have a diversity policy towards the Management Board and the Supervisory Board adopted by the Supervisory Board or the General Meeting, respectively (for the entirety of the justification, see rule 2.1.), the annual report of the Supervisory Board referred to in rule 2.11 does not contain the information referred to in rule 2.11.6.
3.3.	Companies participating in the WIG20, mWIG40 or sWIG80 index appoint an internal auditor to head the internal audit function in compliance with generally accepted international standards for the professional practice of internal auditing. In other companies which do not appoint an internal auditor who meets such requirements, the audit committee (or the supervisory board if it performs the functions of the audit committee) assesses on an annual basis whether such person should be appointed.	As at the date of publication of this statement, the Issuer has not appointed an internal auditor to manage the internal audit function. The Issuer and the Audit Committee assess on an ongoing basis the legitimacy of the organizational separation of internal audit and, if there is a need for such separation, the Issuer will consider appointing such an auditor.
3.6.	The head of internal audit reports organisationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory	The principle is not applied due to the fact that the Company has not appointed a person to manage internal audit. The Issuer monitors the

RULE NUMBER	CONTENT OF THE RULE	EXPLANATION OF THE REASONS FOR THE COMPANY'S DEVIATION FROM THE PRINCIPLE:
	board if the supervisory board performs the functions of the audit committee.	needs of conducting an audit of individual areas of the Company's operations on an ongoing basis.
3.10.	Companies participating in the WIG20, mWIG40 or sWIG80 index have the internal audit function reviewed at least once every five years by an independent auditor appointed with the participation of the audit committee.	The principle is not applied as the Issuer has not yet distinguished an internal audit unit and has not separated the position of the person managing the internal audit function.
4.3.	Companies provide a public real-life broadcast of the general meeting	The Issuer does not provide publicly available real-time broadcasts of general meetings. The Issuer will monitor the demand of potential stakeholders for access to real-time broadcasts of the general meeting
4.8.	Draft resolutions of the general meeting on matters put on the agenda of the general meeting should be tabled by shareholders no later than three days before the general meeting	The issuer encourages shareholders to submit draft resolutions of the general meeting on matters introduced to the agenda of the general meeting within a time allowing them to be read, but the Company's internal regulations do not provide for the deadline referred to in this rule.
4.9.1.	If the general meeting is to appoint members of the supervisory board or members of the supervisory board for a new term of office: candidates for members of the supervisory board should be nominated with a notice necessary for shareholders present at the general meeting to make an informed decision and in any case no later than three days before the general meeting; the names of candidates and all related documents should be immediately published on the company's website.	The Issuer encourages shareholders to propose candidates for the Supervisory Board in time allowing them to become acquainted with their professional experience and competences, but the Company's internal regulations do not provide for a deadline for submitting candidates. On the other hand, the rule is applied in the scope of immediate publication by the Issuer of the candidates together with a complete set of materials concerning them on the Company's website, provided that the candidates are submitted within the time limit specified in the rule in question.
4.14.	Companies should strive to distribute their profits by paying out dividends. Companies may retain all their earnings subject to any of the following criteria: a) the earnings are minimal and consequently the dividend would be immaterial in relation to the value of the shares; b) the company reports uncovered losses from previous years and the earnings are used to reduce such losses; c) the company can demonstrate that investment of the earnings will generate tangible benefits for the shareholders; d) the company generates insufficient cash flows to pay out dividends; e) a dividend payment would substantially increase the risk to covenants under the company's binding credit facilities or terms of bond issue; f) retention of the company's earnings follows recommendations of the authority which supervises the company by virtue of its business activity.	The intention of the rule is close to the Issuer. The Issuer's Management Board, in each application to the General Meeting as to the method of profit distribution for a given financial year, presents, together with the justification, its recommendations, which may include, inter alia, the current and projected financial situation of the Company and its capital group, further development strategy, including investment plans. The issuer shall immediately disclose the information in question to the public, and the above-mentioned application is assessed by the Supervisory Board. The final decision, taking into account the essential needs of the Issuer, the catalogue of which may exceed the premises indicated in the principle, is made by the Issuer's General Meeting.

8.2. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM IN RELATION TO THE FINANCIAL STATEMENTS PREPARATION PROCESS

Description of basic features of internal control and risk management systems applied in the Company with respect to the process of preparing the stand alone and consolidated financial statements.

The Management Board of the Company is responsible for the internal control system in the Parent Company and its effectiveness in the process of preparing financial statements and periodical reports developed and published in accordance with the Regulation of the Minister of Finance of 29 March 2018 on current and periodical information submitted by issuers of securities and on conditions for deeming as equivalent the information required under the provisions of the law of a Non-Member State. The Company applies internal control systems with regard to accounting and financial reporting to ensure reliable and transparent presentation of its financial and assets standing. The Parent Company has in place documentation describing the adopted accounting principles, specifying the methods of assets and liabilities valuation and determination of the financial result, as well as the manner of keeping the books of account and the system for protection of data and data collections. The adopted accounting principles are applied on a continuous basis by ensuring comparability of financial statements while using the rule of going concern and prudent valuation. The Company's financial statements are audited by authorised entities selected by way of resolution of the Supervisory Board. The statements are published in accordance with the applicable provisions of the law.

The books of account are kept by the Company and its subsidiaries in the SAP R3 IT system. Access to information resources of the IT system is restricted by appropriate rights of authorised employees solely in the scope of their duties.

The Financial Director supervises the process of preparing the Company's financial statements and periodical reports from the subject-matter point of view.

Organising work related to preparing annual and semi-annual financial statements is the competence of the accounting and control department.

After its approval by the Financial Director and before its publication, the financial statements are verified by the Company's Management Board and Supervisory Board.

8.3. SHAREHOLDERS HOLDING SUBSTANTIAL BLOCKS OF SHARES

Shareholders who hold, directly or indirectly, major blocks of shares, the number of shares held by such entities, their percentage share in the share capital, the number of votes resulting from them and their percentage share in the total number of votes at the general meeting

The table below presents the ownership structure of shareholders who hold, directly or indirectly, major blocks of shares of TOYA S.A., the number of shares held by such entities, their percentage share in the share capital, the number of votes resulting from them and their percentage share in the total number of votes at the general meeting as of 31 December 2024 (status according to the best of the Company's knowledge and to information provided to Company by its shareholders):

Name	Status	Number of shares / number of votes at the General Meeting	Nominal value of one share in PLN	Nominal value of shares in PLN	Percentage share in the share capital/Percentage share in the total number of votes at the general meeting
Jan Szmidt	natural person	28,284,304	0.1	2,828,430.40	37.69%
Romuald Szałagan	natural person	9,652,290	0.1	965,229.00	12.86%
Generali OFE	natural person	5,001,147	0.1	500,114.70	6.66%
Others - share below 5%	not applicable	32,104,485	0.1	3,210,448.50	42.79%
TOTAL		**75,042,226**		**7,504,222.60**	**100.00%**

Between the date of submission of the previous periodic report (i.e. from 7 November 2024) and 31 December 2024, as well as after the end of 2024 until the date of approval of this report for publication, there were no changes in the ownership structure of significant blocks of TOYA S.A. shares.

The Parent Company is not aware of any agreements that could result in future changes in the proportions of shares held by current shareholders.

8.4. SECURITIES GIVING SPECIAL CONTROL RIGHTS

Indication of the owners of any securities, which provide special control rights, together with the description of the rights (§ 70 section 6 point 5 letter e of the Regulation).

All shares in the Company are ordinary bearer shares which provide no special control rights. Apart from shares, the Parent Company issued no other securities.

8.5. LIMITATION OF RIGHTS FROM SHARES

Indication of any restrictions on the exercise of voting rights, such as restrictions on the exercise of voting rights by holders of a specific part or number of votes, time restrictions on the exercise of voting rights or provisions according to which capital rights related to securities are separated from the possession of securities (§ 70 sec. 6 item 5 letter f of the Regulation).

Shares in the Company do not involve any restrictions with respect to exercising voting rights. Pursuant to the Articles of Association of TOYA S.A., each share carries one vote at the General Shareholders' Meeting.

Limitations in transferring the ownership right to the issuer's securities

In 2024, there were no restrictions on the transfer of ownership of the Company's securities.

8.6. DESCRIPTION OF THE RULES FOR CHANGING THE ISSUER'S STATUTE

The Company's Articles of Association are amended in accordance with the provisions of the Commercial Companies Code. Resolutions on amendments to the Articles of Association that increase the benefits of shareholders or reduce the rights granted personally to individual shareholders require the consent of all shareholders affected by them.

8.7. GENERAL SHAREHOLDERS MEETING

The functioning of the General Shareholders' Meeting, its basic entitlements, the rights of shareholders and the manner of exercising these rights and entitlements, and in particular the rules set forth by the Bylaws of the General Meeting of Shareholders provided such bylaws have been adopted, unless such information is determined directly by the provisions of law

The proceedings of the General Meeting of Shareholders of "TOYA" S.A. are held in accordance with generally applicable provisions of law, in particular the provisions of the Commercial Companies Code, the Company's Articles of Association and the provisions of the Regulations of the General Meeting (available: https://toya.pl/materialy-dla-inwestorow).

The General Meeting is held as ordinary or extraordinary. An extraordinary General Meeting is convened by the Management Board on its own initiative, at the written request of the Supervisory Board or at the request of shareholders representing at least 1/20 of the share capital, submitted to the Management Board in writing or in electronic form. The request to convene the General Meeting should specify the matters put on the agenda or include a draft resolution regarding the proposed agenda. The convening of an extraordinary General Meeting at the request of the Supervisory Board should take place within two weeks from the date of submitting the request.

The Supervisory Board convenes the General Shareholders' Meeting:

a) if the Company's Management Board failed to convene the Ordinary General Shareholders' Meeting within the prescribed period,
b) if, despite the submission of a request by the Supervisory Board, the Company's Management Board failed to convene the General Shareholders' Meeting in time, or
c) whenever it deems such meeting necessary.

Shareholders may participate in the General Shareholders' Meeting using electronic means of communication, on conditions specified in detail by the Management Board.

The General Meeting may adopt resolutions regardless of the number of shareholders present at the meeting or the represented shares, unless otherwise provided in the provisions of law.

Resolutions of the General Shareholders' Meeting are adopted by an absolute majority of votes, unless the provisions of law or these Articles of Association provide otherwise. Resolutions of the General Shareholders' Meeting are adopted by the majority of ¾ votes cast with respect to the following issues:

a. amendments to the Articles of Association, including issue of new shares,
b. issue of convertible bonds or bonds with pre-emptive rights to acquire shares,
c. merger of the Company with another company,
d. decrease of the share capital,
e. redemption of shares,
f. disposal of the Company's enterprise or its organised part,
g. dissolution of the Company.

The resolutions amending the Articles of Association on the increase of the shareholders' benefits or limiting the rights granted to individual shareholders require the consent of all affected shareholders.

Resolutions of the General Shareholders' Meeting are binding upon all bodies of the Company, as well as all shareholders, including shareholders who are not present on the General Shareholders' Meeting.

The competences of the General Meeting of Shareholders include adopting resolutions concerning the following issues:
a) considering and approving the Management Board and Supervisory Board's report and the financial statements,
b) acquisition of own shares,
c) merger of the Company or transformation of the Company,
d) determination of remuneration of the Supervisory Board members,
e) creation and liquidation of special funds,

Acquisition and disposal of real property, right of perpetual usufruct or share in a real property by the Company does not require a consent of the General Shareholders' Meeting.

The General Meeting may at any time adopt a resolution to convene an Extraordinary General Meeting, resolutions regarding the announced agenda and resolutions of an administrative nature, including:
a) a resolution to change the order of discussion of individual items on the agenda,
b) a resolution to remove individual matters from the agenda,
c) a resolution on the manner of voting,
d) a resolution to adjourn the meeting.

Participation of Members of the Management Board and Supervisory Board in the General Meeting:

a) participate in a composition that allows for providing substantive answers to questions asked during the General Meeting. In the event that the participation of any member of these bodies is impossible for important reasons, the Participants of the General Meeting will be presented with the reasons for their absence.
b) should, within the limits of their competences and to the extent necessary to resolve matters covered by the agenda, provide Participants with explanations and information concerning the Company, subject to restrictions resulting from applicable regulations.
c) in cases requiring detailed, specialist knowledge in a given field, they may indicate a person from among the Company's employees who will provide such information or explanations. The auditor auditing the Company's financial statements is invited to the General Meeting, in particular when the agenda includes an item concerning the Company's financial matters.

Opening of the General Meeting and election of the Chairman
The Chairman of the Supervisory Board opens the General Meeting (in the event of his absence – the Vice-Chairman of the Supervisory Board, or the person indicated above) and has the powers of the Chairman until he is elected.

The person opening the General Meeting orders and conducts the election of the Chairman of the General Meeting from among the persons entitled to vote. Each Participant of the General Meeting has the right to run for the Chairman, as well as to submit one candidacy for this position. The nominated candidate is entered on the list of candidates after submitting a declaration that he accepts the candidacy. The Chairman of the General Meeting is elected in a secret ballot. The person opening the General Meeting supervises the proper course of the vote and announces its results.

Chairman of the General Meeting, among others:
a) ensures the efficient course of the proceedings and respects for the rights and interests of all shareholders.
b) should counteract, in particular, the abuse of powers by Participants and ensure that the rights of minority shareholders are respected.
c) his duties and powers include, among others, determining whether the General Meeting has been properly convened and is capable of adopting resolutions; presenting the announced agenda of the General Meeting; granting and taking away the floor from a Participant who speaks clearly off-topic or violates the principles of decent conduct with his speech; ordering voting and ensuring its proper course and announcing its results; ordering breaks in the proceedings, subject to the provisions of the Regulations of the General Meeting; closing the General Meeting after the established agenda has been exhausted.
d) has the right to appoint a Secretariat of the General Meeting consisting of 1-3 persons.
e) has the right to consult a notary, lawyers and other independent consultants engaged by the Management Board of the Company to service the General Meeting. The Chairman informs the audience of their presence at the General Meeting.
f) may order a short break in the proceedings, in particular in order to: enable the formulation of motions, agree on the positions of the Participants, seek the opinion of the persons referred to in § 6 section 5 of the Rules of Procedure of the General Meeting, enable the Management Board and the Supervisory Board to take a position, in other cases where this is required, in particular when the General Meeting lasts longer than 2 hours.

The breaks ordered by the Chairman cannot be aimed at hindering the Participants from exercising their rights. If a break in the proceedings were to cause the General Meeting to be adjourned until at least the following day, it is necessary for the General Meeting to adopt an appropriate resolution by a majority of 2/3 of the votes. In total, such breaks cannot last longer than 30 days.

Rights of the Participants of the General Meeting
Each Participant of the General Meeting is entitled to submit a motion on a formal matter. Motions on formal matters are considered to be motions on the manner of deliberation and voting, and in particular on: adjourning or closing the discussion, breaks in the proceedings, the order of voting on motions submitted within a given agenda item, closing the list of candidates in elections.

Motions submitted on formal matters are decided by the Chairman, and in the event of an objection to his decision submitted by a Participant - by voting.

Subject to the provisions of § 8 of the Regulations of the General Shareholders' Meeting, every Participant should voice their opinion only on matters covered by the adopted agenda which are currently being considered, in particular by asking questions to the representatives of the Company. Motions concerning draft resolutions or amendments thereof should be submitted, along with their justification, in writing to the Secretariat, or in the case of lack thereof, to the Chairperson. When taking the floor or submitting a motion, the Participant should provide their full name and, if they are not applying on their own behalf, also details of the shareholder they are representing.

The Chairman grants the floor in the order of applications, and for the delivery of a reply - after the list of speakers on a given matter covered by the agenda has been exhausted. The Chairman may grant the floor to members of the Supervisory Board and the Management Board of the Company out of turn. A participant may also express his/her opinion by submitting a written statement, question or motion. After the list of speakers has been exhausted, the Chairman informs the General Meeting of the content of such statements and arranges for explanations to be provided, and if necessary, puts the submitted motions to a vote. In the event of doubts as to the wording of the motion being voted on, the Participant may ask the Chairman to read its content before the vote. A Participant of the General Meeting who, after the General Meeting has adopted a resolution against which he/she voted, requested that the objection be recorded, has the opportunity to present a concise justification for this objection.

Questions asked in connection with the General Meeting, together with the answers provided to them, are posted on its website by the Company immediately after the end of the General Meeting.

Adoption of a resolution
A resolution is considered adopted if its adoption is supported by shareholders representing the majority of votes required in accordance with the provisions of the Commercial Companies Code or the Articles of Association. If proposals for amendments have been submitted to the draft resolution, these proposals, subject to § 8 section 2 of the Rules of Procedure of the General Meeting, are put to a vote in the order established by the Chairman, and then the entire draft resolution, together with the adopted amendments, is put to a vote.

A secret ballot is not ordered in the case of votes on motions on formal matters. Voting and counting of votes is carried out with the help of a computer-based vote counting company or in another manner specified in the voting instructions submitted by the Chairman.

Voting on the Supervisory Board
The General Meeting determines the number of members of the Supervisory Board for a given term. Voting for members of the Supervisory Board takes place separately for each candidate, in a secret ballot, by an absolute majority of votes. A vote cast for more candidates than the number of mandate positions is an invalid vote. The Supervisory Board is composed of candidates who, by obtaining an absolute majority of votes, received the largest number of them, and in the event of an equal number of votes for the last mandate position, a second vote for these candidates is held, applying the above principles accordingly.

A special voting procedure is ordered by the Chairperson of the General Shareholders' Meeting in the case of group elections to the Supervisory Board. Upon the motion of shareholders representing at least one fifth of the share capital, the Supervisory Board should be elected by way of voting in separate groups even if the Articles of Association provide for a different manner of appointment of the Supervisory Board. During a group ballot, one share corresponds to one vote. Groups of shareholders are created at the General Shareholders' Meeting in order to elect members of the Supervisory Board, provided that the number of created groups corresponds to the number of posts to be appointed in the Supervisory Board. A shareholder can only be a member of one voting group. The minimum number of shares needed for creating a group is established by dividing the number of shares represented at the General Shareholders' Meeting by the number of mandates to be appointed in the Supervisory Board. The group of shareholders is entitled to elect the number of members of the Supervisory Board equal to the number of times the shares represented by it exceed the calculated minimum. Groups of shareholders can merge in order to make optimal use of jointly held shares to elect members of the Supervisory Board. For each group, the Chairperson orders a separate attendance list to be prepared. Each group holds a vote for the chairperson of the meeting of a given group, who will ensure organisation of the ballot within the group, i.e. proposing candidates, holding ballots and minutes from the group's meeting being drawn up by the notary public. Each of the established groups is provided with a separate room to hold the elections unless this is impossible for organisational reasons. In such a case, groups take turns and use a single room. Each group holds the ballot before the notary public who draws up the minutes; the order is determined by the Chairperson of the General Shareholders' Meeting.

After holding a group ballot, the chairperson of the group delivers written results of secret ballots held in groups to the Chairperson of the General Shareholders' Meeting. The Chairperson of the General Shareholders' Meeting announces the composition of the Supervisory Board after collecting all results of group ballots.

Resolutions of the General Shareholders' Meeting are recorded in the minutes by the notary public, otherwise being null and void. The minutes are signed by the notary public and the Chairperson of the General Shareholders' Meeting. The minutes declare that the General Shareholders' Meeting has been convened correctly and can adopt resolutions; they also list the adopted resolutions and, next to each of them, the number of shares from which valid votes were cast, the percentage of these shares in the share capital, the total number of valid votes, the number of votes for, against and withheld as well as voiced objections. The minutes are supplemented by the attendance list with signatures of the Participants. The Management Board of the Company enters the extract from the minutes to the minutes book. The minutes book is also supplemented with evidence for convening the General Shareholders' Meeting.

On its website, the Parent Company publishes the ballot results within a week of the conclusion of the General Meeting. The ballot results will be available until the deadline for appealing against the resolution of the General Shareholders' Meeting.

General Shareholders' Meetings can be recorded; in such cases, the recording of the meeting will be published on the Company's website immediately after conclusion of the General Shareholders' Meeting.

8.8. MANAGEMENT BOARD, SUPERVISORY BOARD AND AUDIT COMMITTEE

Description of the rules for appointing and dismissing managers and their powers, in particular the right to decide on the issue or redemption of shares.

Description of the activities of the issuer's management, supervisory or administrative bodies and their committees, together with an indication of the personal composition of these bodies and changes that have occurred in them during the last financial year.

In relation to the audit committee or, respectively, the supervisory board or other supervisory or control body in the event that this body performs the duties of the audit committee, an indication:

- **a) on individuals who meet the statutory independence criteria;**
- **b) on individuals who have knowledge and skills in the field of accounting or auditing of financial statements, with an indication of the method of their acquisition;**
- **c) on individuals who have knowledge and skills in the industry in which the Company operates, including the manner of acquiring the same,**
- **d) whether the Company has been provided with any permitted non-audit services by the auditing firm examining its financial statements, and whether the independence of this auditing firm has been assessed and the consent for the provision of such services has been given,**
- **e) main assumptions of the policy developed for the selection of an audit firm to carry out the audit and the policy of providing any permitted non-audit services by the audit firm, any entities related thereto and by the member of the auditing firm's chain,**
- **f) whether the recommendation regarding the selection of an audit firm to carry out the audit met the applicable conditions, and where the selection of the audit firm was not related to the extension of the agreement for the auditing of financial statements – whether such recommendation was prepared following the selection procedure organised by the Issuer and whether it complied with the applicable criteria,**

g) number of meetings of the Audit Committee or Supervisory Board or other supervisory or controlling body held,

h) in case the functions of the Audit Committee are performed by the Supervisory Board or other supervisory or controlling body - information on which statutory conditions allowing such situation were met, along with necessary supporting data.

8.8.1. Management Board

According to the Articles of Association of "TOYA" S.A., the Management Board consists of one to seven members, including the President of the Management Board and, if the Management Board consists of several members, the Vice President of the Management Board. The number of members of a given term of office of the Management Board is determined by the Supervisory Board. Members of the Management Board are appointed for a joint, three-year term of office, and the mandates of the Members of the Management Board expire no later than on the date of the General Meeting approving the financial statements for the last full financial year of service.

Members of the Management Board are appointed and dismissed by the Supervisory Board.

In the period from 1 January to 26 June 2024, the composition of the Management Board of the Company was as follows:

a) Grzegorz Pinkosz - President of the Management Board,
b) Maciej Lubnauer - Vice President of the Management Board,
c) Robert Borys - Vice President of the Management Board.

As of 26 June 2024, the Management Board of the Company consists of 100% men and is as follows:

a) Grzegorz Pinkosz – President of the Management Board, has been associated with TOYA S.A. since 1999, and has served as President of the Management Board of TOYA S.A. since 2009. In 2024, Grzegorz Pinkosz also served as Vice President of the Management Board of YATO Tools (Shanghai) Co., Ltd., Member of the Management Board of YATO Tools (Jiaxing) Co., Ltd., and Administrator of TOYA Romania S.A.
b) Maciej Lubnauer – Vice President of the Management Board, graduated from the Faculty of Technical Physics and Applied Mathematics of the Lodz University of Technology and the Faculty of Management of the University of Warsaw, is a member of ACCA (Association of Chartered Certified Accountants). Since 2012, he has been the Financial Director of TOYA S.A. He has many years of experience as a financial director in many companies in various industries.
c) Robert Borys – Vice President of the Management Board, has been associated with the Company since 2004. Since 2009, he has been the Director of the IT Department. Since 2021, he has been the Censor of TOYA Romania S.A. based in Bucharest, a subsidiary of the TOYA S.A. Capital Group.
d) Jan Jakub Szmidt – Vice President of the Management Board, is a graduate of the Faculty of Business Administration at the WSB University in Wrocław. In 2021, he took up the position of Market Analysis Specialist at TOYA S.A. Since 2024, he has also been a Member of the Management Board of YATO Tools (Shanghai) Co., Ltd. and serves as the President of the Management Board of Unicase.

None of the members of the Management Board of TOYA S.A. is a representative of the employees. The Company's employees have their own representative, but he does not sit on the Management Board of the Company.

Members of the Management Board may be dismissed at any time, which does not prejudice their claims from the employment relationship or other legal relationship connecting them with the Company.

The Management Board's competences include all matters of the Company that have not been reserved for the competence of the General Meeting or the Supervisory Board.

The Management Board operates on the basis of the Regulations approved by the Supervisory Board, which is specified in the Articles of Association of "TOYA" S.A. These Regulations indicate the detailed competences of the Management Board. The Management Board conducts the Company's affairs and, under the leadership of the President of the

Management Board, manages the Company and represents it externally. The manner of representing the Company is specified in the Articles of Association, according to which the President of the Management Board alone or the Vice President of the Management Board together with a Member of the Management Board are authorized to make declarations of intent and sign on behalf of the Company.

The corporate documents listed below, containing, among others, a description of the rules for appointing and dismissing managers and their rights, in particular the right to make a decision on the issue or redemption of shares, have been placed on the website https://toya.pl/ in the tab „F For investors - Materials for investors - Articles of Association, regulations":

a) Statute of "TOYA" S.A.,
b) Management Board Regulations,
c) Supervisory Board Regulations,
d) General Meeting Regulations.

Shares held by the members of Management Board

The number of shares and votes in the Company's capital held by the Management Board Members as of the date of submission of the report is presented in the table below:

	Number of shares	Par value of the shares (PLN)	Number of votes	Share (%)
Grzegorz Pinkosz	146,812	14,681.20	146,812	0.20%
Maciej Lubnauer	61,831	6,183.10	61,831	0.08%
Robert Borys	8,528	852.80	8,528	0.01%
Jan Jakub Szmidt	241,094	24,109.40	241,094	0.32%
TOTAL members of the Management Board	**458,265**	**45,826.50**	**458,265**	**0.61%**

Remuneration of Members of the Management Board (in PLN '000):

Name and surname	Position	Gross basic salary (fixed and variable)	Additional benefits and granted benefits	Cost of pension programs (PPK)	Total (PLN '000)
2024					
Grzegorz Pinkosz	President of the Management Board	1,163	6	-	**1,169**
Maciej Lubnauer	Vice-President of the Management Board	1,125	6	-	**1,131**
Robert Borys	Vice-President of the Management Board	1,112	9	-	**1,121**
Jan Jakub Szmidt	Vice-President of the Management Board	179	2	-	**181**
2023					
Grzegorz Pinkosz	President of the Management Board	1,124	6	-	**1,130**
Maciej Lubnauer	Vice-President of the Management Board	1,088	6	-	**1,094**
Robert Borys	Vice-President of the Management Board	1,076	8	-	**1,084**

Remunerations presented in this note include gross remunerations actually paid in 2024 (including variable salary for the previous periods covered by provisions as at 31 December 2023) as well as additional benefits and costs incurred by the employer under the PPK pension program. Remunerations do not include unpaid variable salary for the year 2024 (covered by provisions as at 31 December 2024).

There are no liabilities under the pensions or similar benefits for former managers, supervisors or former members of administrative bodies and the liabilities that are incurred in relations to such pensions at the Company.

The remuneration of members of the Supervisory Board of TOYA S.A. was not related to sustainable development issues in 2024.

As of 31 December 2024, there were no agreements concluded between the Parent Company and its management staff providing for compensation in the event of resignation or dismissal of such persons from their position.

8.8.2.Supervisory Board

From 1 January to 26 June 2024, the composition of the Supervisory Board was as follows:

a) Piotr Mondalski – President of the Supervisory Board,
b) Jan Szmidt – Vice-President of the Supervisory Board,
c) Dariusz Górka – Member of the Supervisory Board
d) Grzegorz Maciąg – Member of the Supervisory Board,
e) Wojciech Papierak – Independent Member of the Supervisory Board,
f) Michał Kobus – Independent Member of the Supervisory Board,
g) Beata Szmidt –Member of the Supervisory Board.

As of 26 June 2024, the Supervisory Board consists of 7 people (85% men and 15% women):

a) Piotr Mondalski – Chairman of the Supervisory Board (has many years of experience in managing large companies. Since 2011, he has been the Chairman of the Supervisory Board of TOYA S.A.),
b) Jan Szmidt – Vice-Chairman of the Supervisory Board (co-founder and originator of TOYA S.A., who has experience in business development, confirmed by many successes on the Polish and international market. He has been the Vice-Chairman of the Supervisory Board of TOYA S.A. since 2011),
c) Beata Szmidt – Member of the Supervisory Board (long-term shareholder familiar with the specifics of TOYA S.A.'s operations),
d) Dariusz Górka – Member of the Supervisory Board (manager with experience in international institutions and on the capital market, member of supervisory boards of many companies from various industries),
e) Zenon Beker – Independent Member of the Supervisory Board (has many years of experience in automation, IT and management. He was a member of the Management Board of large companies),
f) Grzegorz Maciąg – Member of the Supervisory Board (is a legal advisor associated with the District Chamber of Legal Advisors in Gdańsk. He was a member of administrative and management bodies in many companies from various industries)
g) Wojciech Papierak – Independent Member of the Supervisory Board (manager with many years of experience in banking and on the capital market. Member of the Management Board of banks and other companies from the financial sector).

Mr. Zenon Beker and Mr. Wojciech Papierak meet the criteria that independent Members of the Supervisory Board should meet (this means that the percentage of independent Members of the Supervisory Board is 28%).

The Supervisory Board of TOYA S.A. is a team that combines experience in various industries, including IT, finance, law, investments and management, which allows for effective supervision of the Company in the context of its strategy. The members of the Board have both domestic and international experience, which enables them to respond appropriately to global challenges and market opportunities. The founder of the Company is also present on the Supervisory Board. His unique knowledge of the Company's history, values and strategy is of fundamental importance for overseeing activities related to its future, including in the area of sustainable development.

The number of shares and votes in the Company's capital held by the Members of the Supervisory Board as of the date of submission of the report is presented in the table below.

	Number of shares	Par value of the shares (PLN)	Number of votes	Share (%)
Jan Szmidt	28,284,304	2,828,430.40	28,284,304	37.69%
Beata Szmidt	3,239,253	323,925.30	3,239,253	4.32%
Grzegorz Maciąg	2,800	280	2,800	0.00%
TOTAL members of the Supervisory Board	**31,526,357**	**3,152,635.70**	**31,526,357**	**42.01%**

Remuneration of Members of the Supervisory Board (in PLN '000):

Name and surname	Position	Fixed remuneration for performing the function	Cost of pension programs (PPK)	Total (PLN '000)
2024				
Piotr Mondalski	President of the Supervisory Board	162	-	**162**
Jan Szmidt	Vice-President of the Supervisory Board	134	-	**134**
Beata Szmidt	Member of the Supervisory Board	97	-	**97**
Dariusz Górka	Member of the Supervisory Board	144	2	**146**
Grzegorz Maciąg	Member of the Supervisory Board	144	2	**146**
Michał Kobus	Member of the Supervisory Board (until 26.06.2024)	70	1	**71**
Wojciech Papierak	Member of the Supervisory Board	144	2	**146**
Zenon Beker	Member of the Supervisory Board (from 26.06.2024)	89	-	**89**
2023				
Piotr Mondalski	President of the Supervisory Board	198	-	**198**
Jan Szmidt	Vice-President of the Supervisory Board	48	-	**48**
Beata Szmidt	Member of the Supervisory Board	48	-	**48**
Dariusz Górka	Member of the Supervisory Board	132	2	**134**
Grzegorz Maciąg	Member of the Supervisory Board	132	2	**134**
Michał Kobus	Member of the Supervisory Board	97	1	**98**
Wojciech Papierak	Member of the Supervisory Board	97	1	**98**

There are no liabilities under the pensions or similar benefits for former managers, supervisors or former members of administrative bodies and the liabilities that are incurred in relations to such pensions at the Company.

The remuneration of members of the Supervisory Board of TOYA S.A. was not related to sustainable development issues in 2024.

8.8.3.Audit Committee

From 1 January to 26 June 2024, the composition of the Audit Committee was as follows:

a) Wojciech Papierak – Chairman of the Audit Committee, Independent Member of the Audit Committee
b) Michał Kobus – Independent Member of the Audit Committee
c) Dariusz Górka – Member of the Audit Committee

Dariusz Górka is the member of the Audit Committee with knowledge and skills in the field of accounting or auditing of financial statements and in the industry in which TOYA S.A. specializes.

As of 26 June 2024, the composition of the Audit Committee is as follows:

a) Wojciech Papierak – Chairman of the Audit Committee
b) Dariusz Górka – Member of the Audit Committee,
c) Zenon Beker – Member of the Audit Committee.

The members of the Audit Committee who meet the independence conditions referred to in art. 129 sec. 3 of the Act of 11 May 2017 on statutory auditors, audit firms and public supervision are:

a) Zenon Beker,
b) Wojciech Papierak.

The member of the Audit Committee with knowledge and skills in the field of accounting or auditing of financial statements and in the industry in which TOYA S.A. specializes is Mr. Dariusz Górka. Dariusz Górka is a graduate of, among others, Stern School of Business (New York, USA), where he completed an MBA with a specialization in finance, during which he acquired knowledge and skills in the above-mentioned area. He remains a member of the Institute of Management Accountants (IMA) in Newark (New York, USA).

The main assumptions of the Policy developed by the Company for selecting an audit firm to conduct the audit are as follows:

a) selection of the audit firm conducting the statutory audit should be held in accordance with the Policy on appointing the Audit Firm to audit financial statements adopted by the Company;
b) the selection decisions are taken in the form of a resolution of the Supervisory Board, no later than by the end of December of the year proceeding the year which will be subject to an audit, provided that selection of the audit firm for 2018 was made by 30 March 2018;
c) Audit Committee is entrusted with conducting the selection procedures, in accordance with applicable regulations and Policy on appointing the Audit Firm to audit financial statements;
d) selection of the audit firm conducting the statutory audit is performed upon providing the recommendation for selection by the Audit Committee to the Company's Supervisory Board. When selection does not relate to extension of an existing audit contract, the recommendation submitted by the Audit Committee should contain at least two candidates, along with reasoning and indication of justified preferred option;
e) in case of statutory audit, the first audit contract should be executed for a period not shorter than 2 years, with an option to be extended by subsequent, at least 2-year period, considering obligations to rotate audit firm and key certified auditor resulting from generally applicable legislations;
f) while selecting the audit firm, principle regarding change of audit firm should be taken into consideration, according to which the maximum duration of continuous engagements of statutory audits, carried out by the same audit firm or an audit firm associated with that audit firm or any member of the network operating in the Member State of the European Union of which the audit firms belong, may not exceed 5 years. In case of key certified auditor, the maximum period during which the key certified auditor can provide statutory audit services shall not be longer than 5 consecutive years. Key certified auditor may again perform the statutory audit of the Company's financial statement at least 3 years after the end of the last statutory audit;
g) the following criteria are applied while selecting the audit firm to perform audit of the financial statements:
    i. proposal submitted by audit firm does not qualify for rejection under Article 9 point 4 of the Policy on appointing the Audit Firm;
    ii. audit firm has the ability to provide required audit procedures in foreign subsidiaries of TOYA S.A. Capital Group;
    iii. audit firm has:
        – knowledge and international connections which can be utilized in proper execution of the audit;
        – experience in auditing financial statements of companies listed on the stock exchange, within the meaning of Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies of 29 July 2005, preparing their financial statements in accordance with International Financial Reporting Standards;
        – personnel resources consisting of, among others, individuals being members of international association of finance, accounting and management professionals – ACCA;
        – adequate expert knowledge and knowledge of the industry in which the Company operates;

iv. audit firm provides the Company, the Supervisory Board and the Audit Committee current and direct access to the key certified auditor;
v. audit firm uses common IT tools and has experience in auditing accounting records maintained in SAP system;
vi. audit firm has its head office, branch or offices in Wrocław;
vii. during the duration of the audit contract, audit firm enables the Company to perform assessment of significant matters subject to the audit;
viii. audit firm submits a proposal containing elements referred to in Article 12 point 4 of the Policy on appointing the Audit Firm;
ix. price, however price offered by audit firm is not a decisive factor;
x. impartiality, objectivity, integrity and independence of the audit firm;

h) in case any circumstances indicating possible influence of third parties on the auditor's selection procedure are detected or disclosed, an individual who is associated with these circumstances shall immediately refrain from performing any activities related to the auditor selection procedure and inform the Audit Committee;
i) the Management Board signs the agreement with audit firm appointed by the Supervisory Board.

Main assumption of the Policy on providing non-audit allowed services by audit firm performing the audit or an audit firm associated with that audit firm or any member of the network operating in the Member State of the European Union of which the audit firms belong are as follows:

a) the policy is developed by the Audit Committee and is addressed to all entities of TOYA S.A. Capital Group;
b) a statutory auditor or an audit firm carrying out the statutory audit of TOYA S.A. entity or Group, or any member of the network to which the statutory auditor or the audit firm belongs, shall not directly or indirectly provide to the audited entity, to its controlled undertakings within the Group any prohibited non-audit services including:
   i. tax services relating to:
      – preparation of tax forms;
      – payroll tax;
      – customs duties;
      – identification of public subsidies and tax incentives unless support from the statutory auditor or the audit firm in respect of such services is required by law;
      – support regarding tax inspections by tax authorities unless support from the statutory auditor or the audit firm in respect of such inspections is required by law;
      – calculation of direct and indirect tax and deferred tax;
      – provision of tax advice;
   ii. services that involve playing any part in the management or decision-making of the audited entity;
   iii. bookkeeping and preparing accounting records and financial statements;
   iv. payroll services;
   v. designing and implementing internal control or risk management procedures related to the preparation and/or control of financial information or designing and implementing financial information technology systems;
   vi. valuation services, including valuations performed in connection with actuarial services or litigation support services;
   vii. legal services, with respect to:
      – the provision of general counsel;
      – negotiating on behalf of the audited entity; and
      – acting in an advocacy role in the resolution of litigation;
      – services related to the audited entity's internal audit function;
   viii. services linked to the financing, capital structure and allocation, and investment strategy of the audited entity, except providing assurance services in relation to the financial statements, such as the issuing of comfort letters in connection with prospectuses issued by the audited entity;
   ix. human resources services, with respect to:
      – management in a position to exert significant influence over the preparation of the accounting records or financial statements which are the subject of the statutory audit, where such services involve:

        - searching for or seeking out candidates for such position; or
        - undertaking reference checks of candidates for such positions;
    - structuring the organisation design; and
    - cost control.

c) statutory auditors and the audit firms shall be allowed to provide certain tax and valuation services when such services are immaterial or have no direct effect, separately or in the aggregate, on the audited financial statements. Where such services involve aggressive tax planning, they should not be considered as immaterial. A statutory auditor or an audit firm should be able to provide non-audit services, in the scope not related to the tax policies of the Company and/or the TOYA S.A. Group, which are not prohibited under the existing laws and regulations and which include:
    i. services performed in connection with the prospectuses issued by the audited entity, conducted in accordance with the national standard of related services and consisting in conducting the agreed procedures:
        - of conducting due diligence procedures with regard to economic-financial condition;
        - issuing letters certifying;
    ii. assurance services with regard to pro forma financial information, forecasts of results or estimated results, published in the prospectus issued by the audited entity;
    iii. examination of historical financial information to of the Prospectus mentioned in the Regulation of the Commission (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (EU Journals of Laws L of 2004, no. 149, page 1 – repealed) – currently Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published in connection with the public offering of securities or admission to trading on a regulated market and repealing Directive 2003/71/EC (i.e., EU Journal of Laws L of 2017, No. 168, p. 12) and Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council, regarding the format, content, verification and approval of the prospectus to be published in connection with the public offering of securities or their admission to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (i.e. EU Journals of Laws L of 2019, No. 166, p. 26);
    iv. verification of consolidation packages;
    v. confirmation of fulfilment of conditions of the concluded loan contracts on the basis of the analysis of financial information coming from financial statements audited by a given audit firm;
    vi. assurance services in reporting concerning corporate governance, risk management and corporate social responsibility;
    vii. services consisting in assessment of compliance of information revealed by financial institutions and investment companies with the requirements with regard to disclosing information concerning capital adequacy and variable remuneration;
    viii. certification concerning reports or other financial information for supervision bodies, the supervisory board or other supervisory authority of the company, or owners, exceeding the scope of the statutory audit, to help these authorities to perform their statutory duties;

d) services other than audit services are provided in accordance with the independence requirements specified for those services in professional ethics principles and standards of providing such services;

e) entities providing non-audit services shall have a critical attitude and alertness towards conditions that may indicate a possible distortion or behaviours contrary to binding regulations in the area of provided services;

f) when the statutory auditor or the audit firm provides to the audited entity, its parent undertaking or its controlled undertakings, for a period of three or more consecutive financial years, non-audit services other than those referred to in point 3 of this Policy, the total fees for such services shall be limited to no more than 70 % of the average of the fees paid in the last three consecutive financial years for the statutory audit(s) of the audited entity and, where applicable, of its parent undertaking, of its controlled undertakings and of the consolidated financial statements of TOYA S.A. Capital Group of undertakings;

g) providing permitted non-audit services is allowed only subject to the approval of the Audit Committee by the mean of appropriate resolution. The Audit Committee may approve providing permitted non-audit services if there is a justified need to use such services by one of the Company’s bodies, after it has properly assessed threats to independence and the safeguards applied in accordance with Articles 69-73 of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight.

The selection of an audit firm to audit the Company's financial statements for 2024 did not concern the extension of the agreement for the audit of the financial statements, and the recommendation of the Audit Committee of "TOYA" S.A. regarding the appointment of an audit firm to audit the financial statements of "TOYA" S.A. in 2023, 2024 and 2025 - met the applicable conditions and was prepared as a result of the selection procedure organized by the Company that met the applicable criteria, consisting of:

a) inviting any audit firms to submit proposals for the provision of the statutory audit service on the condition that Article 17(3) of the Regulation (EU) no 537/2014 of the European Parliament and of the Council of 16 April 2016 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC;
b) organization of the tender process does not in any way preclude the participation in the selection procedure of firms which received less than 15 % of the total audit fees from public-interest entities in the Member State concerned in the previous calendar year, included in the list of the audit firms, referred to in Article 91 of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight;
c) the audited entity shall prepare tender documents for the attention of the invited audit firms. Those tender documents shall allow them to understand the business of the audited entity and the type of statutory audit that is to be carried out. The tender documents shall contain transparent and non-discriminatory selection criteria that shall be used by the audited entity to evaluate the proposals made by statutory auditors or audit firms;
d) the audited entity shall be free to determine the selection procedure and may conduct direct negotiations with interested tenderers in the course of the procedure;
e) the audited entity shall evaluate the proposals made by the audit firms in accordance with the selection criteria predefined in the tender documents
f) the Company shall prepare a report on the conclusions of the selection procedure, which shall be approved by the resolution of the Audit Committee;
g) the Company and the Audit Committee shall take into consideration any findings or conclusions of annual report, referred to in article 90 point 5 of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight;
h) At the request of the Financial Supervision Authority (KNF), the Company shall prove that the selection procedure was conducted in accordance with the requirements referred to in Article 130 points 2 and 3 of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight.

During 2024, the Audit Committee held four meetings.

8.9. DIVERSITY POLICY

The Company did not prepare and does not pursue a diversity policy. The position of the Company’s Management Board is that the sole criterion for appointing persons to perform functions in the Company’s authorities and its key management is the experience and competence of the candidates for performing the given functions. The Company declares that it will consider developing a diversity policy in the future.

8.10. INFORMATION ABOUT THE ENTITY AUDITING THE FINANCIAL STATEMENTS

The entity authorized to audit and review the stand-alone and consolidated financial statements is Grant Thornton Polska Prosta Spółka Akcyjna with its registered office in Poznań. The auditor was selected by the Supervisory Board on 19 December 2022.

The audit and review agreement was concluded on 5 July 2023 and covers the half-year review and annual audit of the stand-alone and consolidated financial statements for the years 2023-2025.

The remuneration of the entity authorized to audit in accordance with the concluded agreements is presented below (amounts in PLN thousand):

	2024	2023
Audit of the annual financial statements (stand-alone and consolidated) (*)	117	125
Review of the half-year financial statements (stand-alone and consolidated) (*)	48	54
Other assurance services - assurance of sustainability reporting (*)	120	-
Other assurance services - report on remuneration of the Management Board and Supervisory Board	9	9
TOTAL	**294**	**188**

(*) relates to the remuneration due for the year covered by the service, i.e. 2024 and 2023, and not actually invoiced in a given year; furthermore, the amounts do not include the supervision fee of 2.29% in 2024 and 2.18 in 2023, as well as additional costs

The Company did not use any other services of the selected audit firm.

9. INFORMATION ABOUT SIGNIFICANT EVENTS THAT OCCURRED AFTER THE BALANCE SHEET DATE

9.1. CONCLUSION OF THE CREDIT AGREEMENT BY THE SUBSIDIARY YATO TOOLS (JIAXING) CO., LTD.

On 29 January 2025, TOYA S.A. received information that YATO TOOLS (JIAXING) Co., Ltd. had applied for a working capital loan in an amount not exceeding CNY 100,000 thousand, and on 28 February 2025, received information about the conclusion of a Credit Agreement with Bank of Ningbo Co., Ltd., Jiaxing Branch with its registered office in the People's Republic of China.

The subsidiary launched a loan with its use for import and export activities up to CNY 80,000 thousand for a period of one year with the possibility of extension. The remaining terms of the Agreement do not differ from the terms commonly used for this type of agreement.

9.2. ANNEX TO THE OVERDRAFT AGREEMENT

On 19 March 2025, TOYA S.A. concluded an Annex No. 7 to the Current Account Credit Agreement No. 09/030/19/Z/VV with mBank S.A. based in Warsaw. Pursuant to the annex, the final repayment date of the loan was set at 26 March 2026. The remaining terms and conditions of the Agreement do not differ from the terms and conditions commonly used for this type of agreements.

Management Board of Toya S.A.:

Date	**Name and surname**	**Position**	**Signature**
27.03.2025	Grzegorz Pinkosz	President of the Management Board	
27.03.2025	Maciej Lubnauer	Vice-President of the Management Board	
27.03.2025	Robert Borys	Vice-President of the Management Board	
27.03.2025	Jan Jakub Szmidt	Vice-President of the Management Board	