



TOLY GROUP ANNUAL ESG REPORT 2024



Toly Products Ltd



WELCOME



This is Toly Group's fourth Environmental, Social and Governance (ESG) Report and the first report aligned with the European Sustainability Reporting Standards (ESRS) in preparation for the Corporate Sustainability Reporting Directive (CSRD). This reflects our commitment to transparency, accountability and sustainable growth. With the evolving regulatory landscape, Toly is closely following the latest developments in CSRD and its accompanying ESRS framework. By adopting the ESRS framework, Toly is ensuring that stakeholders receive relevant, comparable, and reliable sustainability information.

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CEO Statement

At Toly, our purpose is to make a positive impact therefore for us sustainability is not an obligation it is a responsibility that we embrace with conviction and purpose. As a global partner to the beauty industry, we recognize the influence and impact our business and our products have on our stakeholders, communities, and everyone we touch and therefore we are committed to ensuring that our growth goes hand in hand with respect for our planet and its people.

Our 360-degree platform, spanning manufacturing, trading, and creative services, gives us a unique opportunity to drive positive change across the entire packaging value chain. We are fully committed to reducing our carbon footprint and building a business that future generations can be proud of. To this end, we report transparently through CDP, actively engage in Ecovadis, and are proud to be both a founding member of MESGA and a full member of SPICE.



These collaborations reflect our belief that progress is best achieved when industries work together to innovate and set higher standards.

Our sustainability strategy is firmly embedded into Toly's overall business strategy. From eco-design and responsible sourcing, to reducing emissions and championing circular solutions, we are fully invested in the transformation of our industry. While challenges remain, we are confident that through innovation, collaboration, and resilience, we can achieve our vision of a more sustainable future.

As we move forward, I remain personally committed to ensuring that Toly continues to lead with integrity, responsibility, and creativity always striving to create packaging that is not only beautiful, but also sustainable.

A handwritten signature in black ink, reading "A. Gatesy".

Andy Gatesy

Chairman & CEO, Toly Group

SECTION 01

INTRODUCTION



Toly Management Ltd

Introduction



Toly has been supplying luxury packaging to the beauty industry for over 50 years. From humble beginnings, today the group supplies 23 out of the top 30 global beauty companies and some of the most innovative emerging brands. Toly is a global supplier of packaging for cosmetic, fragrance and skincare products. The company remains private and has plants in: Malta, China (Shenzhen) and South Korea (Bucheon and Ansan). Toly also has a network of partnerships with manufacturers of complementary products. Sales and trading offices have been established in UK, USA, France, Belgium, Malta, Hong Kong and Korea. Toly is therefore able to support an international customer base in providing innovative packaging solutions.

Toly takes a holistic approach towards sustainability, which includes the social and financial pillars, as well as environmental preservation. Every action implemented by Toly to be more environmentally sustainable also considers financial and social sustainability and the impact on all stakeholders and the communities in which Toly operates.

The objective of the Group is to become a leader in sustainability within the beauty industry.

The report outlines the sustainability performance of all Toly operations in 2024, as well as efforts to minimize the company's footprint in line with Toly Group's Sustainability Strategy, developed in 2023.

At Toly, we recognize the urgent need to address environmental challenges and our responsibility to contribute towards a greener future. With the launch of our Sustainability Strategy, all operations within Toly Group

have embarked on a journey to integrate sustainability in all business operations. The Strategy includes short and long-term targets and commitments focused on reducing the overall footprint of the company, with the end goal of achieving Net Zero emissions before the legal requirement of 2050. In the first year of implementation of the Sustainability Strategy, the Group made considerable leaps in driving forward positive changes enhancing our commitment to environmental responsibility. The details of the Sustainability Strategy and associated targets, actions, and outcomes are discussed in

The Toly Group Ecodesign Strategy was created in December 2023, updating the preexisting ecodesign guidelines. The Ecodesign Strategy outlines our commitment to create packaging which reduces its adverse environmental impact along its entire life cycle, while still being desirable for customers and profitable. In light of the European Commission's Packaging and Packaging Waste Regulation (PPWR), Toly is aligning all design teams to ensure that we are prepared for this upcoming regulation. An Ecodesign Strategy is required not only to meet legal and customer requirements but ultimately to ensure long-term viability and business continuity. This new strategy aligns with our Sustainability Strategy goal:

"To reduce our negative impact on the environment, conserve resources, and promote a culture of sustainability throughout our operations."

Toly has dedicated personnel to ensure that legislation is adhered to and, where possible, anticipated and its requirements exceeded. In line with the Group's policy of promoting a high standard of environmental awareness,

Toly maintains high operating sustainability standards in all countries it operates in.

Toly created the role of Chief Technical and Sustainability Officer within the executive management team in 2022. The role is focused on creating and implementing the sustainability strategy and investing in new products, materials, and processes which align with the targets to reduce the Group's overall environmental footprint.

Furthermore, since June 2021, Toly has created the role of Sustainability Engineer to support the Chief Technology and Sustainability Officer in devising the strategy and employing the required actions to ensure that the company is on the correct path towards achieving the commitments outlined in the strategy. In June 2024, the Sustainability team grew with a Sustainability Associate joining the team and the role of Sustainability Engineer promoted to Sustainability Manager. The growth of the team reflects Toly's commitment to become a leader in sustainability in the industry.

In 2024, an ESG Committee was set up to ensure compliance to CSRD requirements as well as enhance Toly Group's commitment towards sustainable leadership.

Toly is currently undergoing a Double Materiality Assessment (DMA) to determine the material topics for disclosure, aligned with the ESRS developed by the European Financial Reporting Advisory Group (EFRAG). As mentioned previously, Toly is following the latest updates in the directive and standards to ensure alignment and will continue to follow the ESRS standards as the selected framework for ESG metric disclosures. The DMA process started in 2023 and is currently being finalised. Toly aims to publish the next ESG Report including the DMA in 2026 covering FY2025, as was originally required



by CSRD since Toly fell under the second wave of reporting entities. Toly aims to fulfil its commitment to increase transparency in reporting, and aligning with ESRS allows for comparable and reliable information to be shared with stakeholders. Hence, even if Toly Group no longer falls under the requirements of CSRD, the Group is committed to continue its efforts in publishing transparent, reliable, comparable, and accurate information on ESG. In 2025, the Sustainability Strategy is being revamped with the ESG Committee to ensure targets, policies, and actions that align with ESRS and encompass all relevant impacts, risks and opportunities identified from the DMA. Toly's commitment to transparency and accountability will be at the centre of a new ESG Strategy expected in 2026. The cross-departmental collaboration to ensure that the targets and actions set in the new ESG Strategy are possible is pivotal, as well as stakeholder engagement, both internal and external.

Highlights

Certifications & Memberships

SBTI TARGETS APPROVED

Science Based Targets initiative (SBTi) has validated Toly Group's Scope 1, 2 and 3 emissions near-term targets in line with SBTi Standards and Guidance



SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



INTERNATIONAL SUSTAINABILITY AND CARBON CERTIFICATION (ISCC)

ISCC PLUS certification for chain of custody of sustainable materials is renewed yearly in Malta and Korea factories.



ISO 14001 – ENVIRONMENTAL MANAGEMENT SYSTEMS

To provide assurance that the company's environmental impacts are being measured and improved. All Toly Facilities are ISO 14001 certified.



MALTA ESG ALLIANCE (MESGA)

Toly is a founding member of the Malta ESG Alliance intended for Maltese businesses to work together to achieve national ESG goals.



CDP – CARBON DISCLOSURE PROJECT

In 2024, Toly score was of C in both Climate Change and Water. We are committed to increasing this score to B demonstrating that the organisation is managing its environmental impact through actions and initiatives.



THE SUSTAINABLE PACKAGING INITIATIVE FOR COSMETICS (SPICE)

Toly is a Corporate member of the initiative intended to guide cosmetics industry toward more sustainable packaging solutions along with multiple brands, manufacturers and material suppliers.



ECOVADIS

In 2024, Toly Products Ltd and Toly Korea Manufacturing plants received a score of 69/100, awarded a Silver Medal. Toly Airless Packaging factory achieved Bronze in 2023 for their first certification attempt.



FHRD QUALITY MARK

Toly has been awarded the Quality Mark in 2024 for our effective practices in the field of Human Resources that is the result of hard work and total commitment of the organisation.



EQUALITY MARK

Toly received the prestigious Equality Mark in 2024 following a rigorous audit process. At Toly, we believe that a diverse and inclusive workplace not only enriches our company culture but also drives innovation and excellence.

Sustainability Education

Education has been an important part of our Sustainability focus for the past five years. Toly is committed to increasing knowledge and awareness with regard to the environment with all its stakeholders. We aim to continue to educate ourselves, all our employees, as well as our customers, on all things related to sustainability for our business.

In 2024, Toly demonstrated its commitment to sustainability by organizing three impactful conferences for our customers. We hosted our first-ever sustainability conferences in New York and Los Angeles, where we presented key insights into sustainable regulations, innovative products, and aligned strategies. Additionally, we held our inaugural sustainability webinar for European customers, focusing on the pressing challenges in sustainable packaging and the current regulatory landscape. To further our efforts, a dedicated conference in Paris explored sustainable materials, showcasing advancements and solutions aimed at fostering a more responsible future.

During 2024, 70 presentations were delivered to customers focusing solely on sustainability and more sustainable products. This is an increase from 43 presentations held in 2022, and 60 held in 2023 showing our dedication towards educating on sustainability, in line with the growth of our Sustainability Department. The sustainability team also carries out research on different sustainability topics and has delivered numerous educational presentations internally to senior management, the board of directors, sales, and the various design teams. This is also part of our Sustainability Strategy, where we aim to impart knowledge on the topics of sustainability related to our business, namely legislation, protocols, materials, and sustainable design, to all stakeholders.



Toly US Conference



Paris Innovation Show



Toly Sustainability Webinar



Toly Sales Conference

Toly Group Organisational Structure

Toly Group International Limited is made up of multiple manufacturing sites and trading partners through which complementary products not produced internally are supplied. Sales offices provide worldwide representation.

The operational control approach was used to report emissions generated from operations in Toly Products Ltd (TPL) in Malta, which is currently the only fully owned factory by TGI. TGI has a partial ownership of Toly (Hong Kong) Ltd (THK), a holding company that owns Toly China Ltd (TC). In February 2024, TC ceased operations with the focus being shifted entirely to partnerships. Hence, in 2024, TC and THK are no longer part of the ESG report.

TGI maintains full operational control over five sales offices: Toly Malta Sales Ltd (TMS), Toly France SAS (TFR), Toly Belgium SRL (TBE), Toly Products (UK) Ltd (TPUK), and Toly USA Inc (TUSA). TGI also operates four trading offices: Toly Asia LTD/ Toly Shenzhen LTD (TAS), Toly Deluxe (TD), Beauty Trill (BT), and the latest addition in 2024, Toly Europe Trading (TEU). TAS is also a sales office catering for the Asia market. Toly Korea Ltd (TK) is a joint venture with two manufacturing arms Toly Korea Manufacturing (TKM) and TAP Korea CO., LTD (TAP).

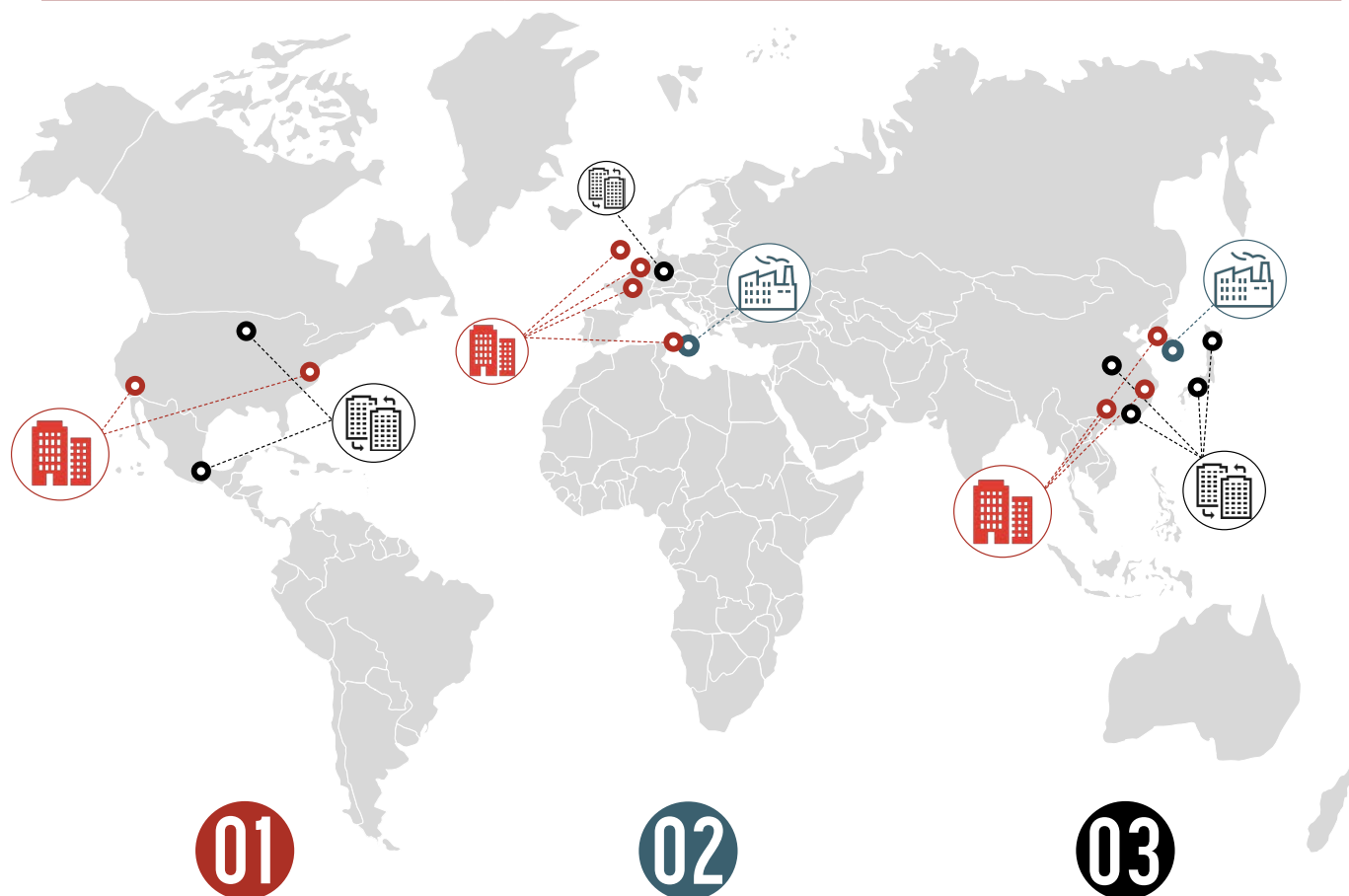
TD and BT are brands owned by Toly and sold through the sales offices. The environmental metrics related to TMS, TD, and BT are reported under TML.



A breakdown of the TGI group structure is summarized below:

Table 1 – Toly Group International Limited Group Structure

TOLY OPERATIONS	ABBREVIATION	LEGAL STRUCTURE AND OPERATION	LOCATION
TOLY PRODUCTS LTD	TPL	Limited Company - Factory	Malta
TOLY MANAGEMENT LTD	TML	Corporate Offices	Malta
TOLY KOREA LTD	TK/TKM	Joint Venture – Office and Factory	South Korea
TAP KOREA CO., LTD	TAP	Joint Venture - Factory	South Korea
TOLY ASIA LTD/TOLY SHEN- ZHEN LTD	TAS	Sales Office- Trading	Hong Kong
TOLY MALTA SALES LTD	TMS	Sales Office	Malta
TOLY FRANCE SAS	TFR	Sales Office	France
TOLY BELGIUM SRL	TBE	Sales Office	Belgium
TOLY PRODUCTS (UK) LTD	TPUK	Sales Office	UK
TOLY USA INC	TUSA	Sales Office	USA



01

Sales and Trading Offices

- USA- West Coast
- USA- East Coast
- United Kingdom
- France
- Belgium
- Malta
- Hong Kong
- South Korea

02

Manufacturing Plants

- Malta
- 3X South Korea

03

Manufacturing Partnerships

- U.S.A
- Mexico
- Asia
- Netherlands
- Hong Kong
- Japan
- Germany

Basis For Preparation

BP-1_01/02/03/04, BP-2_01/03/04/05/06/07/08/09

Toly Group's Sustainability Statement has been prepared following the ESRS standards adopted by the European Commission on a consolidated basis for all entities within the group during 2024. The scope of consolidation is the same as for the financial statements and hence comprises of all subsidiaries within TGI. The operational control approach was used for reporting GHG emissions data, which aligns with the consolidated approach taken in the financial statements. The entities within the group that are included in the statement were explained before in Table 1.

Assumptions and estimations are taken for reporting certain data points using indirect sources. Indirect sources were used for Scope 1, 2, and 3 emissions where direct emission factors and emissions data from suppliers or customers are not available. The estimations and assumptions used in GHG calculations are described in detail in

Direct sources are preferred for all data points; however, obtaining direct sources for every data point poses challenges in terms of reliability and accuracy. Toly is actively engaging with suppliers to secure more supplier-specific data by distributing questionnaires as part of our sustainable supplier commitment. Any assumptions, approximations and judgments made in measurement of quantitative data present in this statement are explained in the relevant sections where they are disclosed.

As mentioned previously, Toly is currently undergoing a Double Materiality Assessment (DMA) and is expected to be completed by end of 2025. The DMA is done to identify material ESRS topics by identifying related impacts, risks, and opportunities of the entire

value chain. As part of the DMA preparations, a detailed value chain was mapped for all activities within the Toly Group. All upstream and downstream activities are included, covering the entire value chain including own operations. Four tiers in upstream activities were identified and five tiers downstream, covering the entire life cycle of the products produced and sold by Toly Group. More details on the progress of the DMA and the value chain map can be found in the

Since the DMA is not yet finalized as of the date of publishing of this statement, the sustainability statement for 2025 covering FY2024 only covers own operations. Toly is committed to ensure transparency in value chain reporting and is determined to publish an aligned report in 2026 covering FY2025 corresponding to the results of the DMA. Policies, actions, and targets are also being set or aligned for the topics which are deemed relevant and material to our operations based on preliminary analysis for the DMA. Once the DMA is finalized, the sustainability statement will cover all upstream and downstream value chain impacts, risks, and opportunities which are material and relevant. The ESG committee will also develop and implement the required policies, actions and targets extending the already existing measures to ensure compliance with the ESRS and delivering on Toly's commitment towards a more comprehensive and transparent approach to ESG.

The time horizons used for Toly Group's strategic planning, investment decisions, and analysis of impacts, risks, and opportunities are as follows:

- **Short term - 0-1 year:** Impacts, risks, and opportunities which require an immediate response and adaptation to changes in market or regulations.
- **Medium term - 1-3 years:** More strategic planning for more substantial projects and initiatives which require intermediate goals.
- **Long term - 3-5 years:** Long-term planning and strategies required to prepare for future impacts, risks and opportunities.

These timeframes provide a structured approach to managing sustainability related initiatives and investments in line with the business strategy.

Each section includes detailed disclosure on policies, actions, targets, and strategies developed to address ESG impacts on each topic. The disclosures are in alignment with the ESRS framework with the disclosure requirement ID indicated under each section heading. Impact metrics, both quantitative and qualitative, are also reported. As this is Toly's first reporting cycle aligning to ESRS, the disclosure focus was primarily on requirements that monitoring was already in place. Toly is committed to progressively expand the scope and depth of the ESG report in future reporting cycles to ensure full alignment to ESRS once the DMA is completed. This approach aims to enhance transparency and accountability while ensuring environmental progress towards our strategy targets.

Methodology for Environmental Metrics

The methodology used to account for carbon emissions as reported in this report is The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition).

The emission factors used to convert data to tonnes of carbon dioxide equivalent (CO₂e) were obtained from the Ecoinvent v3.10 database as well as various publicly available sources and supplier data. Carbon dioxide equivalent was used to incorporate all Greenhouse Gas (GHG) emissions as equivalent to 1 kg of CO₂. Some emission factors were updated from 2023 due to more accurate data, as is discussed in the relevant sections.

The Group's environmental footprint in 2024 is discussed in detail in the to provide an overview of our progress towards our environmental goals. This report is a testament to our ongoing commitment to environmental sustainability and our goal to create a more sustainable future.

Assurance Statement

Third party verification was carried out by PricewaterhouseCoopers Malta where a limited assurance engagement was conducted on Toly Group International Limited's total Scope 1 and 2 emissions for the period 1st January 2024 to 31st December 2024. This limited assurance engagement was conducted in accordance with International Standards on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and International Standards on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements.

Toly's Strategy

SBM-1_01/02/03/04/06/07/08/22/24

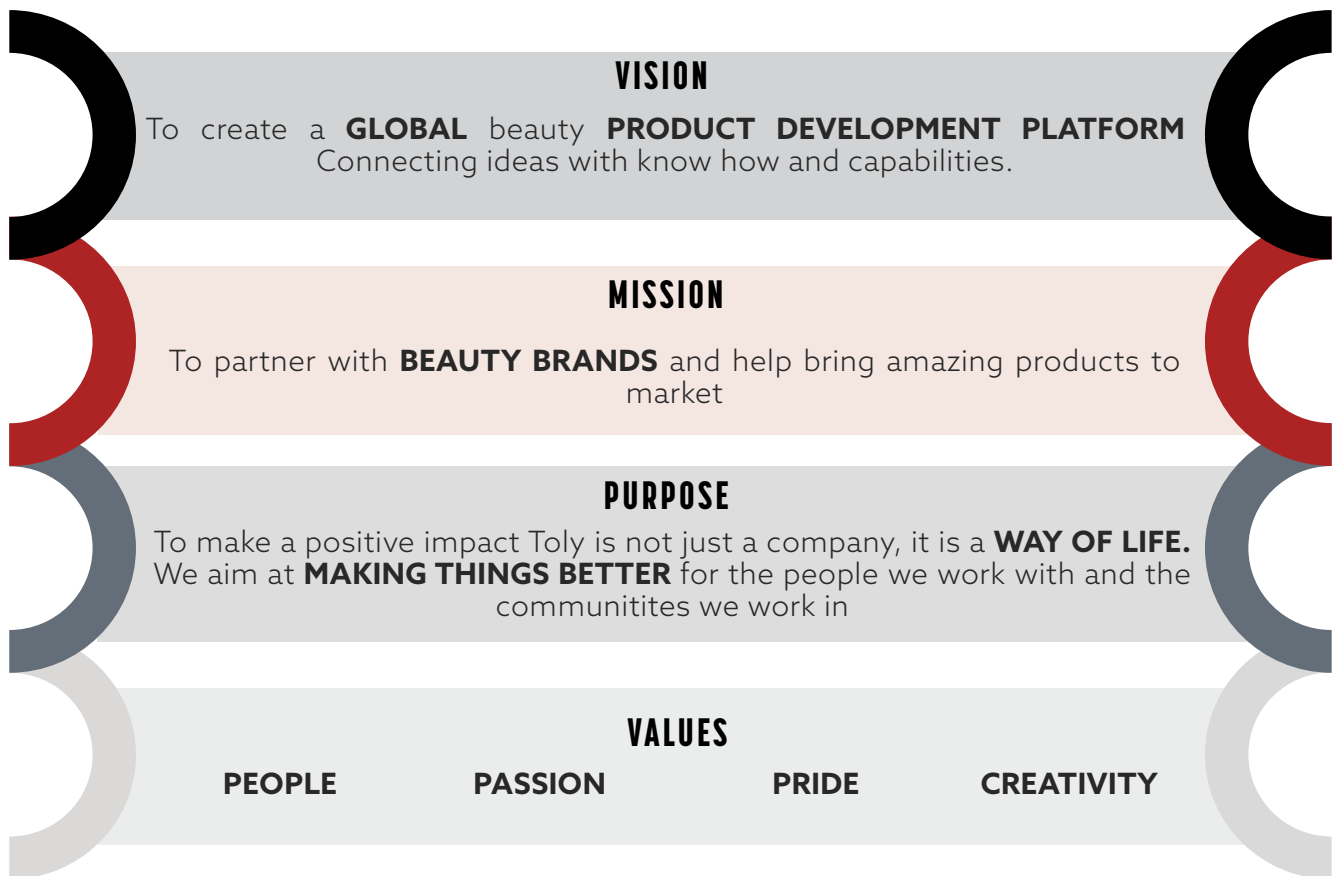
As a global supplier to the beauty industry, Toly offers a wide range of packaging solutions across various product categories. The company supplies packaging for cosmetic products, available in various materials including plastic, glass, metal and paper. These solutions cover categories such as powders (compacts), creams (jars, bottles, tubes), mascara, lip gloss (vials), perfume (caps), and other related products.

Toly's 360-Degree Beauty Development Platform is a business model that seeks to connect beauty brands, manufacturers, and service providers to facilitate seamless collaboration, idea exchange, and transformation of concepts into tangible products.

Key Features:

- Global Manufacturing & Supply Network:** Toly has a global manufacturing footprint with plants in Malta, China, and Korea, offering localized manufacturing solutions, diverse packaging materials, and catering to various beauty sectors. This network also allows Toly to be geographically and culturally close to the local target market improving communication and logistics. The manufacturing knowledge and expertise is also leveraged with partners to assist them to develop and bring to the market materials and products required by new packaging legislation.
- Cosmetic Packaging Innovations:** Toly creates up to 200 new packaging concepts annually, focusing on dispensing and application. The focus for the last three years has been on creating products and solutions with a reduced environment impact.
- Sustainable Packaging Solutions:** Toly offers a range of recycled, recyclable, biobased and biodegradable materials. Toly also offers alternative sustainable solutions like refillable and rechargeable packs. Toly provides innovative applicator solutions, including brushes, sponges, and advanced technologies.
- Toly Studios:** A state-of-the-art studio offering comprehensive solutions, including concept design, market research, and audiovisual productions.
- Beauty Trill:** A service providing complete, filled packs to streamline supply chains and simplify operations.
- Business Units:** Toly has nine business units spread across key regions, enabling seamless communication, efficient distribution, and localized support.
- Research and Development:** Beauty Source, Toly's dedicated R&D hub, engages with consumers to gain insights into current trends and preferences.





The significance criteria used for identifying the significant ESRS sector was by absolute size based on turnover. The majority (99.9% of annual turnover) of operations for Toly Group fall under the ESRS Sector Group Manufacturing of Plastic Packaging Goods (C.22.22) according to the ESRS SEC 1 Sector Classification and general requirements document published 12th September 2024. This includes packaging solutions for cosmetics, skincare, and fragrance products. Since this activity is the only significant activity done by the Group, the sustainability statement was prepared for this activity and all sustainability matters related to it.

Toly operates across key global markets serving prestige and mass-market segments, prioritising innovation and sustainability. Toly's primary customer group consist of global luxury beauty brands as well as fast-

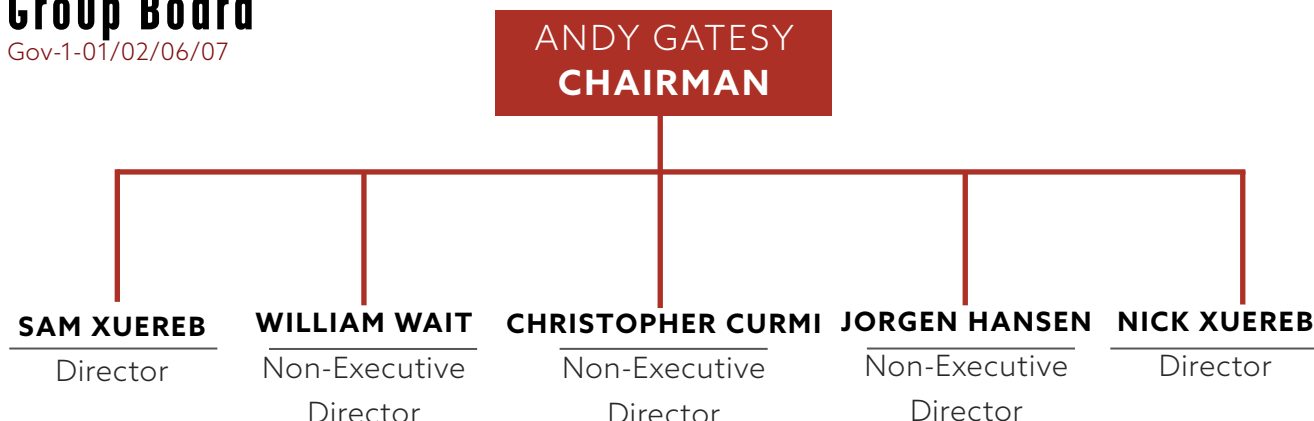
growing indie brands with product offerings catering for various segments. Significant markets, defined as representing over 10% of total turnover, include Europe, North America and Asia. A secondary activity real estate management and rental services in the United Kingdom falls under ESRS sector L.68 – Real estate activities but represents only 0.1% of total turnover and is therefore not considered significant. No new customer groups were added or removed in 2024. The Group's diverse market presence and extensive client portfolio contribute to our operational resilience and play a critical role in defining our sustainability priorities and strategic direction.

The total number of employees as of December 2024 was of 393. The average number of employees in the financial statements is 337. The breakdown per entity can be found in the

Toly Group Leadership

Group Board

Gov-1-01/02/06/07



Board Gender Diversity Ratio 0% Female

As set out in the past annual reports, the Toly Board of directors aimed as a separate target in gender equality to have a female member on the board of directors by the end of 2025.

Executive Management Team



1.

Andy Gatesy
Chairman & CEO

CHIEF OFFICERS

2.

Frank De Vleeschouwer
Chief Commercial Officer USA

3.

Olaf Zahra
Chief Technical and Sustainability Officer

4.

Stephen Vella
Chief Human Resources Officer

5.

Sam Xuereb
Chief Operations Officer

6.

Dorien Bianco
Chief Marketing Officer

7.

Amanda Xuereb
Chief Commercial Officer Europe

8.

Nick Xuereb
Chief Financial Officer

ESG Committee

The ESG Committee at Toly, established in 2024, oversees the company's ESG impacts, risks, and opportunities under one governance structure. The committee functions at three distinct levels: the Executive Management Level, the Reporting Level, and the Data Supporting Level, with specified roles and responsibilities at each level. The members of the committee were chosen for their years of experience, qualifications and skills related to the specific ESRS topic they are overseeing.

The Sustainability Manager leads the committee, ensuring that all members within the committee are well trained and are working together to develop and implement the required policies, actions and targets, as well as analysing data and reporting on their respective sustainability matters.

At the Executive Management Level, accountability for specific ESG topic areas lies with the Chief Technical and Sustainability Officer (Environmental), the Chief Human Resources Officer and Chief Operations Officer (Social), and the Chief Financial Officer (Governance). The inclusion of Chief Officers in this committee underscores the importance of its agenda to the Executive Team and Board of Directors, ensuring Group Level oversight and high-level accountability on ESG matters.

The Reporting Level includes key personnel such as the Sustainability Manager (E1-5), HR Business Partner (S1), Supply Chain Officer (S2-4), and Chief Financial Officer (G1). These individuals are tasked with collecting, analysing, and reporting ESG data and ensuring compliance with disclosure requirements under the ESRS framework. They serve as vital links connecting operational data to executive oversight.

At the Data Supporting Level, various specialists across multiple departments are responsible for supporting data collection and ensuring the accuracy and completeness of the inputs. ESG duties and oversight mechanisms are embedded within internal governance structures and departmental operations through defined reporting lines and integrated procedures.

The Sustainability Manager, with assistance from the Sustainability Associate, is responsible for the compilation of the final report for approval by Executive Management and the Board of Directors. The Sustainability Manager is also responsible for informing the Executive Management, the ESG Committee, and relevant departments within the workforce on progress towards targets, and effectiveness of policies, actions and metrics.



ESG Committee Members

ENVIRONMENT

MANAGEMENT LEVEL

Olaf Zahra
CHIEF TECHNICAL & SUSTAINABILITY OFFICER
E1 E2 E3 E5



Professional with 37 years of experience across operations, quality, materials, and technology at Toly Group. Established the Sustainability Department at Toly in 2017 and leads the company's sustainability strategy. Represents Toly as a founding member of MESGA and actively participates in industry bodies such as the SPICE Committee, ISCC PLUS, and ISO 14001.

REPORTING LEVEL

Cheryl Bezzina
SUSTAINABILITY MANAGER
E1 E2 E3 E5



Sustainability Specialist with 5 years of experience at Toly in sustainability developing and implementing strategies, regulatory compliance, environmental emissions reporting, life cycle assessments and internal sustainability education. Holds a Mechanical Engineer degree with a Master's in Mechanical Engineering focused on Sustainability. Represents Toly in key industry initiatives including the SPICE Committee, ISCC PLUS, and ISO 14001.

SOCIAL

MANAGEMENT LEVEL

Steve Vella
CHIEF HUMAN RESOURCES OFFICER
S1



Human Resources specialist with 24 years of experience in the field, including over 6 years serving as Chief Human Resources at Toly. Brings extensive expertise in all aspects of HR management, with a strong focus on strategic leadership and organisational development. Holds a Master's Degree in Human Resources and dual Bachelor's Degrees in HR and Psychology.

MANAGEMENT LEVEL

Sam Xuereb
CHIEF OPERATIONS OFFICER
S2 S3



Well-rounded professional with 14 years of experience across both operational and commercial areas of the business. Brings a strong background in sourcing, supply chain, purchasing, service operations, manufacturing, and sales. As a member of the executive team and a director on the Group board, he drives strategic initiatives aimed at building partnerships and enhancing third-party supply relationships to further sustainability objectives.

REPORTING LEVEL

Danica Attard
HR MANAGER
S1



Experienced HR professional with over 16 years in the field, working for Toly since 2019. Specialises in talent development, recruitment, and strategic HR support, working closely with senior leadership to foster a positive and high-performing work environment. Holds a Bachelor's Degree in Work and HR.

REPORTING LEVEL

Brian Galea
SUPPLY CHAIN OFFICER
S2 S3



Professional with over 20 years of experience in water management and conservation, including more than 15 years in PET bottle manufacturing focused on lightweighting. Has led CSR initiatives for 3 years and been with Toly for 7 years, spending 4 years in supply chain and logistics within operations. Specialises in sustainable manufacturing practices and operational efficiency.

GOVERNANCE

MANAGEMENT & REPORTING LEVEL

Nick Xuereb
CHIEF FINANCIAL OFFICER
G1



Seasoned finance professional with over 35 years of experience, including 11 years as Chief Financial Officer at Toly. Provides strategic leadership in finance and governance, with a strong focus on ethical business conduct, risk management, regulatory compliance, and long-term value creation.

Key Strategic Sustainability Goals

SBM-1_21, SBM-2_01/02/03/04/05/06/07/09/10/12

The objective of the Group is for Toly to become a leader in sustainability within the beauty industry. Our commitment to sustainability and transparency has been a top priority since 2017, when the Chief Technology Officer was given responsibility to oversee sustainability. All initiatives, strategies, and targets set in place from 2017 onwards were in response to the urgent need to address sustainability-related matters impacting our business and value chain, or our impact on the environment and society.

The Sustainability Strategy launched in 2023, and the Ecodesign Strategy launched in 2024 showcase Toly's dedication to actionable change and being held accountable. With various short- and long-term goals and initiatives, the goals relate to reducing the overall footprint of the company, with focus on the high areas of environmental impact: raw materials, manufacturing, and transportation. The strategies cover all products manufactured and traded by Toly across all customer categories and geographical areas. **The main Sustainability Strategy target related to products is the SBTi approved target of reducing in absolute terms Scope 3 GHG Emissions by 42% by 2030 from a 2023 base year.** With the Sustainability Strategy targets and initiatives, **Toly is committed to achieving these targets predominantly by ensuring that 100% of awarded projects, quotations, innovations, and concept designs have a measurable sustainability claim with the use of Life Cycle Assessments. Toly is also committed to have 50% of its product offerings recyclable by design by 2027, and 100% by 2030, in preparation for PPWR.** These targets, along with others, were set to

ensure that all teams within the organisation are working collaboratively towards the common goal to reduce our environmental footprint across all operations, whilst promoting a culture of embedded sustainability. More information on the Sustainability Strategy and the Ecodesign Strategy can be found in

Stakeholder engagement is pivotal to ensure all targets, policies and actions set are considering different stakeholder views and impacts. Toly's key stakeholders are internal and external. Internal stakeholders include employees, directors, management and shareholders, which are all consulted with multiple meetings throughout the year on strategy progress and initiatives. Toly also has close relationships with multiple key external stakeholders, namely banks, customers and suppliers to ensure open communication and sharing of knowledge and progress towards sustainability goals with key stakeholders. Frequent meetings and presentations are set up to update all key stakeholders with sustainability related progress and any changes in strategy or targets, as well as sharing of key information related to regulatory impacts to the business. Feedback from internal and external engagements is considered and applied to the strategy as deemed suitable.

The Sustainability Strategy is currently being updated as part of the ESG Committee commitment to a more robust ESG Strategy, which will include objectives, targets, and initiatives related to E S and G collectively. This demonstrates the Group's commitment to sustainability and accountability in improving ESG standards.

Sustainable Development Goals

As a global leader in the manufacturing of cosmetic packaging, Toly Group is committed to aligning operations and strategies with the United Nations Sustainable Development Goals (SDGs). The SDGs provide a universal framework to address pressing issues related to environmental, social, and economic sustainability. Our commitment to the goals relevant to our operations reflects our dedication to create a positive impact through our business activities across our multiple locations of operations.

The SDGs are a set of 17 global focus areas

addressing urgent issues including poverty, inequality, climate change, peace, and justice. Toly Group has aligned itself with the following SDGs, which are reflected in all Toly strategies and activities. While Toly recognizes that all the SDGs are important, the selected goals and targets are prioritized as they are the most relevant and critical to our business activities. By integrating the SDGs into our business practices, Toly strives to make a positive impact on society and the environment, while driving sustainable growth and innovation in the cosmetic packaging industry.



Goal 3 – Ensure Healthy Lives And Promote Well-Being For All At All Ages

(Target 3.4) Toly's Employee Wellbeing Program prioritizes the health and well-being of our employees through initiatives and programs, as well as ensuring workplace safety measures are implemented.

(Target 3.9) Our commitment to sustainable manufacturing includes health and safety programs, training, and continuous risk assessments to ensure a safe workspace by guaranteeing safe handling and minimizing the use of hazardous chemicals and reducing emissions.



Goal 4 – Quality Education

(Target 4.5) Educational programs are in place to ensure the continuous learning and development of all employees, promoting an inclusive workplace and promoting equal access to training at all levels.



Goal 5 – Achieve Gender Equality And Empower All Women And Girls

(Target 5.1) We implement policies to ensure equal opportunities and eliminate discrimination within our workforce irrespective of gender.

(Target 5.5) Leadership training is provided to employees in the management level, supporting women in their career development.



Goal 7 – Ensure Access To Affordable, Reliable, Sustainable And Modern Energy For All

(Target 7.2) With installation of solar panels on the Malta Factory and Corporate Offices roofs, Toly is contributing to the share of renewable energy to the nation's electrical grid mix.

(Target 7.3) Toly is committed to increasing energy efficiency in equipment and buildings, with multiple projects already proving successful.



Goal 8 – Promote Sustained, Inclusive And Sustainable Economic Growth, Full And Productive Employment And Decent Work For All

(Target 8.5) Policies and initiatives are in place to ensure fair labour practices irrespective of gender, age, nationality, and disabilities, and promote inclusive employment opportunities.



Goal 9 – Build Resilient Infrastructure, Promote Inclusive And Sustainable Industrialization And Foster Innovation

(Target 9.2) Toly invests in advanced energy efficient manufacturing technologies to promote sustainable practices and boost economic growth and employment.

(Target 9.4) Toly has committed to increasing investment in energy efficient technologies to reduce our environmental footprint.



Goal 10 – Reduce Inequality Within And Among Countries

(Target 10.2) Toly promotes the inclusion of all employees irrespective of age, disability, sex, race, ethnicity, origin, religion, or economic or other status.

(Target 10.3) Toly is committed to fostering an inclusive work environment where all employees are treated fairly and have equal opportunities to succeed, regardless of their background.



Goal 12 – Ensure Sustainable Consumption And Production Patterns

(Target 12.2) Our Sustainability Policy shows our commitment to optimize resource use and continued investigation of more sustainable materials for our production processes.

(Target 12.5) Waste minimization practices are at the root of Toly Group's Ecodesign Strategy. Toly is also committed to reuse production waste as regrind, as set out in the Toly Group Sustainability Strategy.



Goal 13 – Take Urgent Action To Combat Climate Change And Its Impacts

(Target 13.1) We are actively working to reduce Toly's global carbon footprint and enhance resilience to climate-related risks through sustainable practices across the different activities within the Group.

(Target 13.3) The Toly Group Sustainability Strategy is aimed at educating our workforce and all relevant stakeholders on the importance of mitigating climate change risks and adopting opportunities for a more sustainable future.

Key Impacts & Link to Strategy

SBM-1_23

Table 2 – Key ESG Impacts Linked to Strategic Responses

ESRS TOPIC	SDG	KEY IMPACT	STRATEGY RESPONSE
E1 - Climate Change	12	Raw material sourcing	Sustainability Strategy targets and initiatives for Scope 3 reduction including supplier engagement, reducing carbon footprint of products to raw materials sourced, recycled materials, minimizing waste generation, energy efficiency, and design for recyclability. See and
	7, 9	Energy Consumption	
	13	Transportation Emissions	
E5 - Circular Economy	12	Raw material sourcing	
	12	Waste	
S1 - Own Workforce	5, 10	Working conditions and equal treatment	Embedded social policies that promote fair working conditions, equal treatment, and diversity and inclusion, whilst supporting employee wellbeing and retention. See
G1 - Governance	8	Business Conduct	Strategic commitments reflected in formal policies and practices that uphold ethical business conduct, including whistleblower protection, anti-corruption measures, responsible payment practices, and reinforcement of a values-driven corporate culture. See

Relevant & Excluded Sustainability Matters

Currently, impacts, risks and opportunities are being mapped and analysed across the entire value chain to determine the relevant and material topics for disclosure. Nevertheless, based on the initial screening exercise and considering the topics reported by peers in the industry, this sustainability statement covers topics deemed relevant to Toly Group covering only own operations. Most information required for disclosure according to the ESRs consists of metrics that were already being monitored and reported in previous ESG reports; therefore, these metrics were seamlessly incorporated into this sustainability statement. The topics included in this statement for the financial year 2024 are listed in Table 3, along with the list of topic, sub-topics and sub-sub-topics which are relevant. The topics which are not relevant to own operations are excluded due to relevance are explained in Table 4. The related targets, policies and actions are mentioned in each topic under the specific ESG section in this report.

Once the DMA is concluded, the next step involves contacting key stakeholders across the value chain to collect the necessary information, as well as establishing policies, actions, and targets aligned with ESRs requirements. Topics related to value chain will be considered in the next reporting cycle once the DMA is finalised and appropriate reporting mechanisms are set in place.

The DMA is currently being conducted with the input of the Executive Level of the ESG Committee under the guidance of the Sustainability Manager. Identification of material impacts, risks, and opportunities are being analysed at group level with the respective Chief Officer responsible for the sustainability matter, as well as input from different stakeholders and extensive research. Once the DMA is finalised, the results will be communicated with the Executive Management and Board of Directors for actioning by the ESG Committee.



Double Materiality Assessment

BP-2_20/21/22/23/24/25/26/27, GOV-2/_01/02/03/04

The DMA is a crucial analysis with the aim to identify Toly Group's material impacts, risks and opportunities across the entire value chain. The assessment was initiated in 2023 and is expected to be concluded by the end of 2025. As part of the initial stages of the DMA, a detailed mapping of the value chain was carried out including all upstream and downstream activities.

Toly Value Chain Mapping

SBM-1_25/28

In our commitment for transparency and responsible business practices, the Toly Group Value Chain was mapped as part of the ongoing DMA. The mapping spans across three levels: upstream, own operations, and downstream activities, each divided into multiple tiers showing our network of activities and stakeholders involved in our operations.

- **Upstream Activities** – These include the initial stages of the value chain, with sourcing of raw materials to production of materials, packaging and machinery.
- **Own Operations** – These are activities at the core of our business activities, which include manufacturing at TPL, internal professional services (such as product design, finance, marketing, etc), sales and trade which cover the different sales and trading offices, and real estate covering the TPUK property which is leased to third parties.
- **Downstream Activities** – These include selling our products to customers, which may include the packaging being filled with formula before distribution to retail and subsequent use by consumers, until end-of-life.

The value chain map will be updated upon the completion of the DMA to incorporate the ESRS topics, including relevant targets, policies, and actions. This will enable a more accurate mapping of the inputs, outputs, and outcomes across the value chain.

Figure 1 provides a detailed overview of the upstream, downstream and own operations included in Toly Groups value chain and how each activity interacts with others based on financial or transportation transactions.



Injection Blow Moulding Machine



Injection Moulding Machine

Figure 1 - Toly Group Value Chain Mapping

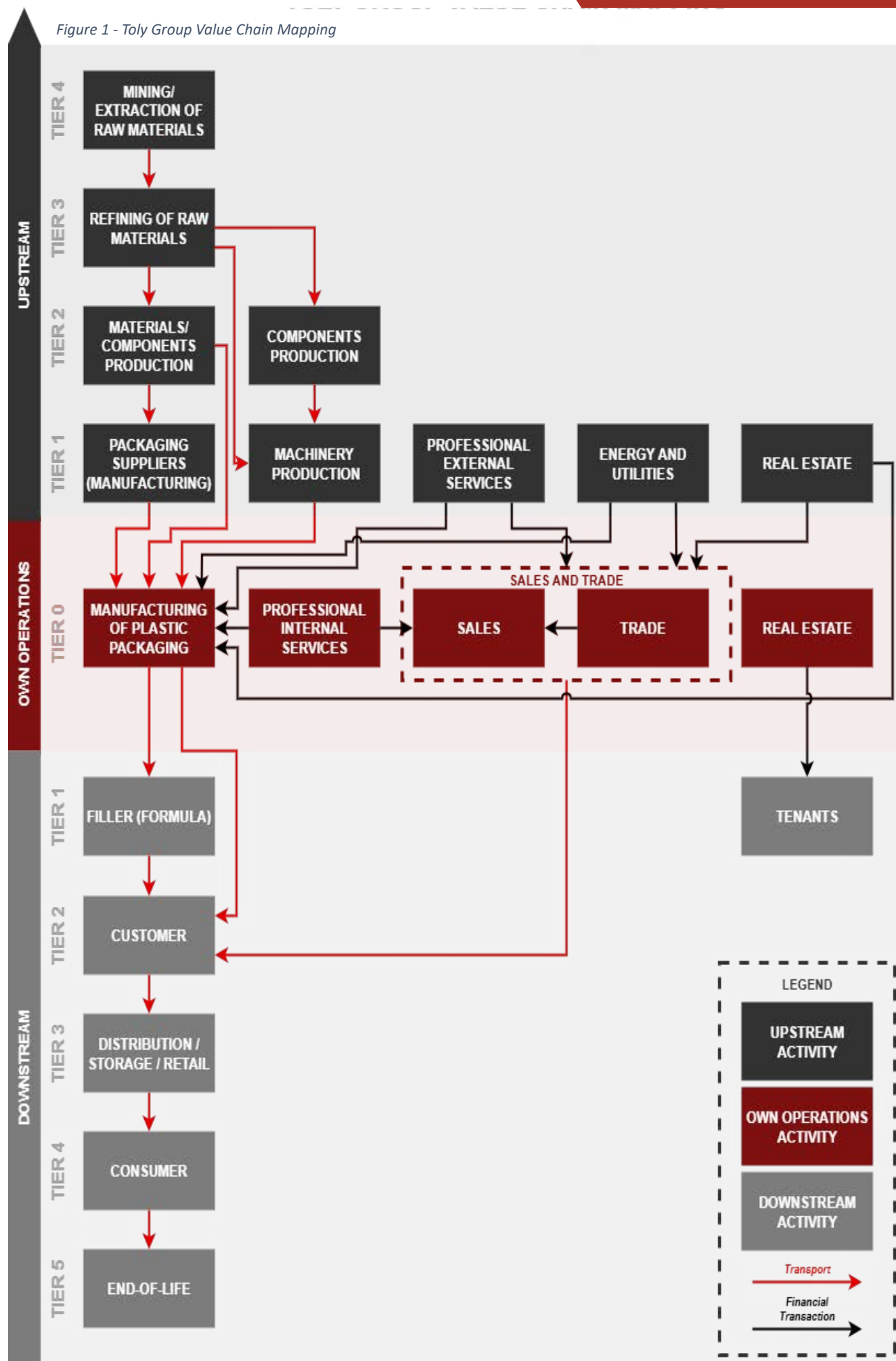


Table 3 – Relevant Sustainability Matters - Own Operations – Included in Sustainability Statement

Relevant Sustainability Matters - Own Operations					
ESRS	Topic	Sub-Topic	Sub-Sub-Topic	Description of how business model and strategy consider impacts	Policy, Actions, Targets
E1	Climate Change	Climate change adaptation	N/A	Toly Group Sustainability Strategy covers impacts related to climate change adaptation, mitigation, energy, and pollution. The strategy is an essential part of Toly Group Business Model, with the commitment to reducing our negative environmental impact and becoming leaders in sustainability in our field. Policies are also in place including the Environmental Policy and Air Pollution Policy which include actions and targets on these matters. Training is provided to all employees to ensure awareness and adherence.	
		Climate change mitigation	N/A		
		Energy	N/A		
E2	Pollution	Pollution of air	N/A	Regulations on substances of concern are followed for all products manufactured and sold by Toly Group.	
		Pollution of water	N/A		
		Substances of high concern	N/A	Toly Group Sustainability Strategy and Ecodesign Strategy were developed to reduce unnecessary use of plastics to limit exposure and pollution of microplastics.	
		Substances of very high concern	N/A		
		Microplastics	N/A		
E3	Water and Marine Resources	Water	Water withdrawals	TPL has policies specifically targeting water resources which include targets and actions to minimise consumption and ensure proper discharge.	
		Water	Water consumption		
		Water	Water discharges		
E5	Circular Economy	Resources inflows	N/A	Toly Group Sustainability Strategy includes multiple targets for resource inflows and outflows to ensure reduction in carbon footprint of raw materials sourced, increase in regrind, recycled content and recyclable packaging.	
		Resource outflows	N/A		
		Waste	N/A	Toly Group Sustainability Strategy and Ecodesign Strategy include targets to ensure packaging is recyclable by 2030 following PPWR, which will in turn reduce non-recyclable waste internally and at end-of-life. TPL also has a Waste Policy with targets and actions to reduce waste generation and ensure proper disposal with mapped waste streams.	
S1	Own Workforce	Working conditions	Secure employment, Working time, Adequate wages, Social dialogue, Freedom of association, Work councils, Collective bargaining, Work-life balance, Health and safety	The Toly Group enforces social policies that guarantee fair working conditions and equal treatment and opportunities for all employees within its workforce. Comprehensive training is provided to each employee on these policies to ensure full compliance.	
		Equal treatment and opportunities for all	Gender equality and equal pay for equal value, Training and skills development, Employment and inclusion of persons with disabilities, Measures against violence and harassment in the workplace, Diversity		
G1	Business Conduct	Corporate culture	N/A	Toly has implemented policies addressing business conduct, whistleblower protection, and anti-bribery and anti-corruption measures. Employees receive training on these policies. Toly has also established standards for supplier relationships and payment practices.	
		Protection of whistleblowers	N/A		
		Management of relationship with suppliers including payment practices	N/A		
		Corruption and bribery	Prevention and detection including training, Incidents		

Table 4 - Excluded Sustainability Matters - Own Operations – Included in Sustainability Statement

Excluded Sustainability Matters - Own Operations				
ESRS	Topic	Sub-Topic	Sub-Sub-Topic	Reason for Exclusion
E2	Pollution	Pollution of soil	N/A	Pollution of soil, living organisms and food resources have been excluded from further consideration within Toly's own operations given that the Group does not have any activities or impacts that lead to pollution of soil or living organisms.
		Pollution of living organisms and food resources	N/A	
E3	Water and Marine Resources	Marine Resources	Habitat degradation and marine resources	Toly's own operations do not have any impact on habitat degradation and marine resources in any of the entity locations, hence this sub-topic is deemed not relevant.
E4	Biodiversity and Ecosystem	Direct impact drivers of biodiversity loss	Climate change, Land-use change, Direct exploitation, Invasive alien species, Pollution, Others	Biodiversity has been excluded from further consideration within Toly's own operations given that the Group does not have impacts that lead to biodiversity loss, impact the state of species or the condition of the ecosystem.
		Impacts on the state of species	Species population size, Species global extinction risk	
		Impacts on the extent and condition of ecosystems	Land degradation, Desertification, Soil sealing	
		Impacts and dependencies on ecosystem services	N/A	
S1	Own Workforce	Other work-related rights	Child labour, Forced labour, Adequate housing, Water and sanitation, Privacy	The group locations all have laws in place related to child labour, forced labour, adequate housing, water and sanitation, and privacy. Hence, these sub-topics are not relevant for Toly Group.
S2	Workers in Value Chain	Working conditions	Secure employment, Working time, Adequate wages, Social dialogue, Freedom of association, Collective bargaining, Work-life balance, Health and safety	Workers in value chain will be impacted by value chain activities, not own operations. Since this sustainability statement only includes own operations, topics related to value chain are excluded from this year's statement and will be evaluated next year dependent on the DMA results.
		Equal treatment and opportunities for all	Gender equality and equal pay for equal value, Training and skills development, Employment and inclusion of persons with disabilities, Measures against violence and harassment in the workplace, Diversity	
		Other work-related rights	Child labour, Forced labour, Adequate housing, Water and sanitation, Privacy	
S3	Affected Communities	Communities' economic, social and cultural rights	Adequate housing, Adequate food, Water and sanitation, Land-related impacts, Security-related impacts	Affected communities has been excluded from further consideration within Toly's own operations given that the Group does not have impacts related to any communities' economic, social and cultural rights, nor civil and political rights, nor rights of indigenous peoples.
		Communities' civil and political rights	Freedom of expression, Freedom of assembly, Impacts on human rights defenders	
		Particular rights of indigenous communities	Free, prior and informed consent, Self-determination, Cultural rights	
S4	Consumers and End-Users	Information-related impacts	Privacy, Freedom of expression, Access to quality information	Activities within the Toly group are limited to manufacturing and dealing with business-to-business transactions. Consumers and end-users and impacts related to information, personal safety, and social inclusion are not under the responsibility of the manufacturer but fall under the brand putting the products on the market. Toly ensures adherence to all requirements and regulations from brands depending on market location. Hence, this topic is deemed as not relevant to the type of products produced and sold and service provided by the Group.
		Personal safety	Health and safety, Security of a person, Protection of children	
		Social inclusion	Non-discrimination, Access to products and services, Responsible marketing practices	

SECTION 02

GOVERNANCE



HIGHLIGHTS:

BALANCED BOARD OF DIRECTORS MADE UP OF EXECUTIVE AND NON EXECUTIVE DIRECTORS WITH BOARD MEETINGS HELD FOUR TIMES A YEAR.

ZERO TOLERANCE CULTURE TO CORRUPTION AND ILLEGAL BEHAVIOUR.

INTRODUCTION OF AN INTERNAL AUDIT FUNCTION IN 2024.

G1 Business Conduct



At Toly Group, corporate governance forms part of the foundation of how we operate and make decisions. Our approach is built on a framework of integrity, transparency, and accountability, ensuring that we conduct our business ethically and in accordance with all applicable laws and regulations. We are committed to fostering a culture of good business conduct, where clear policies and responsible practices guide our employees, management, and stakeholders at every level of the organization.

Our governance structure is designed to support effective oversight, risk management, and strategic decision-making. This includes clearly defined roles for the Board of Directors and executive leadership, as well as the integration of best practices and internationally recognized standards. We continuously review and enhance our governance systems to reflect evolving expectations and to ensure we uphold the highest ethical standards, while creating long-term value for our shareholders, employees, customers, and communities.

This section of the report outlines the governance matters related to all Toly Group entities, structured under ESRS Topic G1 Business Conduct

Role of Administrative, Management & Supervisory Bodies Related to Business Conduct

G1-GOV-1_02

The Group adopts a strict adherence to corporate governance in line with generally accepted standards. Although the Group is a privately owned company, the Group adopted good corporate governance standards to ensure that the company is run in a legally correct manner and a strong ethical standard.

The board of directors of the company comprises a mix of executive management and non-executive directors. As at 31 December 2024, there were four non-executive directors, mainly coming from professional backgrounds, with experience as directors in a number of long-standing companies. After the year end, one of the non-executive directors passed away. The board of directors further includes three members of the executive management, covering three critical areas of the business – Chief Executive Officer, Chief Financial Officer and Chief Operations Officer.

The Board of Directors hold physical meetings, four times a year, to review the state of the business, the plans for the future and the strategic direction of the company. During 2024, all board members attended all the board meetings.

The Board set-up a number of structures to monitor and control the way the business is managed and conducted:

REMUNERATION COMMITTEE:

All remuneration matters of the company are managed by a remuneration committee comprised of non-executive directors, executive directors and the Chief HR Officer.

INTERNAL AUDIT:

The Group set-up an internal audit committee comprising a non-executive director and an executive director, together with an external Big eight company to review and recommend on operational internal controls of the business.

Finally, the Board, through the CEO, appoints the executive management team to run the business on a daily basis. The Executive team at the end of 2024, comprised eight members, covering finance, HR, operations, technical matters, commercial and marketing. The members of the Board and the supervisory bodies hold both academic and practical experience in these areas. The Board members hold either tertiary degrees of qualification or masters, covering engineering, legal, finance and related matters.

Business Conduct Policies & Corporate Culture

G1-1_01/02/05/08/10/12/13

The Group adopts a culture of zero tolerance for non-compliance with the laws in which the Group operates. The Group has set-up a number of structures, including a Board of directors, comprised of executive and non-executive directors, to oversee the management of the business. The Board further created structures that oversee the business together with clear policies that provide guidance to all employees of the company. The policies cover code of conduct and ethics, human rights and fair employment, anti-bribery, anti-corruption, whistleblower, financial governance and anti-money laundering.

All policies are widely available to all employees across the globe, are updated regularly and training is also provided on these policies.

Employees are encouraged to speak up if they observe or suspect any violations of the company's code of conduct, or if they suspect instances of bribery or corrupt activities involving Toly. Employees are able to either speak to their line manager, or the Chief HR Officer, or the Chief Financial Officer, or the Chairman and CEO.



Toly Management Ltd Boardroom



Toly Products Ltd Boardroom

Anti-Bribery & Anti-Corruption Policy

Toly's group policy explicitly protects all employees from suffering any detrimental treatment as a result of reporting, in good faith, cases of bribery or corruption that impact or relate to Toly. Retaliation against individuals that report violations in good faith, will result in disciplinary action against any employees taking any form of retaliation. Toly undertakes to investigate all business conduct incidents in the most expeditious manner possible. Policies in place refer to training provided to employees on business conduct. Training is effectively provided through the company's training portal, Talent LMS. The training portal includes training for all employees on all policies as well as other important topics related to ESG and other areas.

The company has identified three areas at risk to corruption and bribery:

- **The Executive Management Team**, comprising the chief officers of the Group, who cover effectively all functions of the business. Chief Officers are involved in negotiating agreements with third parties, in particular to set up partnerships, or to set up supply chain relationships.
- **The Supply Chain Function** effectively manages the Group's suppliers.
- **The Commercial and Sales Team** who manage relationships with customers.

Prevention & Detection of Corruption & Bribery

G1-3_01/02/03/05/06/07/08/09

The Group adopts a zero-tolerance approach on corruption and bribery. A group policy has been in place for several years to regulate



Toly Management Ltd Boardroom

bribery and corruption. Toly is committed to conducting business in an ethical and honest manner and is committed to implementing and enforcing systems that ensure bribery is prevented. Toly will constantly uphold all laws relating to anti-bribery and corruption in all the jurisdictions in which we operate.

Mechanisms are in place to report incidents where corruption and bribery are in place, offering options to employees to report to different arms of management and board directors.

As part of prevention practices and education, users identified as high risk to corruption and bribery, previously disclosed as being executive management team, supply chain, and sales teams, are required to carry out training on anti-corruption and anti-bribery based on best practices.

Table 5 – Training activities

	At-risk functions	Managers	AMSB	Other Own Workers
Training coverage	Mandatory	Mandatory	Mandatory	Optional/ Recommended
Delivery method and duration	CBT, 1 hour	CBT, 1 hour	CBT, 1 hour	CBT, 1 hour
Classroom training	No	No	No	No
Computer-based training	Yes	Yes	Yes	Yes
Voluntary computer-based training	No	No	No	No
Frequency	Once Every 2 years	Once Every 2 years	Once Every 2 years	Once Every 2 years
Topics covered	Bribery, gifts, Whistleblower protection, reporting	Bribery, gifts, Whistleblower protection, reporting	Bribery, gifts, Whistleblower protection, reporting	Bribery, gifts, Whistleblower protection, reporting
Definition of corruption	Included	Included	Included	Included
Policy	Covered	Covered	Covered	Summary Only
Procedures on suspicion/detection	Detailed process + contacts	Detailed process + contacts	Detailed process + contacts	Detailed process + contacts
Sign off required	Yes	Yes	Yes	No

Incidents of Corruption or Bribery

G1-4_01/02/04/05/07

There were no convictions for violations of anti-corruption or bribery laws during the reporting period, fines for violations of anti-corruption or bribery laws during the reporting period and no confirmed incidents of corruption or bribery during the reporting period.

Whistleblower Policy

The Group has a policy on internal whistleblowing, whereby employees are able to raise concerns or suspicions on violations of the Group's code of conduct, on bribery and corruption incidents that have come to their attention. Mechanisms are in place to protect whistleblowers from retaliation resulting from reporting any incident in good faith. Employees who report incidents of bad business misconduct, as set out in the Group policies are protected from retaliation. Any employee who is found to retaliate relating to an incident reported in good faith, will be subject to internal disciplinary procedures.

Management of Relationship With Suppliers

G1-2_01/02/03

The company uses Business Central as its Enterprise Resource Planning (ERP) system. All supplier payment terms are stored in the ERP system, and periodically, reports are issued to drive payments to suppliers in line with those terms.

The company endeavours to pay suppliers in line with the agreed terms. Toly has reached out to its suppliers through an official letter to set out the parameters that Toly expects its suppliers to work within. The criteria requested were:

- Environmental responsibility
- Labour and human rights
- Ethical business practices
- Sustainable sourcing and unethical business dealings
- Monitoring and compliance
- Commitments to continuous improvement

In addition, Toly requires major suppliers to hold safety stock close to operations to reduce the requirement for fast deliveries and negative impacts on the environment.

Suppliers are required to complete periodical questionnaires, which include social and environmental criteria. Based on whether sufficient focus on social and environmental criteria is given, suppliers are chosen to work with the Group.

Political Influence & Lobbying Activities

G1-5_01/02/03/04/06/08/09/11

Toly Products Limited, one of the company's subsidiaries, based in Malta, is a member of The Malta Chamber of Commerce, Enterprise and Industry ("Chamber"). Nicholas Xuereb, Group CFO and Director, represented Toly on the council of the Chamber and was deputy President for two years from April 2023 up to March 2025. This appointment discontinued in March 2025, following the elections of a new council, for which Nicholas Xuereb did not contest.



Toly Management Ltd Boardroom

The Malta Chamber represents the majority of businesses in Malta, and acts as a voice with government, to ensure that the business community's perspective and point of view is heard and taken into consideration, when government implements new laws and policies. Such representations do not take place for the interest of single companies, but for the common good of the business community as a whole.

The Group and its subsidiary companies did not make any political contributions, whether in cash or in kind, during the reporting period. No lobbying expenses were made during the period reported on. During 2024, the company paid €1,280 as a member of The Malta Chamber of Commerce, Enterprise and Industry. There were no contributions in-kind made to any lobbying or related organisation during the period reported.

There were no members of administrative, management and supervisory bodies who held comparable position in public administration in two years preceding such appointment.

Payment Practices

G1-6_01/02/03/04

Payment practices are in line with current legislation. There is no form of classification or discrimination against suppliers.



Toly Products Ltd

SECTION 03

ENVIRONMENT



Toly Products Ltd

HIGHLIGHTS:

- 62.2%** REDUCTION IN SCOPE 1 AND 2 EMISSIONS IN 2024 COMPARED TO 2019 BASE YEAR
- 55%** REDUCTION IN ELECTRICITY CONSUMPTION IN TPL IN 2024 COMPARED TO 2019 BASE YEAR
- 100%** AWARDED PROJECTS IN 2024 HAVE A SUSTAINABILITY CLAIM AND ARE EVALUATED WITH SPICE TOOL (LCA)

E1 Climate Change



This section of the report outlines the environmental areas of impact from own operations, structured under ESRS topics E1 Climate Change, E2 Pollution, E3 Water and Marine Resources and E5 Resource Use and Circular Economy.

As primarily a manufacturing company, Toly's impact on climate change is the most important topic for disclosure and consideration in policies, actions and targets. Climate change mitigation, adaptation, and energy have been relevant topics considered by Toly in all business decisions and actions. Scope 1 and 2 emissions have been monitored and disclosed since 2017 in CDP, with Scope 3 being monitored for the first time in 2022. The Sustainability Strategy was developed in 2023 to tackle climate change topics impacting our business, with the Roadmap to Net Zero Strategy developed to ensure Toly Group achieves net zero emissions before the legal requirement in 2050. The Sustainability Strategy was approved by the executive board on the 9th of January 2023. In this section, the policies, actions, targets and impact metrics related to climate change adaptation, mitigation and energy are disclosed.

Policies Related to Climate Change Mitigation & Adaptation

E1-2-01

In preparation for CSRD, our Environmental Policy was updated to align with ESRS requirements and addresses all areas of climate change: mitigation, adaptation, and energy. It also includes other topics such as air pollution and circular economy including waste, which are discussed in more detail in [Air Pollution](#) and [Circular Economy](#) respectively. The policy will be updated once the DMA is finalised to include material physical and transitional climate risks and impacts.

The objectives of the Policy related to climate change mitigation and adaptation are as follows:

- Reduce the Groups carbon footprint in line with the latest climate science, to limit global warming to 1.5°C.
- Implement Sustainability Strategy to decrease the Group's carbon footprint, targeting Scope 1, 2, and 3 emissions and enhancing resilience against climate impacts. The Strategy covers the following material topics related to Climate Change for the Group:
 - Emissions from fuel and electricity consumption in own operations by reducing electricity consumption, investing in energy efficiency, and transitioning to electric company vehicles.
 - Emissions from raw materials procured by selecting materials with a lower carbon footprint.
 - Emissions from production of third-party sourced packaging by selecting lower carbon footprint products.
 - Emissions from transportation upstream and downstream by collaborating with freight and logistics suppliers to move to greener modes of transportation.

For energy efficiency and renewable energy, the main objectives are:

- Reduce consumption through environmentally conscious decision making and education.
- Invest in energy-efficient technologies and shift towards more efficient production processes.
- Invest in renewable energy sources to promote sustainable energy use.

The policy ensures that Toly continuously strives to enhance environmental performance and continues to operate consciously.

Targets & Actions Related to Climate Change Mitigation & Adaptation

E1-1_02/03, E1-3_01/02/03/04, E1-E1-1_02/03, E1-3_01/02/03/04, E1-4_01/02/03/04/05/06/07/08/09/10/11/12/13/14/15/16/17/19/22/23/26

Accompanying the roadmap are various targets, commitments, actions, and KPIs to reduce Toly's carbon footprint as part of the Sustainability Strategy. The targets and related actions and commitments are disclosed in this section, with relations to the ESRS topic and scope emissions. Progress against set targets is also disclosed.

Strategy Targets & Related Actions

Targets were set related to phases 1 and 2 of the roadmap to reduce Scope 1, 2 and 3 emissions. The set targets cover all GHGs as emissions are calculated using carbon dioxide GHG equivalents. Since these targets were developed and approved in 2023, they are currently being updated to align with the SBTi approval received in March 2025. Hence, the targets mentioned in this report are subject to change in the next reporting period. Toly Group has implemented several measures to reduce GHG emissions and achieve its decarbonisation targets. The set targets and progress against these targets is shown in Table 7, including the actions set to ensure these targets are met.

The targets were mapped against relevant ESRS topic and subtopic, as well as the relevant emissions scope and percentage of coverage. The expected reduction from the base year is disclosed where relevant, along with the progress in the current year from the base year. The targets mentioned below are related to the Sustainability Strategy, which directly relate to GHG emission reduction. Ecodesign Strategy targets are disclosed in Section E5, as they relate specifically to products sold with an indirect impact on emissions. More information on this can be found in Section E5. The strategy also includes a target to reduce VOC emissions, which is disclosed in Section E2. As can be noted in the table below:

Scope 1 and 2 emissions were reduced in 2024 by 62.2% compared to base year, meaning that the target was met before 2030.

This is owing to the actions set out mainly for reduction of electricity consumption. As for Scope 3, emissions in 2024 increased by 65% compared to the base year value stated in 2023. However, during 2024 calculations of scope 3 categories, 2023 values for Scope 3

category 1 and 12 were updated to reflect more accurate data. Therefore, the target set with SBTi will be re-evaluated to ensure alignment with updated base year value for Scope 3. Progress towards set target was still disclosed for transparency.

Toly Sustainability Strategy

Main Objective: Become the Industry Leader in Sustainability.

Ultimate Goal: Achieve Net Zero Emissions Before 2050.

Roadmap to Net Zero Emissions

GOAL: Reduce emissions by improving in process efficiency and investment in energy saving equipment and the generation of clean energy.

**Phase 1
Scope 1 & 2
Emissions**

**Phase 2
Scope 3
Emissions**

GOAL: Reduce emissions by localising manufacturing and supply chain, as well as investing in alternative materials with a lower environmental footprint.

GOAL: Invest in carbon offset for the remaining emissions, after reducing emissions as much as possible in phases 1 and 2.

**Phase 3
Offsets**



SUPPLY CHAIN LOCALISATION

2023: Partnership with a US manufacturer to reduce transportation footprint for US customers.

2024: Establishment of Toly Europe Trading, for sourcing products which are not made in-house.

APPROVED SCIENCE BASED TARGETS (SBTi)

1. Toly Group International Limited commits to reduce absolute scope 1 and 2 GHG emissions **62.1%** by 2030 from a 2019 base year.
2. Toly Group International Limited also commits to reduce absolute scope 3 GHG emissions **42%** by 2030 from a 2023 base year.

ALIGNED WITH LIMITING
GLOBAL WARMING TO 1.5°C



Note: The SBTi targets were approved in May 2025. The targets were calculated based on 2023 emission values as current year. The scope 3 near-term target covers 99.50% of total reported and excluded scope 3 emissions, which passes SBTi threshold of two thirds of scope 3 emissions being covered by near term targets. Scope 3 Category 10 emissions were excluded from Scope 3 inventory in 2023 which account for 0.5% of total emissions, which is less than the 5% threshold set by SBTi. Category 10 was also excluded from 2024 Scope 3 inventory.

Sustainability Strategy Targets

SCOPE 1 + 2

5%	Y.O.Y absolute reduction in Scope 1+2 emissions from 2023 from base year 2019	100%	Electrify corporate fleet and trucks by 2030	5%	Reduction Y.O.Y in electricity consumption
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SCOPE 3

30%	Recycled content in all plastic packaging by 2030, increasing to 50% by 2040	100%	Awarded projects, quotations, innovations & concepts have a measurable sustainability claim	10%	Regrind use by weight in TPL yearly
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100%	Materials used are recyclable by 2030	100%	Awarded projects and quotations evaluated with a life cycle assessment (SPICE tool Pro)	40%	Absolute reduction in VOCs by 2025
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100%	Awarded projects and quotations are recyclable by design by 2030	50%	Awarded projects and quotations are recyclable by design by 2027	50%	Suppliers answer the sustainable supplier questionnaire in 2023, 60% in 2024, 70% in 2025
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100%	Awarded projects and quotations are recyclable at scale by 2035
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LEGEND

- Emission Reduction Target
- Ecodesign Strategy Target
- Ecodesign/Emission Reduction Target

Table 6 - Sustainability strategy targets, related actions and progress against target

ESRS Topic	Related Emissions Scope	Strategy Target	Entity	Actions Related to Targets	Target Year	Base Year	Total Target Reduction Expected from Base Year	Progress in Current Year from Base Year
E1 GHG Emissions	Scope 1 + 2 (100%)	SBTi target: Reduce absolute scope 1 and 2 GHG emissions 62.1% by 2030 from a 2019 base year	Group	Electrify corporate fleet by 2030, Electricity consumption reduction actions (see below target)	2030	2019	- 4,469.07 tCO ₂ e (-62.1%)	-4,480 tCO₂e (-62.2%)
E1 GHG Emissions	Scope 1 + 2 (100%)	5% Y.O.Y absolute reduction in Scope 1 and 2 emissions from a 2019 base year	Group		2030	2019	-5,200 tCO ₂ e (-72%)	-4,480 tCO₂e (-62.2%)
E1 Energy	Scope 2 (100%)	5% Y.O.Y absolute reduction in electricity consumption from a 2019 base year	TPL	Moulding machine replacement - 22 machines below 200T replaced with more efficient machines (hybrid or electric). Moulding machine injection unit replacement targeting a 15% reduction in electricity consumption per component. Chiller sequencing implemented in buildings management system (BMS) to optimise compressor operations. Initial testing showed 24% average power consumption reduction in March 2024. Smart cooling with adiabatic system for air-to-air chillers to enhance efficiency.	2030	2019	-9,394.68 MWh (-66%)	-7,777.86 MWh (-55%)
E1 GHG Emissions	Scope 3 (100%)	SBTi target: Reduce absolute scope 3 GHG emissions 42% by 2030 from a 2023 base year*	Group	Material and transportation emissions reduction actions (see below targets for various Scope 3 category targets and actions)	2030	2023	-7,122.39 tCO ₂ e (-42%)	+2,018 tCO₂e (+12%)
E1/E5 GHG Emissions Resource Inflow	Scope 3 (Cat. 1) (100%)	75% of procurement in TPL to be BIO/PCR/biodegradable by 2025	Group	Supplier sourcing strategy, PCR target integration in purchasing policies, design phase integration	2025	2023	-	-19%
E1 GHG Emissions	Scope 3 (Cat. 4) (100%)	10% Y.O.Y reduction in upstream transportation emissions	Group	Shift sourcing to regional suppliers	2030	2023	-103.84 tCO ₂ e (-52%)	219.94 tCO₂e (+111%)
E1/E5 Resource Inflow	Indirect	10% Y.O.Y regrind by weight in production	TPL	Increase internal waste reuse from regrinds			-	8.30%
E1/E5 GHG Emissions Resource Inflow	Scope 3 (Cat. 1) (100%)	5% Y.O.Y reduction in plastic use in TPL by weight per euro of production turnover	Group	Design for Recycling guidelines implemented and followed by all design teams, with focus on lightweighting and avoiding unnecessary plastic usage in packaging.	2030	2023	-	36%

Energy

E1-5_01/17

The total energy consumption of the group taking the control approach in 2024 was 6,625.93 MWh, which is a 19% reduction compared to 2023.

Exceeding the set target for electricity consumption reduction and scope 2 emissions, as explained in Table 6. Energy consumption within the Group primarily relates to electricity consumption by entities under operational control, including TPL as a manufacturing plant and sales offices. Table 7 shows the progress of electricity consumption at the manufacturing facilities from 2017 and sales offices from 2021 through to 2024. The table shows the entire consumption of the Toly Group operations (100%). As discussed, for TC and THK no energy consumption was generated for these entities in 2024. For TUSA, electricity consumption is not available as utility costs are included in the rental agreement and Toly does not have access to actual consumption figures or associated costs.

Table 7 – Electricity consumption progress

Country	2017 (MWh)	2018 (MWh)	2019 (MWh)	2020 (MWh)	2021 (MWh)	2022 (MWh)	2023 (MWh)	2024 (MWh)	% Progress 2024 vs 2023
TPL	10,882.00	13,008.00	14,184.00	6,640.00	6,563.60	6,527.30	6,862.48	6,406.13	-7%
TC.	4,240.07	3,906.48	2,998.56	2,178.58	1,530.00	1,107.29	1,095.11	0.00	-100%
TAS					17.81	40.49	26.02	27.53	6%
THK					0.00	0.00	8.44	0.00	-100%
TUSA					0.00	0.00	0.00	0.00	-
TPUK					25.49	31.28	21.73	20.00	-8%
TBE					3.70	3.79	7.97	7.97	0%
TFR					6.60	7.07	5.79	5.42	-6%
TML					206.67	173.62	160.32	158.87	-1%
Total	15,122.07	16,914.48	17,182.56	8,818.58	8,353.86	7,890.85	8,187.85	6,625.93	-19%

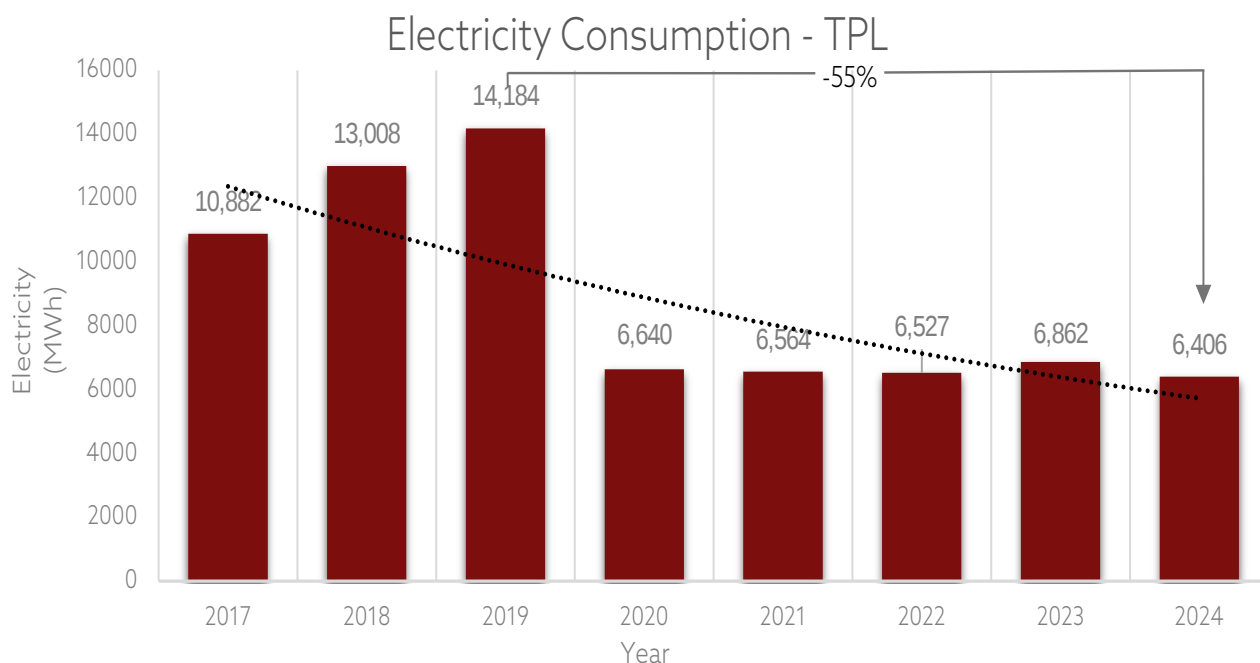
The greatest contributor to electricity consumption is TPL, contributing 97% of the total electricity consumed by the group. This makes TPL the highest contributor to Scope 2 emissions, which is expected due to the activities related to manufacturing which are more energy intensive compared to sales offices. It should also be noted that the electricity consumption in TPL decreased by 53% between 2019 and 2022, owing to investment in a new, more energy efficient factory. As can be seen in Figure 2.

The electricity consumption in TPL over the year has significantly reduced with a 55% reduction from 2019 to 2024.

This is owing to the multiple actions and initiatives implemented to reduce consumption and increase efficiency in machinery, as discussed in Table 6.



Figure 2 - Electricity consumption progress for TPL



Greenhouse Gas Emissions Data

Methodology

E1-6_15/26/27

Toly Group has been reporting GHG emissions following the GHG Protocol on Scopes 1 and 2 since 2017. As of 2021, Toly expanded its measurement to include Scope 3 emissions across the entire Group, including joint ventures. Previously this was measured only for TPL while the rest of the Group reported only Scopes 1 and 2.

In the 2022 calculations, trading operations were also included in Scope 3. Additionally, in 2023, the Scope 3 inventory was expanded to cover additional categories that had previously been excluded due to data limitations. This allowed for a more accurate measurement of the entire carbon footprint of Toly Group. In 2024, the same Scope 3 inventory of 2023 was used. SBTi targets related to Scope 1 and

2 use a base year of 2019, while Scope 3 base year is 2023 to ensure accurate comparison of emissions.

In 2024, a screening analysis was carried out to build a Scope 3 inventory based on 2023 GHG emissions following the principles outlined in the GHG Protocol: relevance, completeness, consistency, transparency, and accuracy. The GHG Protocol sets out 15 categories for Scope 3 reporting, divided into upstream and downstream indirect emissions. Upstream emissions relate to emissions that provide the company with goods or services it has paid for and are under the influence of the reporting company, while downstream emissions are generally outside of the company's influence and relate to emissions generated during the

use or disposal of a company's product or service. Applicable categories were identified and assessed for their significance based on size, spend, and influence. A distinction was made between categories that are applicable, referring to categories that are applicable due to activities within the Group that generate related emissions, and significant, referring to those categories that are significant in size, spend or influence when compared to other categories. Scope 3 categories were then classified into three categories: applicable and significant, applicable but not significant (based on smaller size, spend, and limited influence), and not applicable. A scoring system was used to determine the level of significance of applicable categories, from low to high. Categories classified as 'low' have emissions that are small in size, with a 5% threshold set when compared to other categories. 'High' categories are categories that are clearly significant based on size, spend, and influence, and are above than the 5% threshold.

Toly's Scope 3 inventory includes categories that are applicable and significant, and applicable but not significant. Not applicable categories were excluded from the inventory. A list of the activities included in Toly's Scope 3 inventory is listed below in Table 8 based on applicable categories, followed by justification for all inclusions and exclusions. A list of not-applicable categories with detailed reasoning for their exclusion is also provided in Table 9.

Table 8 – Applicable Scope 3 Categories

Applicable Scope 3 Categories		
Scope 3 Category	Significance	Reasoning
Category 1 - Purchase Goods and Services	High	The volume of purchased goods and services is significant both in terms of emissions and spend. Toly also has substantial influence over the reduction of emissions from purchased goods through the use of materials with lower carbon footprint.
Category 2 - Capital Goods	High	This is a new category included in Toly's Scope 3 inventory. Toly has influence over the procurement of capital goods with lower emissions. In 2023, emissions from capital goods purchased contributed more than 5% of total Scope 3, indicating the category is of high significance.
Category 3 - Fuel And Energy Related Activities	High	This is a new category included in Toly's Scope 3 inventory. Toly's operations are energy-intensive, especially in TPL. In 2023, emissions from fuel and energy-related activities contributed more than 5% of total Scope 3, indicating the category is of high significance.
Category 4 - Upstream Transportation and Distribution	High	This category is closely linked to Category 1, where more than half of the purchased raw materials come from Asia to Malta. In 2022, Category 4 contributed to around 48% of Category 1, emphasizing the significance of this category. Additionally, Toly has influence over emission reductions by choosing suppliers closer to the manufacturing plant, choosing lower-emission transportation methods, and optimising transportation routes.
Category 5 - Waste Generated in Operations	Low	Emissions from waste generated from operations account for around 0.1% when compared to Category 1 emissions in 2022. Hence, the significance of this category is low.
Category 6 - Business Travel	Low	Emissions from business travel accounted for 3.3% of Category 1 emissions in 2022. Hence, the significance of this category is low. Additionally, Toly has limited influence over these emissions since business travel is essential to the operations of the business.
Category 7 - Employee Commuting	Low	Emissions from employee commuting accounted for 2.9% of Category 1 emissions in 2022, indicating that the category is of low significance. Although Toly can promote green modes of transport, it has limited influence over the emissions related to employee commuting.
Category 9 - Downstream Transportation and distribution	High	Similar to Category 4, Toly relies significantly on diverse transportation modes to distribute finished products to its customers around the globe, contributing significantly to the overall Scope 3 emissions. Toly also has influence over reducing such emissions by choosing suppliers with lower-emission transportation modes, optimizing transportation routes, and exploring sustainable modes of transport.

Table 8 – Applicable Scope 3 Categories Continued

Applicable Scope 3 Categories		
Scope 3 Category	Significance	Reasoning
Category 10 – Processing of Sold Goods	Low	This is a new category included in Toly's Scope 3 inventory. After a thorough analysis of the different relevance criteria of the GHG Protocol standards, this category was deemed as not relevant. Toly produces various intermediate products which are processed by various customers around the globe. Hence, obtaining accurate, reliable, complete, and consistent data would be extremely challenging (and not feasible). For SBTi target setting, Scope 3 Category 10 emissions were approximated based on assumptions, since accurate data could not be obtained. The total emissions resulted to only 0.5% of the total Scope 3 emissions, and hence, they were excluded from the Scope 3 inventory. Toly also has no influence over the reduction of these GHG emissions. Toly does not omit the possibility that with the evolving regulations on Sustainability Reporting, this category could be reconsidered as part of Toly's Scope 3 inventory if complete, reliable, accurate, consistent, and feasible data can be obtained.
Category 12 – End-of-life Treatment of Sold Products	Low	Toly sell a significant amount of intermediate products which eventually end up in landfills, incinerated, or recycled. Due to the nature of the product's composition, the emissions related to this category are likely to be significant. With stricter compliance regulation in place in the EU (Packaging and Packaging Waste Regulation), tackling emissions from the end-of-life of sold products is a very relevant activity which Toly have direct influence over with the design and manufacturing of intermediate products. The significance of this category is low as it only generates 5% of the total emissions of the group.
Category 13 – Downstream Leased Assets	Low	Toly maintains ownership of property in the UK in Marlow and Wembley; the Wembley property is currently leased to a third party. Emissions data related to this property is not available at the time of publishing the report; therefore, accurate quantification of this category is not possible. The activity being carried out on this property is likely to result in emissions data that is insignificant.
Category 15 – Investments	High	Toly holds an equity share in Toly Korea Ltd (TK), which in turn fully owns TKM and has a minority stake in TAP. Emissions associated with these entities are expected to be significant due to the energy-intensive nature of their operations in South Korea. Additionally, Toly has an investment in Tek-Moulds Precision Engineering Ltd. In line with the GHG Protocol, the scale of Toly's investments is considered material enough to warrant disclosure. The assessment of significance is yet to be completed since data from Tek-Moulds is not yet available.

Table 9– Not Applicable Scope 3 Categories

Non-Applicable Scope 3 Categories	
Scope 3 Category	Reasoning
Category 8 – Upstream Leased Assets	Toly does not operate any upstream leased assets that are not already included in Scope 1 and 2 inventory. Hence, this category is not applicable to Toly.
Category 11 – Use of Sold Products	Toly manufactures intermediate packaging that do not involve any direct or indirect use of energy or fuels, and do not generate emissions during use. As a result, this category is not applicable.
Category 14 – Franchises	Toly does not operate any franchises, nor does it operate under a license to sell or distribute another company's goods or services within specific locations. As a result, this category is not applicable to Toly.

Gross Scope 1, 2 & 3 Emissions

E1-E1-6_01/02/03/04/07/08/09/11/29/30/33/34/35

The total environmental footprint for all Toly operations in 2024 was of 21,693.38 tCO₂e, which is a 6% increase compared to 2023.

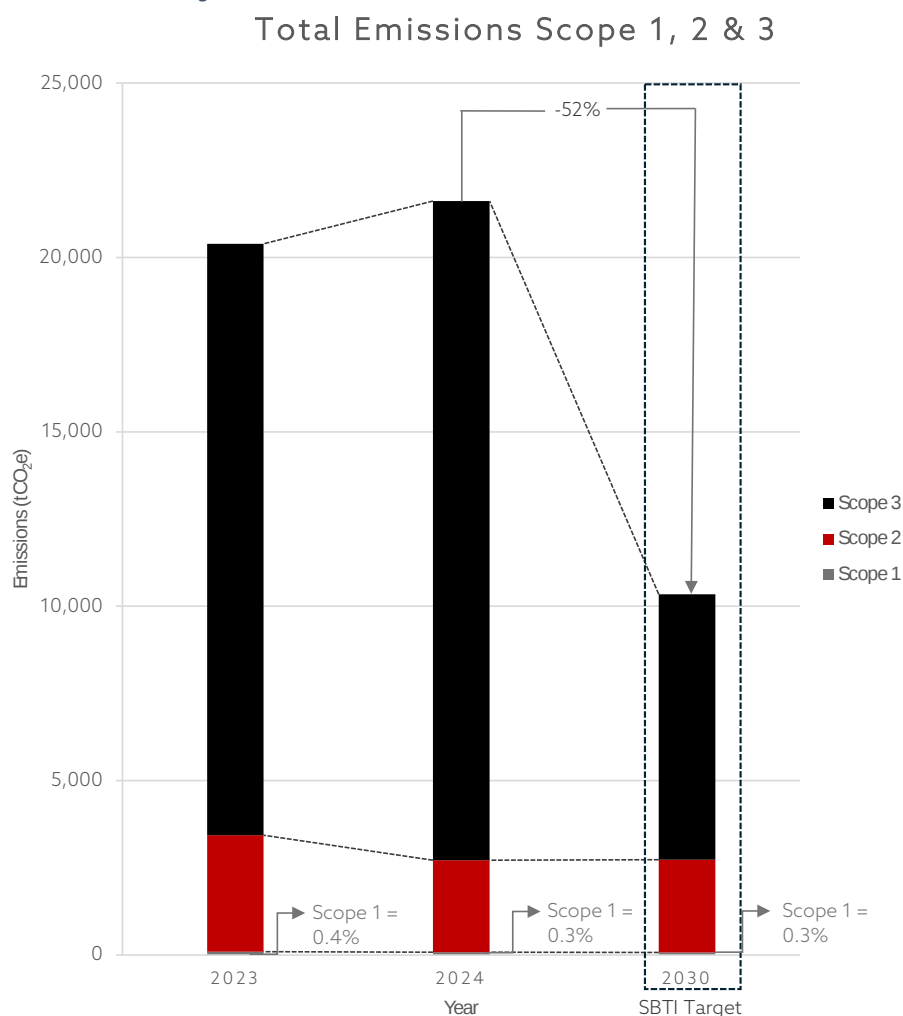
The total environmental footprint comprises emissions from all the direct and indirect activities operated by Toly, and is a sum of Scope 1, 2 and 3 emissions. Table 10 provides a summary of the group emissions by scope and category. Further details, assumptions taken and historical progress comparisons for each scope and category are provided in the following sub-sections per scope. Figure 3 shows the total emissions for 2023 and 2024. As mentioned, total emissions for 2023 were restated due to an increase in Scope 3 emissions from more accurate data. The figure also includes the target value for 2030 according to SBTi targets, which would be a 52% decrease from 2024 value.

Table 10– 2024 Total Emissions Breakdown

	Base Year	Base Year Value	Reporting Year Value	Progress from Base Year (%)
SCOPE 1				
Gross Scope 1 GHG emissions (tCO ₂ e)	2019	150.95	78.65	-47.9%
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (%)	-	-	-	-
SCOPE 2				
Gross Location-based Scope 2 GHG emissions (tCO ₂ e)	2019	7,046.84	2,638.80	-62.6%
Percentage of contractual instruments, Scope 2 GHG emissions	-	-	-	-
Percentage of market-based Scope 2 GHG emissions linked to purchased electricity bundled with instruments	-	-	-	-
Percentage of contractual instruments used for sale and purchase of energy bundled with attributes about energy generation in relation to Scope 2 GHG emissions	-	-	-	-
Percentage of contractual instruments used for sale and purchase of unbundled energy attribute claims in relation to Scope 2 GHG emissions	-	-	-	-
Gross market-based Scope 2 GHG emissions (tCO ₂ e)	-	-	-	-
SCOPE 3				
Total gross indirect (Scope 3) GHG emissions (tCO ₂ e)	2023	16,957.93	18,975.93	12%
Scope 3 Category 1 - Purchase Goods and Services	2023	8,851.39*	9,649.94	9%
Scope 3 Category 2 - Capital Goods	2023	981.91	178.93	-82%
Scope 3 Category 3 - Fuel and Energy Related Activities	2023	1,656.17	1,200.73	-27%
Scope 3 Category 4 - Upstream Transportation and Distribution	2023	199.03	418.97	111%
Scope 3 Category 5 - Waste Generated in Operations	2023	4.15	4.68	13%
Scope 3 Category 6 - Business Travel	2023	231.92	196.08	-15%
Scope 3 Category 7 - Employee Commuting	2023	168.42	164.00	-3%
Scope 3 Category 9 - Downstream Transportation and Distribution	2023	2,382.90	3,570.79	50%
Scope 3 Category 12 - End-of-life Treatment of Sold Products	2023	1,266.80*	1,868.29	47%
Scope 3 Category 13 - Downstream Leased Assets	2023	1.10	0	-100%
Scope 3 Category 15 - Investments	2023	1,214.13	1,723.51	42%
Total GHG emissions (location-based) (tCO₂e)	2023	20,388.92	21,693.38	6%

*Scope 3 categories 1 and 12 are restated and explained in relevant sections

Figure 3– Total Scope 1 2 3 Emissions Progress



Scope 1 Emissions

The total Scope 1 emissions for the Group in 2024 amount to 78.65 tCO₂e. These emissions comprise the fuels and gases purchased and used onsite, creating direct emissions from combustion. A breakdown of Scope 1 fuel consumptions and corresponding emissions are provided in Table 11 and Table 12, respectively for petrol, diesel, and gas used for direct combustion in operations in. Gas (propane and butane) is only used in TPL for direct operations. Sales offices use gas for office heating, which is included in Scope 2. The petrol and diesel consumed is used in company cars, with diesel in TPL also being used for backup generators. TMS do not consume any petrol, while TFR and TUSA do not consume diesel. Emission factors to convert fuel data to Scope 1 emissions were derived from the UK Government GHG reporting conversion factors.

Table 11 - Scope 1 – Consumption

Entity	Petrol (kg)	Diesel (kg)	Butane (kg)	Propane (kg)	Total (kg)
TPL	803	2,401	2	1,025	4,231
TML	1,003	3,539	-	-	4,542
TBE	1,492	1,406	-	-	2,898
TMS	-	3,784	-	-	3,784
TUSA	7,005	-	-	-	7,005
TPUK	338	3,429	-	-	3,767
TFR	931	127	-	-	1,058
Total	11,572	14,686	2	1,025	27,285

Table 12– Scope 1 – Emissions

Entity	Petrol (tCO ₂ e)	Diesel (tCO ₂ e)	Butane (tCO ₂ e)	Propane (tCO ₂ e)	Total (tCO ₂ e)
TPL	2.23	7.10	0.01	3.07	12.41
TML	2.79	10.46	-	-	13.25
TBE	4.15	4.15	-	-	8.30
TMS	-	11.19	-	-	11.19
TUSA	19.47	-	-	-	19.47
TPUK	0.93	10.14	-	-	11.07
TFR	2.59	0.37	-	-	2.96
Total	32.16	43.41	0.01	3.07	78.65

Result Analysis

A comparison of Scope 1 emissions is provided in Table 13. For TPL, the comparison is provided from 2017, while sales offices comparison starts from 2021, which was the first year that these entities were included in Scope 1 and 2 calculations. As can be noted.

Total Scope 1 emissions reduced by 13% compared to 2023.

This is a significant improvement in emissions reduction, exceeding our Scope 1 target. As can be seen in Figure 4, TUSA has the greatest impact on Scope 1 emissions, contributing 25% of total emissions. Further explanation on these results can be found in the following section on Scope 1 and 2 Emissions Combined.

Figure 4– Scope 1 Emissions Breakdown by Entity

Scope 1 Emissions by Entity 2024

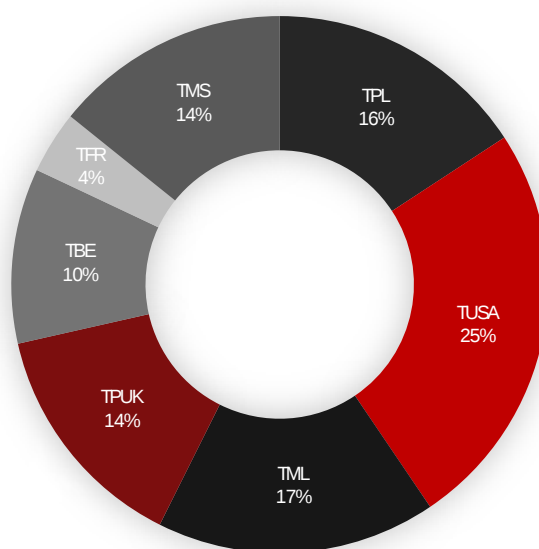


Table 13 - Scope 1 Emissions Progress

Entity	2017 (tCO ₂ e)	2018 (tCO ₂ e)	2019 (tCO ₂ e)	2020 (tCO ₂ e)	2021 (tCO ₂ e)	2022 (tCO ₂ e)	2023 (tCO ₂ e)	2024 (tCO ₂ e)	Difference 2024 vs 2023
TPL	37.49	30.00	31.35	33.38	9.60	10.73	12.51	12.41	-1%
TC	8.40	14.00	6.80	-	1.90	-	-	-	-
TAS	-	-	-	-	-	-	-	-	-
TUSA	-	-	45.56	53.55	21.33	31.54	29.84	19.47	-35%
TML	-	-	33.40	29.79	20.19	20.76	22.82	13.25	-42%
TPUK	-	-	13.65	5.22	6.16	11.70	11.70	11.07	-5%
TBE	-	-	10.41	4.56	5.69	12.30	12.45	8.30	-33%
TFR	-	-	4.52	2.87	3.86	4.43	1.53	2.96	93%
TMS	-	-	5.26	5.17	-	-	-	11.19	-
Total	45.89	44.00	150.95	134.54	68.73	91.46	90.85	78.65	-13%

Scope 2 Emissions

The total Scope 2 emissions for the Group amount to 2,638.8 tCO₂e.

Scope 2 emissions include indirect emissions from the use of electricity for factory operations in TPL, electricity for office lighting, electricity for electric vehicle charging, and gas for office heating. The location-based approach is considered for Scope 2 calculations. A breakdown of Scope 2 consumption and related emissions are provided in Table 14 and

Table 15, respectively.

The data relating to the electricity consumption of TUS is not available to Toly since the utility fees are part of the rental contract, and hence Toly does not have visibility of the actual consumption or dollar amount relating to the consumption of electricity at the US office.

Further details on electricity consumption are provided in the Energy section, along with historical data.

Table 14- Scope 2 – Consumption

Entity	Electricity (kWh)	Electricity for Electric Vehicles (kWh)	Gas (kWh)	Total (kWh)
TAS	27,534	-	-	27,534
TFR	5,418	-	-	5,418
TBE	7,970	51	25,130	33,151
TML	158,871	-	-	158,871
TPL	6,406,134	-	-	6,406,134
TPUK	20,005	-	27,637	47,642
TUSA	-	4,355	-	4,355
Total	6,625,932	4,406	52,767	6,683,105

Scope 2 emissions were calculated using emission factors from the Ecoinvent v3.10 database for the sales offices, while supplier-specific factors were used for TPL, TML, and TPUK. Enemalta plc factors for 2023 were used for Malta, and the UK Government's 2024 GHG reporting conversion factors used for TPUK.

Table 15 - Scope 2 - Emissions

Entity	Electricity (tCO ₂ e)	Electricity for electric vehicles (tCO ₂ e)	Gas (tCO ₂ e)	Total (tCO ₂ e)
TAS	17.76	-	-	17.76
TFR	0.27	-	-	0.27
TBE	1.22	0.01	7.03	8.26
TML	62.91	-	-	62.91
TPL	2,536.83	-	-	2,536.83
TPUK	4.14	-	7.73	11.87
TUSA	-	0.90	-	0.90
Total	2,623.13	0.91	14.76	2,638.80

Result Analysis

A comparison of Scope 2 emissions is provided in Table 16 based on the operational control approach. For TPL, the comparison is provided from 2017, while sales offices comparison starts from 2019, which was the first year that these entities were included in Scope 1 and 2 calculations. As mentioned previously, TC ceased operations in the beginning of 2024 with no electricity

consumption in 2024 and hence no Scope 2 emissions were recorded. As can be noted in Figure 5, TPL contributed to 96% of Scope 2 emissions, which is expected due to higher energy consumption in the manufacturing plant compared to sales offices.

Total Scope 2 emissions were reduced by 21% in 2024 compared to 2023, providing a significant reduction in total Scope 1 and 2 emissions and exceeding targets set, as will be explained further in the next section. This is stemming from a 19% reduction in electricity consumption in 2024 compared to 2023, which is further explained in the Energy section.

Figure 5-Scope 2 Emissions Breakdown by entity

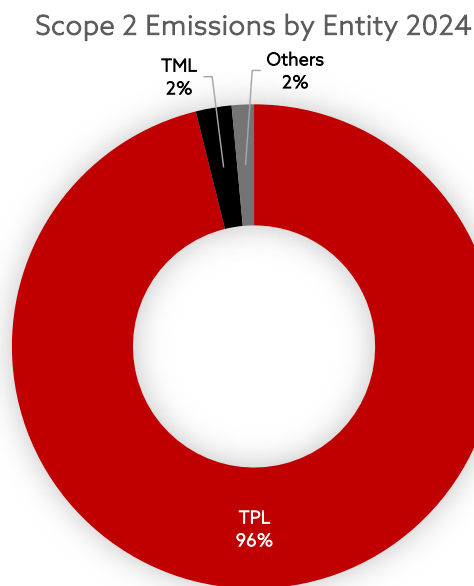


Table 16 - Scope 2 Emissions Progress

Entity	2017 (tCO ₂ e)	2018 (tCO ₂ e)	2019 (tCO ₂ e)	2020 (tCO ₂ e)	2021 (tCO ₂ e)	2022 (tCO ₂ e)	2023 (tCO ₂ e)	2024 (tCO ₂ e)	Difference 2024 vs 2023
TPL	7,086.26	8,470.88	5,256.54	2,460.75	2,563.87	2,552.18	2,683.23	2,536.83	-5%
TC	2,657.25	2,168.09	1,664.20	1,209.11	822.22	616.98	554.05	-	-
TAS	-	-	34.24	21.06	-	28.75	16.84	17.76	5%
TUSA	-	-	11.99	-	-	-	1.36	0.90	-34%
TPUK	-	-	9.05	7.97	11.52	11.24	9.78	11.87	21%
TBE	-	-	2.08	3.47	0.60	3.02	7.38	8.26	12%
TFR	-	-	0.52	0.50	0.34*	4.83**	4.82	0.27	-94%
TMS	-	-	-	1.88	-	-	-	-	-
TML	-	-	68.21	46.20	81.69	67.89	62.69	62.91	0.4%
Total	9,743.51	10,638.97	7046.83	3750.94	3,480.24	3,284.89	3,340.15	2,638.80	-21%

*No data for gas for TFR in 2021.

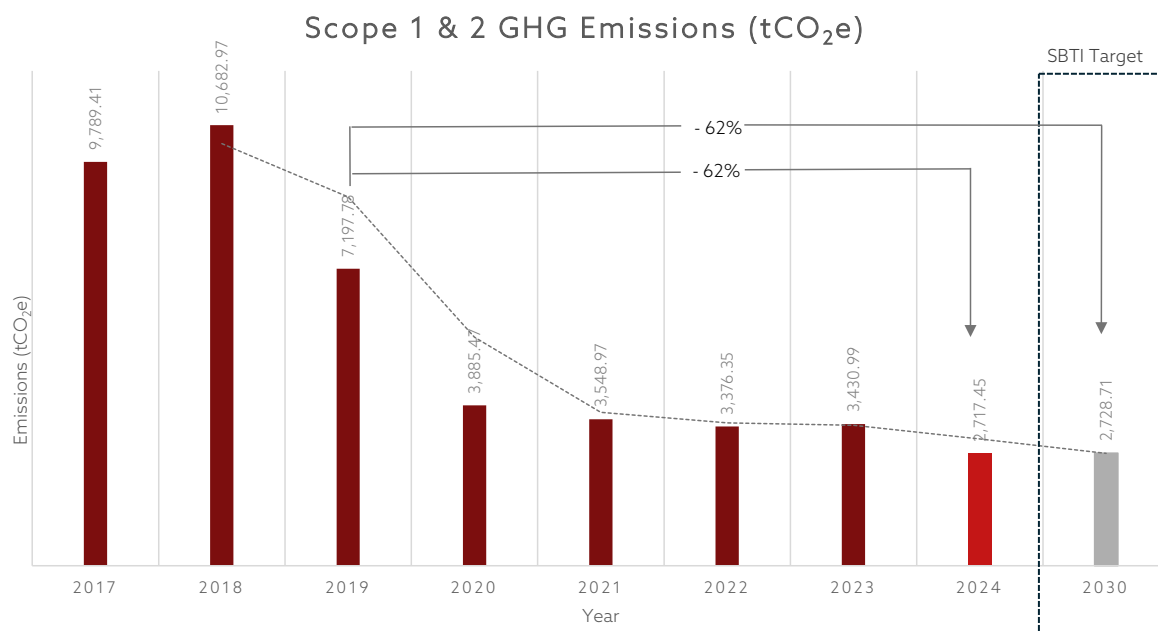
Scope 1 & 2 Emissions

In 2024, total Scope 1 and 2 emissions were reduced compared to 2023 by a total of 21%, with a 13% reduction in Scope 1 emissions and 21% reduction in Scope 2 emissions.

The below chart offers a visual representation of total Scope 1 and Scope 2 emissions comparisons for Toly Group throughout the years. As can be seen, between 2018 and 2019, there was a substantial reduction in Scope 1 and 2 emissions, followed by an even greater reduction in 2020 owing to the shift to a more energy-efficient plant in Malta.

The SBTi target which was approved in May 2025 requires a 62.1% reduction in absolute Scope 1 and 2 emissions by 2030 from a 2019 base year. **In 2024, this target has been met**, and it is anticipated to be exceeded by 2030 with increased energy efficiency initiatives and actions related to the Sustainability Strategy. The continued efforts, especially at TPL, towards greener energy and process efficiency are highlighted with this achievement and sizable reduction in Scope 1 and 2 emissions every year.

Figure 6 - Scope 1 & 2 Emissions Progress and 2030 SBTi Target



Scope 3 Emissions

This section includes the applicable and relevant categories in Scope 3, as discussed in Table 8. The reporting boundaries for each category are mentioned below along with detailed breakdown of activities and emissions related to each relevant and significant category.

Total Scope 3 emissions for Toly Group in 2024 amounted to 18,975.93 tCO₂e.

Scope 3 value in 2023 was restated due to more updated information on Categories 1 and 12, which led to a significant change in total Scope 1, 2, and 3 and hence was restated according to Toly's GHG Calculation Procedure, in alignment with SBTi.

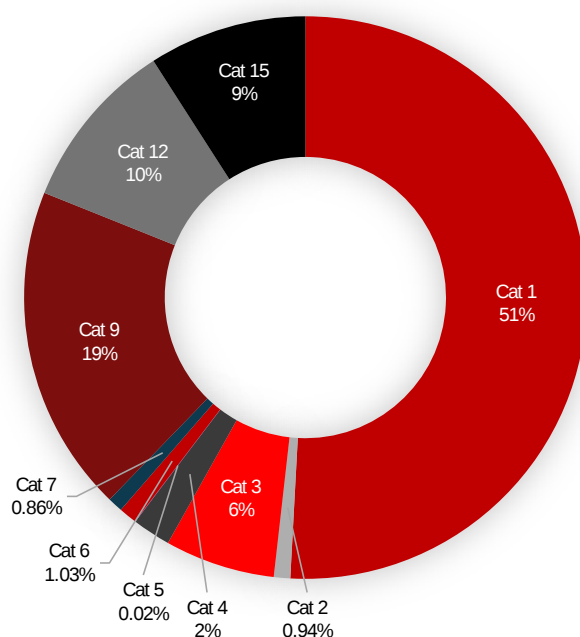
The total Scope 3 emissions in 2023 were updated to 16,957.93 tCO₂e, from the previously stated 11,329.00 tCO₂e. The increase in emissions is further explained in the respective category sections. The total Scope 3 emissions in 2024 therefore increased by 12% from 2023.

Figure 7 provides a breakdown of the Scope 3 emissions which were quantified and included in this report. Category 1 Purchased Goods

and Services is the greatest single contributor to Scope 3 emissions, generating 51% of the Group's total Scope 3 emissions in 2024. The second greatest category is Category 9 Downstream Transportation and Distribution, accounting for 19% of total Scope 3, with Category 12 End-of-life Treatment of Sold Products being third at 10%. The following sections explain in further detail each category.

Figure 7-Scope 3 Emissions Breakdown 2024

Scope 3 Emissions Categories Breakdown



Scope 3 Category 1 - Purchased Goods and Services Emissions

Emissions related to purchased goods are the emissions generated from production of purchased raw material such as plastics, mirrors, lacquers, and tertiary packaging boxes used in our TPL factory. Purchased goods emissions generated by sales office relate to products sold through the sales offices from sources other than TPL. The purchased goods emissions were determined based on purchased raw materials by TPL from various external supplier and purchased finished goods from sources other than TPL for sales offices which were sold to customers. Emissions were calculated based on weight of purchased raw materials or finished goods sold. Services emissions relate to various types of services purchased during the year, including auditing, consultancy, insurance, etc.

A hybrid-based approach was taken to calculate emissions in this category, where supplier specific data was available for some materials, and secondary activity data from Ecoinvent v3.10 database was used for others. Spend based approach was taken to determine emissions related to services due to lack of supplier specific data, using emission factors from the open source ClimaTiq.io.

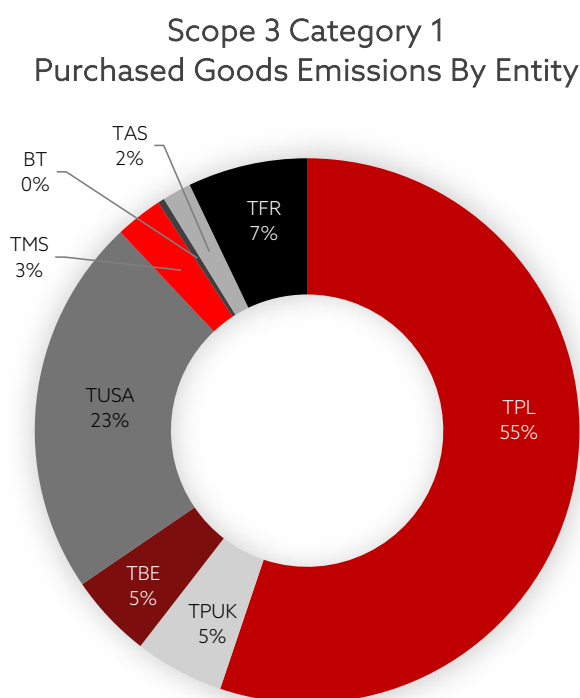
Total Category 1 emissions amount to 9,649.94 tCO₂e. Purchased goods emissions account for 89% of total category emissions.

The main contributor is TPL, as noted in Figure 8, which is the manufacturing facility in Malta where purchased goods are mainly materials used for production purposes. Services only account for 11% of total category emissions in 2024, with a 63% increase when compared to 2023. TML does not include purchased goods emissions and BT does not include any services emissions.

As mentioned, Category 1 emissions for 2023 were recalculated due to more accurate information being available, which led to an increase in Category 1 emissions in 2023 of 59%. The restated Category 1 emissions for 2023 are 8,851.39 tCO₂e, hence, a 5% increase in emissions resulted when comparing 2024 to 2023. Table 17 includes a breakdown of purchased goods and services emissions per entity and a comparison with base year 2023.

As can be noted, every sales office and TPL faced an increase in emissions. This is a result of a 47% increase in materials purchased by weight from 2023. The shift away from styrenics, as required by PPWR and California Proposition 65, is leading to a move towards other materials. Toly is seeing a shift in customer requirements away from plastics and into other materials, including glass which is a large contributor to the increase in total weight in 2024 as well as higher emissions.

Figure 8- Scope 3 - Purchased Goods Emissions Breakdown by Entity



When considering the total revenue generated and taking emissions in an intensity form per unit of euro sales, there was a 35% increase in plastics purchased per unit of euro sales. This is owing to a substantial increase in plastics purchased and a slight decrease in turnover. As part of the ongoing update of Toly's Sustainability Strategy, the Group continues to be committed to reducing the use of styrenics and increase the use of alternative materials favouring those with a reduced environmental impact, as well as an overall reduction of plastic used by weight. The updated strategy will include targets from PPWR and SBTi, which will allow better alignment towards the common goals set out in the Environmental Policy.

Table 17 - Scope 3 Category 1 Progress

Entity	Emissions 2023 [base year] (tCO ₂ e)	Emissions 2024 (tCO ₂ e)	Difference 2024 vs 2023 (%)
TPL	4,724.74	3,853.90	-18%
TMS	245.59	461.11	88%
TAS	179.61	413.76	37%
TBE	429.50	465.02	8%
TFR	639.85	816.25	28%
TPUK	464.67	597.84	29%
TUSA	1,894.54	2,743.20	45%
BT	32.41	53.61	65%
TML	240.48	245.24	2%
Total	8,851.39	9649.94	9%

Scope 3 Category 2 - Capital Goods Emissions

Capital goods emissions are related to the production of the capital goods purchased or acquired in the reporting year. Due to the complexity of assessing this category, the spend-based method was used based on the total amount spend on capital goods in 2024, using the open source ClimaTiq.io database for spend-based emission factors. Additionally, it should be noted that the capital goods included in this category are based on TPL and TML acquisitions. The capital expenses of the remaining sales offices are minimal and insignificant compared to TPL (machinery and equipment) and TML (largest office with hardware capital goods).

The total Category 2 emissions for 2024 amount to 178.93 tCO₂e. Compared to 2023, this is an 82% reduction in emissions, mainly stemming from high investments in machinery in TPL in 2023.



Injection Blow Moulding Machine

Scope 3 Category 3 - Fuel and Energy Related Emissions

This category includes emissions coming from upstream emissions of purchased electricity and transmission and distribution (T&D) losses related to electricity, as well as upstream emissions related to production of fuel and gases. This category gathers data on consumption of electricity, gas, and fuels from Scope 1 and 2 of entities under operational control of Toly Group (see Scope 1 and Scope 2 sections for consumption data).

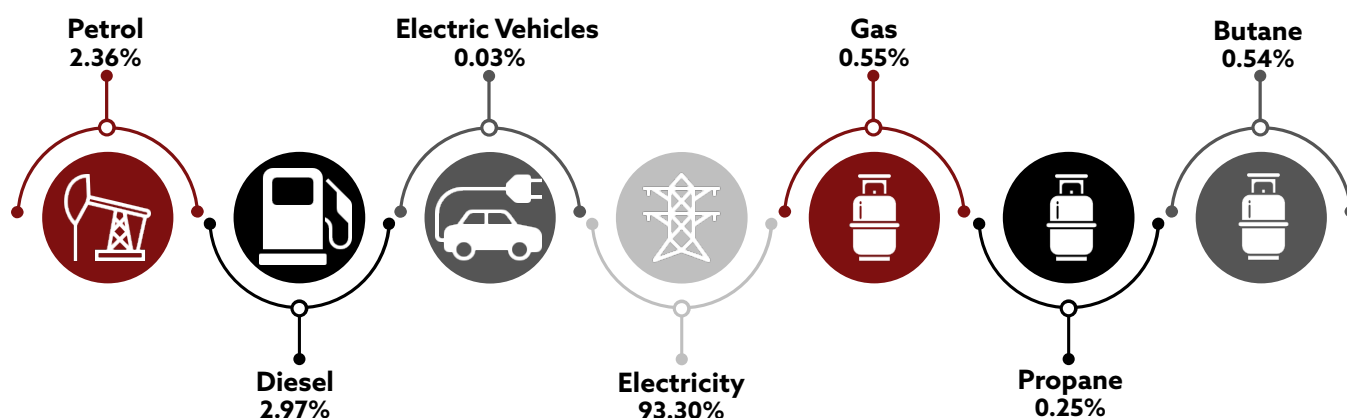
Emission factors related to upstream emission of electricity, fuels, and gases, and the T&D losses of purchased electricity in different countries were obtained from the Ecoinvent v3.10 database. For Malta (TPL and TML), T&D

losses of purchased electricity were based on supplier specific data (Enemalta). T&D losses were not included for fuel and gas due to lack of emission data available.

The total Scope 3 Category 3 emissions related to fuel and energy related emissions not included in Scope 1 and 2 amount to 1,200.73 tCO₂e for 2024, which is a 27% decrease compared to 2023.

This was expected from the 21% reduction in Scope 1 and 2 emissions, which are directly correlated to category 3 emissions. Figure 9 includes a breakdown of the Scope 3 emissions related to the different consumption activities.

Figure 9 Scope 3- Category 3 Percentage of emissions



Scope 3 Category 4 - Upstream Transportation & Transportation Emissions

Upstream transportation and distribution emissions include the emissions generated during transportation of purchased goods from our suppliers to our facilities, and any transportation to customers which was purchased by Toly in vehicles not owned or operated by Toly. The distance-based method was used to calculate emissions, and emission factors for transportation in metric ton per kilometer were taken from Ecoinvent v3.10 database.

The total Category 4 emissions for 2024 amounted to 418.97 tCO₂e, which is a 111% increase compared to 2023.

This is mainly due to the increase of raw materials purchased at TPL, as well as an increase in weight of products shipped to customers where transportation was paid for by Toly. In 2024, 54% more material by weight was purchased in TPL compared to 2023, which is directly correlated with the increase in Category 4 emissions.

In 2024, Category 4 contributes 2.21% to the total Scope 3 emissions, with 25% of total Category 4 emissions generated from raw materials purchased by TPL and transported to the Malta plant.

As part of the Sustainability Strategy, the Toly Group is committed to reduce this impact by making every effort to create local supply chains and manufacturing facilities in the areas in which it operates. This will directly reduce Category 4 emissions by reducing distance travelled.

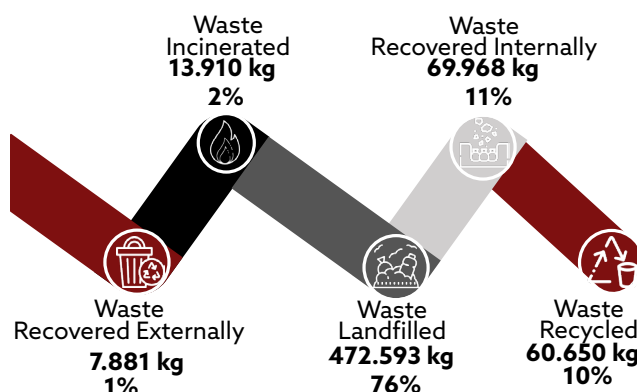


actions will be implemented to ensure the capture of this data in the short term. This being said, the waste generated in sales offices is mostly paper, which when compared to the waste generated by the manufacturing processes in TPL would be minimal and insignificant both in tonnage and in related emissions. Emission factors to convert waste data to related emissions were derived from the UK Government GHG reporting conversion factors.

In 2024, the impact related to waste in TPL amounted to 4.68 tCO₂e, which is an 12.7% increase in emissions.

A breakdown of waste type and treatment is shown in table 18 with comparisons from 2022 to 2024. The biggest contributor to the waste generated in 2024 is general waste which is made up of multiple materials which are not recyclable and are sent to landfill at end-of-life. Landfilled waste is made up of unrecyclable materials in general waste, hazardous liquid and other industrial waste. Recycled waste constitutes plastic, metal and cardboard. Waste recovered internally is a portion of the plastic waste generated which is used internally for regrind. Wood is reused by third parties without any additional processing; hence no emissions are generated. Toly is committed to reducing the waste generated and sent to landfill and aims to improve waste separation to reduce the carbon footprint related to waste.

Figure 10 Waste treatment for waste generated at TPL in 2024



Scope 3 Category 5 - Waste Generated in Operation Emissions

The waste generated by TPL is monitored and the environmental impact related to the generation and treatment of waste is measured. Waste generated by sales offices is not currently being monitored, however,

Table 18 - Scope 3 Category 5 Waste generated amount and emissions progression

Waste type	Waste Treatment Type	Amount (tonnes)			Emissions (tCO ₂ e)			Difference 2024 vs 2023
		2022	2023	2024	2022	2023	2024	
Plastic	Recycled or Reused Internally	2.69	4.49	85.8	0.06	0.10	0.10	1%
Glass	Landfill	42.53	53.74	50.48	0.38	0.48	0.45	-7%
General Waste	Landfill	371.75	330.70	382.25	3.31	2.94	3.40	16%
Wood	Reused	6.27	7.27	7.88	-	-	-	-
Metal	Recycled	44.63	4.25	35.62	0.95	0.09	0.23	154%
Hazardous Liquid	Landfill	17.31	8.85	28.56	0.15	0.08	0.25	217%
Hazardous Solid	Incineration	15.99	11.46	13.91	0.34	0.24	0.09	-63%
Cardboard	Recycled	7.36	8.65	9.20	0.16	0.18	0.06	-67%
Other industrial waste	Landfill	9.65	4.11	11.31	0.86	0.04	0.10	151%
Total		518.18	433.52	625.01	6.21	4.15	4.68	13%

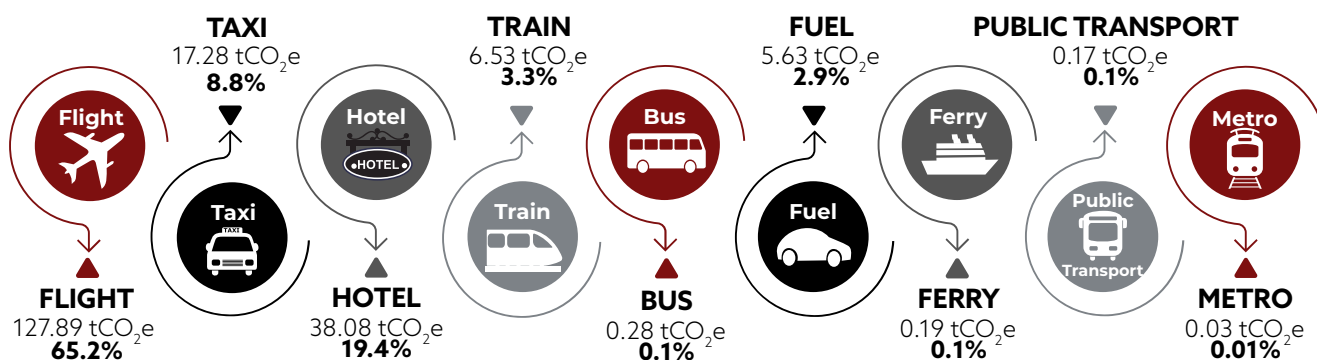
Scope 3 Category 6 - Business Travel Emissions

Emissions from business travel in 2024 were accounted for sales offices and TPL. Data on business travel was extracted from General Ledger entries related to travel, where entries were categorized as flight, hotel, taxi, train, and other. The amount spent per category was used to convert to emissions using spent based emission factors from the open source ClimaTiq.io emission factors databases.

The total Scope 3 Category 6 emissions for 2024 amount to 196.08 tCO₂e, which is a 15% decrease from 2023.

The breakdown of emissions per category is shown in Figure 11.

Figure 11 - Breakdown of business travel emissions per travel category



Scope 3 Category 7 - Employee Commuting Emissions

This category includes the emissions related to the commuting of all Toly employees to and from their respective office locations. Since the significance of this category is low compared to other Scope 3 categories, as explained in Table 8, the commuting tendencies of employees was based on surveys carried out in 2022 for TPL, and 2023 for the sales offices. This means that the values used for commuting are the same as those used for 2022, however, emission factors and

the total number of employees were adjusted to reflect a more accurate representation of the emissions related to employee commuting in 2024. Emission factors used were derived from the UK Government GHG reporting conversion factors for 2023. As was done for previous years, it was assumed that there are 210 total working days in a year and that every employee commutes to and from work the stipulated distance between their residing location and the office.

The total emissions related to employee commuting for 2024 amount to 164 tCO₂e. This is a 3% decrease compared to 2023.

Scope 3 Category 9 - Downstream Transportation Emissions

Category 9 emissions include emissions that occur from transportation and distribution of sold products from Toly sales offices to customers, in vehicles not owned or operated by Toly. Transportation not purchased by Toly is included in this category, whereas transportation purchased by Toly are included in Category 4.

Total emissions generated by downstream transportation in 2024 amounted to 3,570.79 tCO₂e, which is a 50% increase from 2023.

As explained in Categories 1 and 4, the total weight of purchased and sold products increased by 47% compared to 2023, which is directly attributable to the increase in Category 9 emissions.

Downstream transportation emissions cover the distance travelled from our factories to our customers. Toly has no control over the location of our customers, however, as part of our Sustainability Strategy, Toly is working on regionalization to try to be closer to our customers and reduce transportation emissions in the future. Toly



has a manufacturing presence in Europe with TPL and Asia with TKM and TAP. In 2023, a strategic partnership with a plastic packaging manufacturer in Mexico was signed, which provides Toly with a manufacturing solution in the Americas. This strategic partnership is part of our commitment to reduce our downstream transportation. Additionally, in 2024, a new Toly entity was set up: Toly EU Trading, which is responsible for obtaining products not manufactured in-house from European suppliers, similar to those sourced in Asia for TAS. This highlights Toly's efforts to localize our supply chain and reduce our carbon footprint related to transportation emissions.



Scope 3 Category 12 - End-of-Life Treatment of Sold Products Emissions

This category includes the expected emissions from waste disposal and treatment of products sold by Toly at their end-of-life. Toly Group only sells intermediate products, i.e. empty cosmetic packaging. Hence, Category 12 only includes the emissions from disposing of the intermediate product, not finished good. Toly does not have control over where our intermediate products end up being disposed of, or the waste treatment type. Therefore, an assumption was taken where global values of average percentage of waste treatment type was considered, along with the weight of sold goods in 2024. Packaging produced in 2024 was assumed to be not recyclable, due to the various materials making up our packaging, which is something currently being addressed with the new Ecodesign Strategy. Hence, only incineration and landfill were considered as possible end-of-life treatments as a worst case scenario.

The United Nations Environmental Program published the Global Waste Management Outlook in 2024, covering waste management globally in 2021. Assuming that landfill and incineration are the only currently possible routes for waste treatment of cosmetic packaging, the average percentage of waste routed to landfill was 70%, with 30% routed to incineration. Emission factors for waste treatment of general waste were taken from Ecoinvent v3.10 database.

The total Category 12 emissions in 2024 were 1,868.29 tCO₂e.

As mentioned previously, the total Category 12 emissions for 2023 were restated due to more accurate data available which led to a 79% increase, resulting in 1,266.80 tCO₂e for

2023. In 2024, emissions related to end-of-life treatment of sold products increased by 47% compared to 2023. This is also directly attributed to the 47% increase in weight of products sold.



Scope 3 Category 13 - Downstream Leased Assets Emissions

This category gathers data on consumption of electricity, gas, and fuels from Scope 1 and 2 of downstream leased assets operated by Toly and occupied by third parties. Toly operates two downstream leased assets; one office in the TPUK office in Marlow UK and one property in Wembley UK, which is divided into two units which are leased by two different tenants. Information on the Wembley property could not be obtained at the time of publication of this report, and hence, emissions related to the electricity and fuel consumption of this property were not included. Efforts are currently being implemented to arrange existing contracts to obtain such information from both tenants. As for the leased office in the TPUK building, the tenant is responsible for 30% of the utility bills while TPUK is

responsible for the remaining 70%. Hence, 30% of the consumption is considered for calculations in Scope 3 Category 13 for the leased office in Marlow, while the remaining 70% is considered in Scope 2 for TPUK office. In 2024, there were no tenants in the leased office in the TPUK building, hence no emissions were generated and 100% of the utility bills of the Marlow office were attributed to TPUK operations in the sales office.

Scope 3 Category 15 - Investments

Under Category 15, Scope 1 and 2 emissions of TKM and TAP were reported in line with the GHG Protocol, reflecting TGI's role as a joint venture partner. Although TGI is involved in TK, the absence of decision-making authority over operations means emissions from TK, TKM, and TAP are classified under Category 15 Investments. Additionally, Toly also holds an investment in Tek-Moulds Precision Engineering Ltd. Given the material nature of these investments, their inclusion in the ESG disclosures is warranted. However, the assessment of their significance is still pending due to the unavailability of data from Tek-Moulds.



In 2024, data from Tek-Moulds could not be obtained as of date of publication of this report.

The total Scope 3 Category 15 emissions related to TKM in 2024 amount to 1,723.51 tCO₂e, which is a 42% increase in emissions.



Internal Carbon Pricing

E1-8_01/02/03/05

To facilitate investment in environmentally sustainable projects, the Toly Group has given a value to carbon emissions as a Return on the Environment (RoE) metric. The value of GHG savings is added to the financial return on investment to facilitate and prioritize sustainable capital expenditure decisions. The RoE is based on the internal carbon price which is updated every year in line with the EU Carbon Permits prices. By using this model, Toly is committed to ensure all investments are aligned with sustainability goals and contribute to our transition plan, along with being economically viable. In 2022, the carbon price was set at €65/tCO₂e.

The carbon price for 2023 was revised to €75/tCO₂e. For 2024, the 2023 carbon price was maintained.

E2 Pollution



As a manufacturer of plastic packaging for the cosmetics industry, Toly Products Ltd has an impact on air and water pollution as a result of its activities. The factory has extensive decoration capabilities with in-house lacquering lines and metallisation, which use solvents such as lacquers and inks for printing. The processing of these solvents as surface decoration can generate fugitive VOC emissions leading to air pollution. Water is used for machinery cooling, mirror cutting and domestic use. The wastewater generated from these processes is monitored and filtered to prevent any effluents from contaminating local water systems.

Policies Related to Pollution

E2-1_01/02/03/04

The Air and Water Pollution Disclosure Policy, aligned and contributing to Toly's Environmental Policy, outlines the commitment to reducing air and water pollution across all operations in Toly Products Ltd. The policy includes objectives to mitigate and minimise fugitive VOC emissions as well as prevent untreated discharges of wastewater into local water systems. Various actions are done to ensure compliance with local regulations on fugitive emissions and wastewater effluent limits, disclosed in the Actions section. Emergency response procedures are also in place emphasizing preventative measures through regular training of staff aimed to minimise risks and ensure readiness in avoiding incidents and emergency situations. The protocols are designed to mitigate harm by equipping employees with the correct steps to control and limit adverse impacts on human health and surrounding environment.

Toly does not operate in areas where soil pollution would be generated, and hence the topic of pollution is focused on air and water pollution from activities at the TPL factory.

Action, Targets & Metrics Related to Pollution

E2-2_01/04, E2-3_01/04/09/11, E2-4_01/02/08/09/10

As part of the policy, actions and targets are set to avoid and minimise pollution of air and water. Continuous monitoring of air emissions (VOCs) and water pollutants allows for better understanding of appropriate actions and targets to be set to ensure alignment with regulatory requirements and mitigation. In line with local regulations, yearly auditing of fugitive emissions and wastewater effluents is carried out by third parties appointed by the local authorities. The stacks (chimneys) and waste (sludge) are monitored and tested for VOC content. The results are correlated to VOC content in the data sheets multiplied by the amount of lacquer/ink used so fugitive emissions can be calculated. The waste from these activities, containing VOC, is incinerated, or disposed of in line with the legal requirements of the countries in which we operate. An annual sewer discharge permit is obtained which includes monitoring of concentrations of key pollutants in wastewater, as well as certified annual clean of the oil interceptor.

Air Pollution

As part of the Sustainability Strategy, actions were implemented to reduce VOC emissions at source. Trials with higher solid lacquers have been underway, which are expected to significantly reduce VOC emissions at the source. Investments in more efficient filtering and abatement systems are also planned to mitigate further fugitive emissions.

TPL has set an objective to reduce the content of solvents, therefore VOC, in the lacquers it uses. To 40% VOC by weight by 2025. The progress towards the set target can be seen in Table 19. The target for 2024 was that the weight of VOC in lacquers used should constitute no more than 50% of the weight of purchased lacquers and ink. This target was successfully met, with only 48% of the purchased weight being VOC. These results indicate that the action plan to reduce VOC emissions at source is proceeding as anticipated.

Disclosure of air emissions and progress

from 2022 to 2024 is shown in Table 20. Data is obtained from the third-party report for the sampling and analysis of air emissions, in line with local regulations. Data for 2024 shows a 7% decrease in the input of organic solvents, showing a reduction in VOC at source. Emissions in waste gases which are monitored from the stacks, have continued to increase significantly since 2022. The preventive course of action currently being implemented is to regularly change the filters and abatement systems to ensure compliance with emission limit values. Toly is currently in communication with local authorities to identify more effective actions that can be taken to reduce waste gases. Positively, the solvents collected in solid waste increased, showing that the abatement systems in place successfully capture VOCs before they end up as fugitive emissions.

In fact, the fugitive emissions have reduced in 2024 compared to 2023 by 70%, creating a 7% reduction in total air emissions.



UV Lacquering Line at Toly Products Ltd

Table 19 -VOC reduction target

Target	Base Year	Base Year Value (%VOC)	2023 Target (%)	2023 Value (%VOC)	2024 Target (%)	2024 Value (%VOC)	2025 Target (%)	Target Status
40% absolute reduction in VOC content in lacquers and inks purchased by 2025	2022	67%	60%	61%	50%	48%	40%	Ongoing-2024 Target Met

Table 20 -VOC Monitoring Progress

	2022 (kgVOC)	2023 (kgVOC)	2024 (kgVOC)	Difference 2024 vs 2023
Input of Organic Solvents	19,544	20,934	19,501	-7%
Emissions in Waste Gases	2,442	8,709	11,193	29%
Organic Solvents Contained in Collected Waste	3,316	7,404	6,956	-6%
Fugitive Emissions (input – all outputs)	13,786	4,821	1,352	-72%
% Fugitive Emission Limit Values (percentage of solvent input)	71%	23%	7%	-70%
Total Emissions	16,228	13,530	12,545	-7%

Water Pollution

Wastewater is tested yearly to analyse effluent levels and ensure they are within regulatory limits. TPL also has the Public Sewer Discharge Permit which allows discharge from specific sources. The permit shows that we are within local regulatory limits of discharge and hence no corrective action is required.

Substances of Concern and Very High Concern

As for substances of concern and very high concern, Toly ensures that all materials and packaging used do not contain such substances as required by regulations. Hence, the target is to ensure that no material or packaging used or sold by Toly Group includes any substances of concern or very high concern.



E3 Water Resources



Water consumption is monitored for all Toly facilities. In TPL, water flow is mapped to ensure appropriate monitoring and understanding of water usage and discharge. The factory uses two water supplies; the main water supply and harvested roof rainwater. The water supplied from the mains feeds the reverse osmosis used in the pump room to deliver water for mirror cutting, lacquering line and tool room, as well as closed loop process cooling. Mains water also supplies domestic water tanks for taps, WCs and adiabatic cooling. Water harvested from rain is used in the fire pump and geothermal cooling. At each endpoint, wastewater is generated which is filtered through an oil interceptor for processes using reverse osmosis (RO) water. Discharge water is then sent to the public sewer according to the Public Sewer Permit. The permit includes monitoring concentrations of key pollutants in wastewater to ensure they are within regulatory limits. The oil interceptor is also cleaned and certified annually.

Policies Related to Water

E3-1_01/02/03/04/06/10

The Water Management Policy outlines TPL's commitment to responsible water management, aiming to conserve water resources, reduce waste and ensure compliance with applicable regulations. The policy applies to all operations and activities at Toly Products Ltd that impact water use and quality.

Objectives of the policy include reducing water consumption, maximising water harvesting, treating and monitoring wastewater before discharge, and employee training to raise awareness on best practices. The policy also ensures compliance with Maltese regulations and applicable industry standards for both consumption and wastewater. As mentioned, wastewater is tested annually for effluent levels to ensure they are within legal limits, as proven by the sewer discharge permit.

Actions & Resources Related to Water

E3-2_01

On the roof of the TPL factory, rainwater harvesting was implemented to collect rainwater and use it in circulation for the fire pump and geothermal cooling. Over time, this is expected to reduce the water consumption from the mains and increase the internal reuse of rainwater.

Water Consumption

E3-4_01/2/3/4/5/8/12

Historical data is available for TPL and TML, however, 2023 is the first year of reporting of water consumption for the sales offices, hence, comparative data is not available for these offices. Table 21 shows the data for 2023 water consumption.

Data for TBE and TFR in 2023 , and TAS and TBE in 2024 is not available due to lack of visibility of actual consumption. For TUSA, water consumption is not available since the utility fees are part of the rental agreement, and Toly does not have visibility of the actual consumption or dollar amount.

In 2023, the total consumption amounted to 5,898 cubic metres.

This is a 5% increase compared to 2023 consumption for the same entities. TPL generates 80% of the water consumption compared to the other offices, which is expected since water is used for production operations in TPL, while water is only used for office consumption in the other offices. Comparing to 2023, TPL increased water consumption by 3%, with TPUK office increasing water consumption by 396% due to increased use of offices compared to 2023.

Table 21 -Water Consumption Progress by Entity

	2023	2024	Difference 2024 vs 2023
TPL	4,556	4,708	3%
TML	995	1,029	3%
TAS	48	-	-
TBE	-	-	-
TFR	-	47	-
TPUK	23	114	396%
Total	5,622	5,898	5%



E5 Resource Use & Circular Economy

In the transition to a more responsible business, Toly is committed to embed sustainability in all areas of the value chain. Resource use and circular economy is therefore a crucial focus area. This section addresses the policies, actions and targets related to resource inflows, outflows and waste, as well as disclosure of metrics related to each subtopic.

In 2024, a new Ecodesign Strategy was created focusing on guiding designers to shift towards recyclable designs with recycled content. This approach is intended to reduce our overall Scope 3 Category 1 emissions by shifting to lower carbon footprint materials and align with the requirements of the Packaging and Packaging Waste Regulation (PPWR) legislation. By prioritizing recyclable materials and incorporating recycled content, we aim to minimize our environmental impact and support a circular economy.

Policies, Actions & Targets Related to Resource Use & Circular Economy

E5-1_01/02/03/04, E5-2_01/02/03/04/05/06/07/08, E5-3_01/02/03/04/05/06/08

The Environmental Policy includes objectives related specifically to resource use and circular economy which are:

- **Foster a culture of circular economy and proper waste management by following the Waste Management Policy and waste hierarchy of prevention, re-use, recycling, recovery, and disposal.**
- **Promote internal optimisation of resource use, recycling and reuse.**
- **Continuous research of new materials and technologies that will reduce the impact of our products on the environment through the entire lifecycle.**
- **Actively promote packaging with lower environmental impact to our customers through life cycle assessments.**
- **Favour suppliers that adhere to**

sustainable practices with certified material and environmental standards.

- **Promote the use of recycled materials in our products to customers.**
- **Focus on recyclable packaging by design to promote recycling at end-of-life by end consumers.**



The Ecodesign strategy includes multiple targets and actions aligned with the environmental policy, as disclosed in Table 22 below.

Table 22 - Strategy Targets Related to Resource Use and Circular Economy

Topic	Related Emission Scope	Strategy Target	Entity	Actions Related to Targets	Time frame	Base Year	Progress in Current Year
E1/E5 GHG Emissions Resource Inflow	Scope 3 (Cat. 1) (100%)	75% of procurement to be BIO/PCR/ biodegradable in TPL by 2025	Group	Supplier sourcing strategy, PCR target integration in purchasing policies, design phase integration	2025	2023	-19%
E1/E5 Resource Inflow	Indirect	10% Y.O.Y regrind by weight in production	TPL	Increase internal waste reuse from regrinds	-	-	8.30%
E1/E5 GHG Emissions Resource Inflow	Scope 3 (Cat. 1) (100%)	5% Y.O.Y reduction in plastic consumed in TPL per € production TO	TPL	Design for Recycling guidelines implemented and followed by all design teams, with focus on lightweighting and avoiding unnecessary plastic usage in packaging.	2030	2023	36%
E1/E5 GHG Emissions Resource Inflow	Scope 3 (Cat. 1) (100%)	100% of quoted projects with at least 30% PCR content by 2025	TPL	All quotations with recycled content inclusions, promoting recycled content instead of virgin material and reducing carbon footprint of products.	2025	2023	31%
E5 Resource Outflow	Indirect	100% of awarded projects with measurable sustainability claim	TPL	All awarded projects, quotations, innovations and concept designs must have a sustainability claim, which is analysed and tracked monthly. Claims include at least 30% PCR, recyclable material, biobased/ renewable material, at least 5% reduction in plastic by weight, and recyclable by design. Design for Recycling guidelines were implemented and followed by all design teams.	2030	2023	100%
E5 Resource Outflow	Indirect	100% of quotations with measurable sustainability claim	TPL		2030	2023	89%
E5 Resource Outflow	Indirect	100% of innovations with measurable sustainability claim	TPL		2030	2023	72%
E5 Resource Outflow	Indirect	100% of concept designs with measurable sustainability claim	TPL		2030	2023	91%
E5 Resource Outflow	Indirect	100% of awarded projects evaluated with SPICE tool (LCA)	TPL		2030	2023	100%

Resource Inflows

E5-4_01/02/03/04/05/06/07

The raw materials purchased in TPL are a mix of plastics for moulding, materials for decoration, and tertiary packaging. The products purchased by sales offices from other sources other than TPL are a mix of plastic, glass, metal and cardboard packaging, with a small percentage of wood packaging for cosmetics. Table 23 shows a breakdown of the total materials or products purchased in reporting year 2024. Total weight of purchased goods and materials increased by 47% compared to 2023. A significant positive increase in

biobased materials is noted in 2024 compared to 2023. As for recycled materials, in 2024 19% less PCR plastics from 30% up to 100% recycled content were purchased compared to 2023. These include both chemical and mechanical recycled material. With our Sustainability and Ecodesign Strategy, our design teams and sales teams are trained to provide sustainable solutions to our customers, including PCR content. We remain committed to increase our PCR content in all our plastic packaging up to 30% by 2030.

Table 23 - Resource Inflows

	2023 (tonnes)	2024 (tonnes)	Difference 2024 vs 2023
Total weight of purchased goods/materials	1,822,102.21	2,675,964.63	+47%
Total weight of biobased materials	81,918.88	164,274.30	+101%
Total weight of recycled materials	312,961.08	254,417.78	-19%

Resource Outflows

E5-5_01/04/05/06

The products sold by Toly are all for the cosmetic industry and include packaging made from plastic, glass, metal, cardboard, and other materials.

In 2024, 10% of sold products included recycled content between 30% and 100%, chemically or mechanically recycled.



Refillable Airless Bottles Range

Waste Generated

E5-5_07/8/9/10/11/12/13/14/15/16/17/18

As disclosed in more detail in Section E1, the total waste generated at TPL in 2024 was 625 tonnes. The majority of this weight is sent to landfill (76%) due to general waste generated at the factory which is not recyclable. Only 10% of the waste is recycled. Table 24 discloses the generated waste in 2024 by material and treatment type.

The Ecodesign strategy includes commitments to move towards recyclable packaging in line with PPWR. This is expected to reflect a significant shift in weight of waste in general waste to plastic waste which is recyclable. Additionally, efforts are being made to reduce the waste generated at production level to maximise material yield.

Table 24 - Waste Generated in 2024 by Type and Treatment

Waste Type	Treatment Type	2024 (tonnes)	% of Total
Plastic	Recycled	15.83	3%
Plastic	Regrind internal (reuse)	69.97	11%
Glass	Landfill	50.48	8%
General Waste	Landfill	382.25	61%
Wood	Reused	7.88	1%
Metal	Recycled	35.62	6%
Hazardous Liquid	Landfill	28.56	5%
Hazardous Solid	Incineration	13.91	2%
Cardboard	Recycled	9.20	1%
Other industrial waste	Landfill	11.31	2%
Total		625.01	



SECTION 04

SOCIAL



Toly Core Value Awards

HIGHLIGHTS:

EQUALITY
MARK85%
393

AWARDED BY THE NATIONAL COMMISSION FOR THE PROMOTION OF EQUALITY

OF EMPLOYEES THAT TOOK UP INTERNAL COACHING ARE FEMALE

TOTAL EMPLOYEES AS AT 31ST DECEMBER 2024, 60% MALE 40% FEMALE

S1 Own Workforce



Introduction

G1-1_01/02/05/08/10/12/13

Toly's core value statement is noticeably clear on how as an organisation, the Group places emphasis on people. Toly is a people company and Toly is a way of life. Over the previous years of global uncertainty, Toly continued to strengthen its corporate spirit and teamwork as an integral part of the Group's everyday activities. Management believes that to succeed in the marketplace, we need to build teams of A-players, strengthen our leadership, and develop a culture of inclusion, diversity, empowerment life-long learning.

Toly is on the constant look out for the best people who can take this Group forward, ensuring that customers are given a total solution for their needs. The Group has therefore added key personnel to help support Toly's growth ambitions.

Throughout 2024, Toly continued to invest in Human Resources (HR) by enhancing the organization structure, developing capabilities across the workforce around the globe.

Toly aims to provide a safe working environment that prioritizes its employees' health. Toly respects the rights of all employees in line with legislations in place. At the same time, the Group ensures that it educates its employees so that Toly's employees can contribute to the society and environment around them at work and at home.



All employee numbers are reported as at 31st December 2024. Average number of employees is taken as an aggregate and calculated as per the agreed headcount budgeting for the period. All other results reported cover the period between 1st January 2024 and 31st December 2024

As explained in the introduction, since the DMA is still underway, policies, actions, targets and metrics related to own workforce will be updated once the DMA is completed.

Type of Employees in Workforce

S1-SBM-3_02

The company's workforce includes a diverse range of individuals who contribute to its operations and overall performance. This encompasses not only those directly employed by the company on a full-time or part-time basis, but it also includes individuals engaged through subcontracting arrangements or employed by partner organizations, such as vendors, or service providers, who carry out work that is operationally significant or closely aligned with the company's core activities. Subcontracted employees primarily serve in roles such as Operators, Material Servers, or as Cleaners, contributing to essential day-to-day functions. All these individuals, regardless of the nature of their contractual relationship, are included within the scope of the company's ESRS disclosure, reflecting a comprehensive approach to workforce-related sustainability and governance reporting.

Non-Applicability of Data

S1-SBM-3_07/08/09/10/11/12

Toly does not have operations in areas of significant risk of incidents of forced labour, compulsory labour and child labour. This would go against our Human Rights, Fair Employment Policy, which stipulates that:

"Toly conducts its business in a manner that respects the rights and dignity of all people, complying with all applicable laws and regulations. Our policies reflect our commitment to respecting the protection of internationally recognized Human Rights."

All employment with Toly is voluntary. We do not use child or forced labour in any of our operations or facilities. We do not tolerate any form of unacceptable treatment of workers, including but not limited to the exploitation of children, physical punishment or abuse, or involuntary servitude. We fully respect all applicable laws establishing a minimum age for employment, in order to support the effective abolition of child labour worldwide."

Policies Related to Own Workforce

S1-1_02

Toly has implemented a range of policies that reflect its commitment to the well-being, development, and rights of its workforce. Throughout 2024, all policies were published on the Company's Intranet as well as on the learning management system and assigned to all workforce to read them and confirm that they have read and understood such policies through their personal users. No significant changes were made to the policies in place, other than that they were now made easily available to all employees through the Learning Management System (LMS).

Policies related to Own Workforce:

- Anti-Bribery, Anti-Corruption & Whistleblower Protection Policy
- Human Rights, Fair Employment Policy
- Equality Policy
- Harassment & Victimization Policy
- Code of Conduct and Ethics Policy
- General Data Protection Regulation (GDPR) Policy
- Health and Safety Policy
- Dress Code Policy
- Break Times Policy
- Smoking Policy
- Workplace Hygiene Policy
- Work from Anywhere Policy
- GDPR Compliance Policy for Use of Employee Imagery in Public
- Performance Improvement Plan Policy
- Refer Great People Policy
- Sick Leave Policy
- Confidentiality Policy for Recruitment (applicable only to recruiting managers)
- Customer Credit Terms (Applicable only to Sales, PMO and Finance team)

Human Rights Policy Commitments

S1-1_03/04/06/08/16

Toly always respects human rights. In most countries it operates from, this is confirmed through Toly's compliance with laws in Malta, USA, UK, France, Belgium, Hong Kong, and South Korea. In China, Toly has been audited several times by large beauty brands and these brands have confirmed Toly's adherence with

human rights through positive conclusions on their social audits.

Toly continues to follow its policy on human rights, ensuring that Toly offers a workplace that safeguards its employees from child labour, unlawful worktimes, human trafficking, and unsafe workplaces.

The audit results have been positive in those countries where brands have requested an audit, with the same brands having full confidence of Toly servicing them through the sales network or by other plants where no audits have taken place.

As set out earlier in this report, Toly has achieved Silver status by EcoVadis in its Malta plant as well as Silver in the Korea plant which confirms Toly's practices towards social and ethical compliance. Toly has had no reports whatsoever on contraventions of human rights or corruption throughout the history of the Group.

Toly is committed to the highest standards of business and ethical behaviour including compliance with all applicable laws and regulations, as well as company policies, practices and procedures. Toly respects internationally recognized Human Rights as established in the Universal Declaration on Human Rights and the International Labour Organisation's Core Conventions.

In line with the UN Guiding Principles on Business and Human Rights, Toly recognizes the corporate responsibility to respect these principles and commit to 'know and show' this through on-going human rights due diligence. Furthermore, our efforts include ongoing robust engagement with our business and major supply chain partners to mitigate potential human rights impacts beyond our direct control.

Our support for internationally recognized Human Rights is consistent with our dedication to enriching our workplace, partnering with our supply chain, preserving the environment and supporting the communities where we operate.

The objective of Toly's documented policy is to provide an overview of expectations for employees and business partners.

In addition, the Human Rights policy exists to:

- Inform employees, business partners and customers of Toly's commitment to human rights.
- Establish Toly's commitment to 'know and show' its respect for human rights through on-going human rights due diligence.
- Maintain Toly's high ethical standards.
- Contribute to the realization of human rights globally.

Toly's Human Rights Policy applies to all Toly employees worldwide, anyone doing business for or with Toly and others acting on Toly's behalf. This applies to all locations where Toly conducts business and to all company-sponsored events. Human rights are basic rights inherent to all human beings, regardless of nationality, place of residence, sex, sexual orientation, national or ethnic origin, colour, religion, language, or any other status. Toly conducts its business in a manner that respects the rights and dignity of all people, complying with all applicable laws and regulations. Our policies reflect our commitment to respecting the protection of internationally recognized Human Rights. All employment with Toly is voluntary. We do not use child or forced labour in any of our operations or facilities. We do not tolerate any form of unacceptable treatment of workers, including but not limited to the exploitation of children, physical punishment or abuse, or involuntary servitude. We fully



respect all applicable laws establishing a minimum age for employment, in order to support the effective abolition of child labour worldwide. Toly abides by all laws and regulations regarding pay practices and the classification of employment according to job level and status.

We respect our employees' right to choose to join or not join a trade union, or to have recognised employee representation in accordance with local law.

Diversity is embraced at Toly. We recognise that a diverse mix of gender, backgrounds, skills and experiences drives new ideas, products, and services and provides us with a sustained competitive advantage. We believe everyone should be treated with respect regardless of their background. We are committed to the elimination of discrimination based on

gender, race, class, economic status, ethnic background, sexual orientation, age, political beliefs, veteran status, marital status or any other protected class. We respect minimum rest periods, all health and safety regulations, provide a secure place to work as well as invest in the development of our people so that they can reach their full potential.

In addition to this, Toly is committed to the following principles:

- Toly respects all human rights.
- Toly commits to conducting on-going human rights due diligence to assess and mitigate potential human rights infringements.
- Toly expects those with whom it does business to respect all human rights.

The Human Rights policy is owned and maintained by Toly's Human Resources function. Human Resources is responsible for the creation, administration, updating and communication of the policy.

Employees and suppliers are expected to comply with this and all applicable Toly policies. Violation of this policy or the refusal to cooperate will result in disciplinary action, up to and including termination and referral to the appropriate authorities, where we have sound reason to believe that our partner organisations infringe Human Rights we reserve the right to cease those relationships as warranted.

Specific to this policy, employees and suppliers are expected to:

- Never infringe on human rights.
- Be alert to any evidence of human rights infringements in our direct operations or in the operations of our business partners and report any situation in which human rights infringement is suspected.

Training & Communication

S1-1_17

Toly will provide training on this policy as part of the induction process for all new employees. Employees will also receive regular, relevant training on how to adhere to this policy.

Toly's human rights and fair employment practices will be clearly communicated to all suppliers, contractors, business partners, and any third parties at the outset of business relations, and as appropriate thereafter.

Alignment of Policies With Internationally Recognized Instruments

S1-1_07

The HR Department keeps up to date with the current legislation and regulations in place to ensure that all company policies applicable to all the workforce are aligned with internationally recognized instruments accordingly, including the UN Guiding Principles on Business and Human Rights. A record of such legislations is kept updates on SharePoint. The company is a member of the Malta Employers' Association which issues notices to employers about any legislative updates, and we also attend a number of conferences and seminars about such updates to ensure we are always up to date.

Recruitment & Selection

S1-1_05/20

The purpose of the Recruitment and Selection Procedure is to ensure a fair, transparent, and effective process for hiring employees who meet the requirements of the organization and contribute to its success. This policy outlines the steps to be followed by all personnel involved in the recruitment and selection process.

The Recruitment and Selection Procedure is applicable to all employees within the workforce. Our commitment is to give fair opportunities to all applicants, ensuring that human rights are respected in line with the Human Rights, Fair Employment Policy.

The Recruitment and Selection Procedure will comply with all applicable laws, regulations, and organizational policies governing recruitment and selection practices.

This policy will be periodically reviewed and revised as necessary to ensure its effectiveness and compliance with changing legal requirements and organizational needs. HR personnel will provide guidance and support to hiring managers and other stakeholders to ensure compliance with this policy. The HR department is responsible for overseeing and coordinating the recruitment and selection process, ensuring compliance with this procedure, and providing support and guidance to hiring managers and candidates.

All records on recruitment, training and

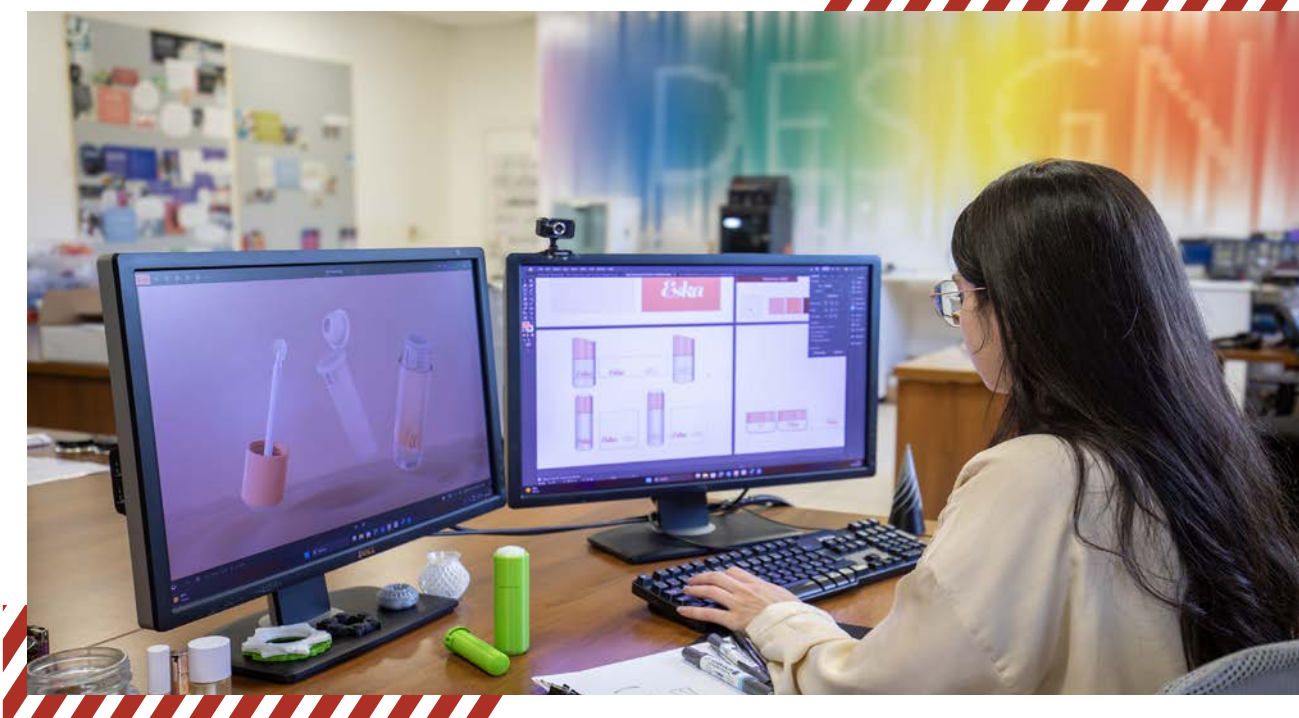
promotions are kept up-to-date in the HR Information System; the Recruitment and Selection Procedure is defined in the respective policy as well as in the Collective Agreement in place which also highlights opportunities for employees and progression.

Equal Employment Opportunity

S1-1_19

The organization is committed to providing equal employment opportunities to all individuals regardless of Sex/Gender, Marital Status, Family Status, Age, Race, Nationality, Disability, Religion, Sexual Orientation, Gender identity/expression and Sex Characteristics. Recruitment and selection decisions will be made based on merit, qualifications, and job-related criteria.

Job requirements are defined in alignment with the principles of Equal Employment Opportunity, ensuring that all candidates are considered based on their qualifications, skills, and experience, without discrimination based on personal characteristics such as gender, age, disability, or ethnicity.



Wherever possible, roles are designed to be inclusive and accessible to a broad and diverse talent pool. However, in certain cases, specific legal or operational requirements may necessitate the inclusion of physical or functional criteria, for example, roles that involve the regular lifting of heavy items or the operation of specialized machinery. In such instances, job requirements are clearly stated to reflect these essential duties, while still maintaining a commitment to fairness and non-discrimination in the recruitment and employment process.

Confidentiality

All information related to the recruitment and selection process, including applications, interview evaluations, and reference checks, will be treated confidentially and used solely for the purpose of hiring decisions.

Promotions & Filling Vacancies

The Recruitment and Selection Procedure includes promotion procedures where the Human Resources Department ensures that promotions are given fairly and on basis of:

- Merit and qualifications
- Aptitude for the role
- Seniority within the organization
- General record of performance

Health & Safety

S1-1_09/18

Toly takes health and safety (H&S) of its work force and contractors very seriously. We want any visitor to any Toly site to feel safe when visiting Toly. Policies and processes have been implemented by Toly's H&S officer to ensure that health and safety is not only properly documented in processes, but also executed to ensure that safety is always given its due

importance. Toly sets out detailed plans, to prevent, eliminate, minimise, mitigate, and hence manage risks and to meet Toly's legal obligations and duties to support the Group H&S policy.

All employees, visitors, and sub-contractors at Toly act to prevent injuries and health impairment through:

- On entry into Toly factories, visitors are provided with a detailed leaflet setting out the risks and obligations of the different parties.
- Continuous education in order to prevent injuries and impairment of health and improve the H&S effectiveness.
- Continuous education and training to all employees for safe work on all workplaces in H&S.
- Exploration of new materials and equipment in order to decrease workplace risk level.
- Proactive management of changes in Occupational Health and Safety (OH&S) Management system.
- Ensuring the safety of employees, sub-contractors, and visitors, considering the nature of work and real hazards that exist at every workplace.

In 2021, Toly set-up a H&S council within the Malta factory, made up of a mix of employees and management, with the aim of continuously improving the H&S of the plant and this council remains operational. Toly is committed to protect the health of its employees and visitors, and to ensure a safe working environment.

The H&S Policy applies to all employees based at Toly Products, Malta; and is based on Toly's corporate business principles and Toly's

management and leadership's principles, which are binding for the Toly Group.

The policy sets out the standards and regulations of Toly Products in relation to H&S of its employees and visitors in order to convey a proper image of the Company and its employees, whilst at the same time having regard to H&S, local legislation, security and product quality considerations.

Employees are responsible for following the rules and regulations laid down in this policy and should understand how this policy relates to their working environment; H&S; particular role and duties and contact with others during the course of their employment. Managers and Supervisory Staff are also responsible for ensuring the policy is adhered to at all times in respect of the employees they manage and/or supervise. Failure to adhere to the Company's standards may constitute misconduct and result in formal disciplinary proceedings.

Toly Group is committed to maintain a healthy and safe working environment for its employees. The company undertakes to comply with occupational H&S standards and legislation chapter 424 - Occupational Health & Safety Authority Act. Toly Group provides direction to all employees in the health and safety domain by:

- Aspiring to 'natural safety' through effective leadership, by having the right behaviours and promoting a vibrant safety culture through two-way communication and participation.
- Applying a risk-based approach to setting health and safety objectives as part of our overall business strategy.
- Providing appropriate training, information and supervision to ensure that personal responsibilities are honoured in a safe, reliable and competent manner.
- Providing adequate funding and resources that contribute towards a safe and healthy working environment.
- Complying with occupational H&S legislation and, as appropriate, other codes of practice, standards or requirements as may be specified by our clients.
- Implementing arrangements for managing emergency situations, accidents, ill-health and first aid.
- Monitoring planned arrangements and our performance against stated objectives and publishing the results in our Corporate Responsibility report.
- Continually improving the effectiveness of the management H&S management reviews, to ultimately improve overall H&S performance.
- Pro-actively working with the industry and



our partners to improve H&S, including recognizing our contribution through safety in design.

Toly Group continues to meet its H&S objectives through the following principles:

- Develop and enforce H&S procedures within the workplace.
- Provide the necessary training, information, on-going H&S audits and instructions to its employees to ascertain their competence in H&S issues.
- Protect the company's people.
- Maintain efficient working practices to safeguard the H&S of all third parties which may be affected by the company's activities.

Toly Group takes a proactive approach to identify potential hazards in an effort to prevent and reduce the occurrence of injuries. The company will allocate funds to maintain and improve safety standards consistent with this policy and with its strategic or financial objectives. Safety is without doubt, the most crucial investment we can make, and the question is not what it costs us, but what it saves us. To this end, the Toly Group is committed to work collaboratively with its employees to create and sustain a psychologically and physically healthy and safe work environment. The Health & Safety Committee will be a primary steward for the process. Recognizing that employee participation is an essential component, through this Committee, employees can participate in the development, implementation and continual improvement of a healthy and safe work environment. Toly is committed to change this policy in accordance to any future local legislation that may come into force.

Initiatives & Programmes

- **Social Committee & Employee Events:** Toly organises fun and engaging activities to foster connection, creativity, and teamwork across departments.
- **Leadership Development & Coaching:** We are committed to building strong leaders and supporting continuous personal growth across the organisation through leadership training and mentoring.
- **Core Value Awards:** At Toly, our values "People, Passion, Pride, and Creativity" are at the heart of everything we do. The Core Value Awards celebrate individuals who go above and beyond to live these values every day.
- **Employee Appreciations:** We recognise and value each other's efforts through our internal Appreciation App.
- **Wellbeing Initiatives:** We promote physical and mental health through a series of wellness-focused activities and support programmes.
- **Awareness Initiatives:** We participate in key global health campaigns to raise awareness and encourage preventative care.



Processes for Engaging With Own Workforce & Workers' Representatives About Impacts

S1-2_02/03/04/05

The Human Resources Department manages the engagement function, specifically the Chief HR Officer. This is captured in the Human Rights Policy. Engagement with own workforce and workers' representatives occurs through the below means:

- One-to-One Meetings with management
- Talent Reviews once every two years with CEO and CHRO
- eNPS Survey Bi-Yearly
- Team Briefs sent by CEO on a weekly basis
- Union Meetings depending on Union requirements
- Engagement with employees through Satisfaction surveys, Bi-Yearly
- Performance Reviews Bi-Yearly

Policies Aimed at Elimination of Discrimination

S1-2_10/11/13/14

As set out in the past annual reports, the Toly Board of directors aimed as a separate target in gender equality to have a female member on the board of directors by the end of 2025. Toly is confident it will achieve this target by 2025.

For executive management and the remaining management team and management levels, so far, no target for gender equality has been

set, but has been evaluated by the Board of directors and executive management and some steps have been taken in the past couple of years. However, further evaluations are required. These will include a review of the different equality requirements in the various levels of the organisation to determine the appropriate levels of female participation, thereby achieving an adequate level of equality among the workforce.

However, Toly started to take several actions by steering certain recruitments and promotions to ensure there is an improved female participation. Toly recruited several new females in the different management levels of the organisation. In Malta, several recruitments for a few senior positions in Sales, Marketing, HR, finance, quality, and customer experience were female. In addition, the executive team includes two female members, which is the most senior level of management that includes the Chief Executive Officer, responsible to the Board of Directors of Toly Group.

85% of employees that took up internal coaching were female members of staff.

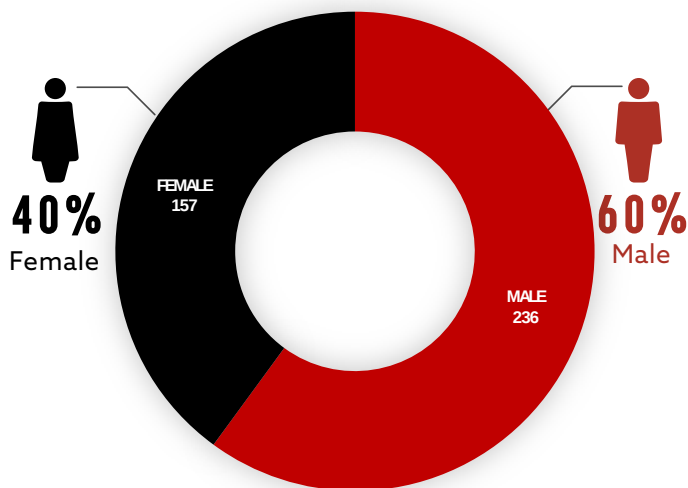
The Board is satisfied with the results of the actions taken by management to meet the legal requirements of female participation within Toly. In its recruitment process the Group is always looking to employ the best candidate regardless of the gender of that person. With focus on training and education, it is the objective of the Group that talents of both genders will provide a supply of qualified

people of both genders to the different management levels.

The Group continues to promote diversity and inclusion and of ensuring pay equity across the different grade levels, with the objective of ensuring that there is equal pay for equal work. In addition, Toly reviews its business operations regularly and ensures that the highest standards for human rights are always maintained. The male to female ratio of the Group is largely balanced.

Figure 12 - Employee Headcount 2024 as at December 2024

Number of Employees (Headcount)



As stipulated in our Human Rights Fair Employment Policy, we are committed to the elimination of discrimination based on gender, race, class, economic status, ethnic background, sexual orientation, age, political beliefs, veteran status, marital status or any other protected class.

Toly Products constitutes Harassment & Victimization as unwanted conduct which violates a person's dignity or creates an intimidating, hostile, degrading, humiliating or offensive environment for that person. It is against the Company's policy for any employee to sexually harass another. It is also against the Company's policy for any



employee to harass another employee on the grounds of his or her sex/gender, race, colour, ethnic origin, nationality, national origin, religion or belief, age, disability sexual orientation, gender expression/identity and sexual characteristics. Toly's Harassment and Victimization Policy applies to all employees at the Toly Group worldwide, anyone doing business for or with Toly and others acting on Toly's behalf. This applies to all locations where Toly conducts business and to all company-sponsored events. This policy applies not only apply at the Company's premises but anywhere an employee may be working as part of his employment with Toly. This includes any social occasions that may be organized by Toly. We aim to resolve any complaints as quickly as possible. All complaints will be treated seriously and confidentially. Only complaints that relate to a breach of this policy should be made using this procedure. Complaints about other matters should be made using the Company's Grievance Procedure.

Training on Policies

S1-1_13/14/17

All employees receive training in the relatable policies in place to ensure that they are aware of such policies and procedures available to ensure that discrimination is prevented, mitigated and acted upon once detected, as well as to advance diversity and inclusion. The process is then explained in further detail in the said policies which lead to investigation and disciplinary actions as required.

Training is given during Induction Onboarding sessions, and sent to all employees through the LMS from which employees would then confirm that they have read and understood the policies accordingly through their personal profiles.

Staff training in non-discrimination policies and practices is in place as all the policies are explained during Induction and employee onboarding, apart from the fact that all employees are given a user account on our LMS on which each individual is required to read the policies and confirm that they have read and understood said policies. Each policy is linked to the specific employee groups as applicable.

Grievance Procedure

S1-1_21

The company has implemented a Grievance Procedure to address complaints, handle appeals and provide recourse for employees (especially in the context of negotiations and collective agreements) when discrimination is identified, and is alert to formal structures and informal cultural issues that can prevent employees from raising concerns and grievances. It is the intention of the company to establish the means for the prompt disposal and amicable settlement of any complaint that may arise.

Grievance Access to Skills Development

S1-1_22

The company ensures that it has programs to promote access to skills development for all its employees. Bi-Yearly Performance Reviews and Talent Reviews are available for a specific group within the workforce that falls under the Administrative category, and a Learning Management System which is available to all workforce which is easily accessible and contains a multitude of courses and development programs. Apart from this, roles which fall under the Collective Agreement are equipped with a growth plan and necessary skills and requirement for career progression. The Company also commits to creating Documented Individual Growth Plans and Coaching Talent.

Channels Available to Address Concerns

S1-3_02/03/04/09

Toly upholds a strong commitment to ethical conduct and transparent communication across all levels of the organisation. As part of this commitment, the company maintains an open-door policy, encouraging employees to voice concerns directly to management without fear of retaliation.

In addition, Toly has implemented a formal Anti-Bribery, Anti-Corruption & Whistleblower Protection Policy. This policy outlines clear procedures for raising concerns and ensures safeguards are in place to protect individuals who come forward in good faith. Toly affirms that there are no third-party limitations placed on whistleblowing or reporting procedures. All members of the workforce have access to independent third-party mechanisms for reporting concerns. These mechanisms

provide an additional layer of confidentiality and protection, ensuring that employees can safely raise issues outside the internal reporting structure if preferred.

Disclosure of Grievance & Complaint Handling Mechanisms

S1-3_05/06

Toly is committed to maintaining a respectful, fair, and transparent work environment where employee concerns are addressed promptly and effectively. To this end, the company has established clear grievance and complaint-handling procedures related to employee matters. These mechanisms are referenced in the Anti-Bribery, Anti-Corruption & Whistleblower Protection Policy (Clause 7) and are detailed further in the Grievance Procedure.

The objective of these mechanisms is to ensure the prompt and amicable resolution of any concerns or disputes that may arise between employees and management, including issues of interpretation, application, or compliance with company agreements or policies.

All communication is kept via the company's communication system. Any records are kept and uploaded on the HR Information System as necessary and as applicable.

Disclosure of Workforce Awareness & Trust in Reporting and Grievance Mechanisms

S1-3_08

Toly recognizes the importance of ensuring that all employees are aware of, understand, and trust the structures and processes in place to raise concerns or express needs. To support this, the company has established measures to promote transparency, accessibility, and

accountability in its internal reporting and grievance mechanisms.

All relevant policies including those related to code of ethics, anti-corruption, whistleblowing, and grievance procedures are made available to employees through the company's LMS. This platform provides continuous access to up-to-date policy documents and related training materials. To assess workforce awareness and engagement, employee access to policies is tracked through the LMS. Training completion is monitored to ensure that employees are not only exposed to these policies but also have acknowledged and understood them.

Workforce Information Accessibility

S1-2_12/13

Upon commencement of employment, all employees undergo Induction Training designed to provide clear and accessible information about their roles, responsibilities, and workplace policies.

To ensure ongoing communication, information is disseminated through multiple accessible channels. These communication methods are designed to ensure that all employees receive information in a clear, accessible, and consistent manner.

- **Email Communication:** Simplified and easy-to-understand messages are regularly sent to employees' personal email addresses.
- **Notice Boards:** Important updates and reminders are posted on physical notice boards located within the factory premises.
- **Learning Management System (LMS):** Employees have continuous access to an online platform where they can view training modules, and access current policies and procedures at their convenience.

To date, there has not been any reports of any conflicting interests that have arisen among different employees, and about effectiveness of processes for engaging with its own workforce from previous reporting periods.

Understanding Workforce Perspectives

S1-2_08

At Toly, we believe that a diverse and inclusive workplace not only enriches our company culture but also drives innovation and excellence. This accolade is a testament to the hard work and dedication of our entire team, who continuously strive to create an environment where everyone feels valued and supported.

Our journey towards achieving the Equality Mark has reinforced our dedication to fostering a workplace where every individual has the opportunity to thrive. This prestigious recognition follows a rigorous audit and highlights our strong commitment to diversity, equality, and inclusion within our organization. We will continue to champion initiatives that promote flexibility, equality and inclusivity, ensuring that Toly remains a place where diverse talents can flourish and contribute to our shared success. We aim to continue building on this achievement and setting new standards for diversity, equality, and inclusion.

The above highlights that no such implications exist. The HR Department has not received any reports about such negative impacts, and thus it is assumed that no negative impacts or marginalization is occurring.

In 2024, Toly has been awarded the Equality Mark by the National Commission for the Promotion of Equality.



Characteristics of the Undertaking's Employees

S1-6_01/02/03/04/05/06/07/08/09/10/11/12/13/14/15/18/19/20

An extract reporting the details about employees was extracted through the Company's HRIS into a Microsoft Excel File. For the purpose of this report, a Full-Time employee is considered to be an employee working 40-hours per week, on a Monday to Friday basis, for a period of 52 weeks in one calendar year.

Employee numbers are reported as at 31st

December 2024. The average number of employees is taken as an aggregate and calculated as per the agreed headcount budgeting for the period. All other results reported cover the period between 1st January 2024 and 31st December 2024. The following tables include a breakdown of employees of TGI by country, gender, and other characteristic.

The table related to employees by type of contract and gender is disclosed in table 25.

Important Note: The information disclosed in this report excludes employees or individuals working for joint ventures, including Toly Korea Ltd (TK). Only employees directly employed by TGI are considered in the data presented.

236

Number Of Male Employees Headcount



157

Number Of Female Employees Headcount



TOTAL OF 393 EMPLOYEES DECEMBER 2024

Table 25 – Information on employees by contract type and gender as at December 2024

Reporting period 2024				
Female	Male	Other	Not disclosed	Total
Number of employees (head count / FTE)				
157	236	0	0	393
Number of permanent employees (head count / FTE)				
157	236	0	0	393
Number of temporary employees (head count / FTE)				
0	0	0	0	0
Number of non-guaranteed hours employees (head count / FTE)				
0	0	0	0	0
Number of full-time employees (head count / FTE)				
146	224	0	0	370
Number of part-time employees (head count / FTE)				
7	12	0	0	19

As of December 2024, the organization had a total of 393 employees. Of these, 370 were full-time employees, representing 94.15% of the workforce. Additionally, there were 19 part-time employees (4.83%) and 4 employees working reduced hours (1.02%). The distribution of employees by gender and by type of contract is shown in the figure below.

Number of Full Time Employees			Number of Part Time Employees		
224	Male	57%	12	Male	3.05%
146	Female	37.15%	7	Female	1.78%

Number of employees on Reduced Hours		
0	Male	0%
4	Female	1.02%

Employee headcount in Malta

208 = 52.93%	112 = 28.50%
Number Of Male Malta Employees Headcount	Number Of Female Malta Employees Headcount
	



TOTAL OF 320 EMPLOYEES IN MALTA
81.42% OF GLOBAL WORKFORCE

Characteristics of Non-Employees in the Undertaking's Own Workforce

S1-7_01/02/03/04/05/06/07/08

The figure below include information on non-employees in Toly's own workforce.

The company does not utilize the services of self-employed people, therefore there are zero (0) non-employees in its own workforce.

Subcontracted employees are typically engaged in the role of Operator within the Production

Departments. These individuals are generally employed by third-party subcontracting companies and are assigned to our organization on a temporary basis. Their engagement duration is subject to change and is primarily determined by our fluctuating production demands.

This flexible staffing approach allows the company to efficiently manage workforce levels in response to varying operational requirements while maintaining productivity and cost-effectiveness.

The analysis covers the period from 1st January 2024 to 31st December 2024. All 106 non-employees considered in this report are full-time employees all of them located in Malta. At the end of the reporting period, as at 31st December 2024, the number of non-employees was 65.

Figure 12 - Number of non-employees in own workforce

50 = 47%

Number Of Male Employees Headcount



56 = 53%

Number Of Female Employees Headcount



**TOTAL OF 106 NON-EMPLOYEES
HEADCOUNT**

Collective Bargaining Coverage & Social Dialogue

As of the reporting period, 36.69% of the company's total employees in Malta equating to 156 individuals are covered by collective bargaining agreements. This represents the percentage of own employees covered by such agreements within Malta, which is currently the only country with significant employment in the European Economic Area (EEA) where collective bargaining agreements are in place.

No other countries within the EEA have employees covered under similar agreements. Furthermore, there are no employees covered by collective bargaining agreements in regions outside the EEA, resulting in a coverage rate of 0% for those areas.

Working conditions and terms of employment not covered by collective bargaining agreements are determined on the country's legislature in place, salary benchmarking, and specific roles and markets.

For employees who are not covered by collective bargaining agreements, working conditions and terms of employment are established based on various factors. These may include reference to existing collective bargaining agreements that apply to other employees within the company.

Additionally, national legislation, salary benchmarking practices, and the specific nature of roles and market conditions play a key role in determining employment terms.

With regard to non-employees within the company's workforce such as subcontracted workers their working conditions are also aligned with internal standards. Specifically, all subcontracted employees receive equivalent wages from their direct employer as those received by employees at the same level within the company.

Diversity Metrics

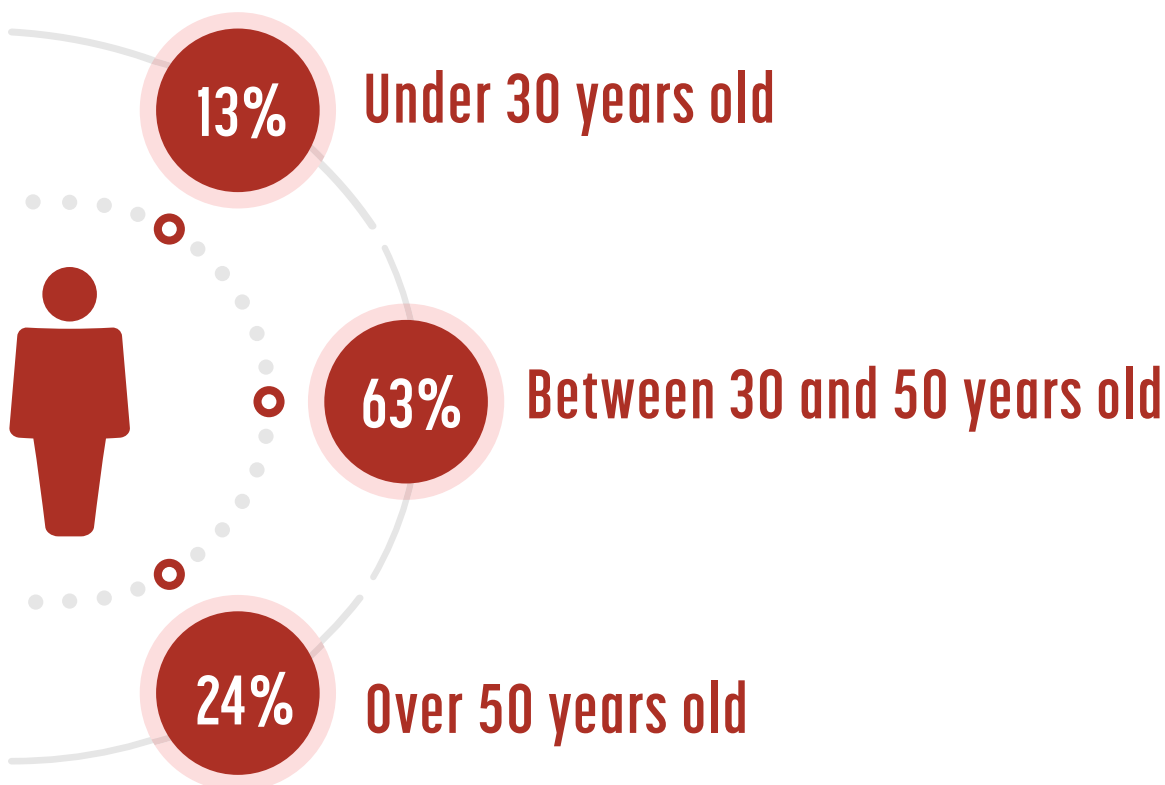
Gender Distribution at Top Management Level

S1-9_01/02



Distribution of Employees by Age Brackets

S1-9_03/04/05



Definition of Top Management

S1-9_06

For the purposes of this report, "top management" is defined as comprising all members of the Executive Team, designated as Chief Officers, as well as Heads of Departments, referred to as "Officers". These are listed below:

- Chairman & CEO
- Chief Commercial Officer
- Chief Commercial Officer - Europe
- Chief Commercial Officer - USA
- Chief Financial Officer
- Chief Human Resources Officer
- Chief Marketing Officer
- Managing Director (Chief)
- Chief Operations Officer
- Chief Technical and Sustainability Officer
- Head of Asia Operations
- I.T. Officer
- Quality Assurance Officer
- Supply Chain Officer
- Technology Officer
- Tooling Officer
- NPD Officer

Adequate Wages

S1-10_01

In accordance with Clause 4.7 of our Equality Policy, we affirm that all employees are paid fair and appropriate wages in line with relevant benchmarking standards.

"All employees are offered the same terms and conditions of employment as equivalent employees in the same grade of position. All employees will receive the same treatment in relation to rewards, discipline etc. All employees will be treated with dignity and respect and provided with a safe working environment which is free from all forms of discrimination, harassment and sexual harassment."

Social Protection

Social Protection Coverage for Employees

S1-11_01/02/03/04/05/06

All employees within the company's own workforce, both employees and non-employees are comprehensively covered by social protection measures, either through national public programs such as Social Security or through government-provided benefits. These protections ensure income security under various circumstances, as outlined below. This overview reflects the company's commitment to ensuring comprehensive social security for its workforce, in alignment with national legislation and applicable employment standards.

All employees within the company's own workforce, both employees and non-employees are comprehensively covered by social protection measures, either through national public programs such as Social Security or through government-provided benefits. These protections ensure income security under various circumstances, as outlined below. This overview reflects the company's commitment to ensuring comprehensive social security for its workforce, in alignment with national legislation and applicable employment standards.

- **Sickness:** Employees are protected against loss of income due to sickness through Social Security or equivalent public programs. In addition to these state benefits, the company grants all employees sick leave entitlements in accordance with applicable laws and internal policies.
- **Unemployment:** From the commencement of their employment, all employees are covered against income loss due to unemployment via national social protection schemes or government programs.
- **Employment Injury and Disability:** Protection against income loss resulting from employment-related injuries or acquired disabilities is provided through Social Security systems or other government benefits. The company also supports employees through injury leave entitlements in line with its internal policies and legal obligations.
- **Maternity and Parental Leave:** Employees are covered against income loss during parental leave through national social protection mechanisms. The company adheres to the relevant legislative requirements of each country in which it operates, ensuring compliance with

parental leave entitlements.

- **Retirement:** Social protection coverage extends to income loss due to retirement, based on the public pension schemes or equivalent government programs available in the employee's country of residence.

Disclosure of Employees Not Covered by Social Protection

S1-11_07/08/09/10/11

For the reporting period, there are no types of employees within the company's own workforce who are excluded from social protection coverage provided through public programs or government-offered benefits. This includes protection against income loss due to sickness, unemployment (from the start of employment), employment-related injuries and acquired disabilities, maternity leave, and retirement. All employees are fully covered in accordance with applicable national legislation and social security systems.

Persons With Disabilities

S1-12_01/02/03

As of the reporting period, employees with disabilities represent approximately 2% of the workforce in Malta. This figure is subject to legal restrictions on the collection and processing of sensitive personal data, in accordance with applicable data protection laws.

Due to the requirements of the General Data Protection Regulation (GDPR), the company is unable to collect or report detailed breakdowns of employees with disabilities by gender or other demographic characteristics.

To ensure compliance with national obligations, the company relies on reports

issued by Jobsplus, the national employment agency, which indicate whether the organization meets the minimum legal requirements related to the employment of persons with disabilities.

Training & Skills Development Metrics

S1-13_01/02/03/04/05/06/07

The average number of training hours per employee in 2024 is 14.8%. All non-industrial employees participate in bi-annual performance and career performance reviews.

Health & Safety Metrics

S1-14_01/02/03/04/05/06/07/08/09

Table 26- Health and safety 2024 metrics

	Employees	Non-employees
	2024	2024
Percentage of own workers who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	100%	100%
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0	0
Number of fatalities in own workforce as result of work-related injuries	0	0
Number of fatalities in own workforce as result of work-related ill health	0	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking sites	0	0
Number of fatalities as result of work-related injuries of other workers working on undertaking's sites	0	0
Number of fatalities as result of work-related ill health of other workers working on undertaking's sites	0	0
Number of recordable work-related accidents for own workforce	15	0
Rate of recordable work-related accidents for own workforce	5.35%	0
Number of cases of recordable work-related ill health of own workforce	0	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	154	0

Work-Life Balance Metrics

S1-15_01/02 /03/04

All employees within the company's workforce (100%) are entitled to take family-related leave in accordance with applicable legislation and company policy, either through national social policies or collective bargaining agreements, depending on the country of employment. During the reporting period, 0.3% of eligible employees made use of this entitlement. During the reporting year a total of 11 employees took family-related leave divided by 10 Male and 1 Female.

Remuneration Metrics

S1-16_01/02/03

As part of our commitment to transparency and equality, the company reports a gender pay gap of 4.3%, based on the average remuneration of male employees compared to female employees in favour of females.

At present, data related to the annual total remuneration ratio, as well as detailed breakdowns of the gender pay gap by employee category, country, or by salary components (such as ordinary basic salary and variable compensation), is not available. Similarly, the remuneration ratio adjusted for

purchasing power parity between countries has not been calculated, and the methodology for such adjustment is currently not in use.

The reported gender pay gap is derived from the average gross pay of male and female employees across the organization. No other adjustments or segmentation were applied in this reporting period. The company continues to explore methods to enhance data collection and analysis capabilities to improve future reporting accuracy and completeness in line with evolving regulatory requirements and best practices.

Incidents, Complaints & Severe Human Rights Impacts

Discrimination, Grievances, & Human Rights Incidents

S1-17_01/02/03/04/05/06/08/09/10/11/12

During the reporting period, no incidents of discrimination were recorded within the organization. Accordingly, the number of discrimination complaints filed through internal channels, as well as complaints submitted to National Contact Points under the OECD Guidelines for Multinational Enterprises, was also zero.

There were no fines, penalties, or compensation payments made in relation to discrimination or harassment cases. As such, no reconciliation was required in the financial statements regarding these matters.

The company also confirms that no complaints or grievances related to social or human rights issues were filed through internal mechanisms, and no severe human rights incidents connected to the company's

own workforce occurred during the reporting period. This includes no recorded violations of the UN Guiding Principles on Business and Human Rights or the OECD Guidelines for Multinational Enterprises.

Consequently, the company incurred no financial liabilities in relation to human rights violations, and there is no relevant financial statement disclosure or reconciliation required in this regard. There were also no active cases requiring remedial action, and no situations in which the company played a role in securing remedy for affected individuals.

These outcomes reflect the organization's ongoing commitment to upholding human rights and maintaining a safe, inclusive, and respectful workplace environment.

Corporate Social Responsibility

THE ANDEE FOUNDATION

The Andee Foundation was registered on the 26th of April, 2024. All of our CSR initiatives will now come together under a single name: The Andee Foundation.

The Andee Foundation embodies our dedication to making a positive impact and giving back to the community in a meaningful and lasting way.

ANDEE
FOUNDATION

BRA-VO CAMPAIGN

The Bra-Vo campaign is a year-round Breast Cancer Awareness initiative promoting regular screenings through a bold, impactful message. In 2024, it was featured at major industry events where attendees engaged by sharing photos on social media to raise awareness. A €1,000 charity donation prize was awarded at each event to a randomly selected participant.



BRA-VO AT MAKEUP IN LOS ANGELES

The winner chose to donate the €1,000 prize to the Children's Hospital Los Angeles.

BRA-VO AT COSMOPROF IN BOLOGNA

The winner chose to donate the €1,000 prize to the Stick 'n' Step, a charity that enables, inspires and supports children and young people with cerebral palsy and their families.

€1000
DONATED TO Children's Hospital LOS ANGELES

Children's Hospital Los Angeles offers expert, compassionate care for children with leukemia and lymphoma.



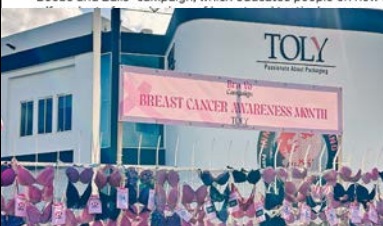
€1000
DONATED TO Stick 'n' Step

Stick 'n' Steps is a charity that enables, inspires and supports children and young people with cerebral palsy and their families

€1000
DONATED TO

loono

Loono is a Czech organization known for their impactful "Boobs and Balls" campaign, which educates people on how to



BRA-VO AT LUXEPACK IN MONACO

The winner chose to donate the €1,000 prize to the Loono, a Czech organization known for their impactful "Boobs and Balls" campaign, which educates people on how to self-evaluate for early signs of breast and testicular cancer.

SIGNATORY OF THE MALTA DIVERSITY AND INCLUSION CHARTER

Toly has become a signatory of the Malta Diversity and Inclusion Charter, reinforcing its commitment to fostering an inclusive environment that promotes equal opportunities and embraces diversity. This step aligns with Toly's core values People, Passion, Pride, and Creativity and supports its broader CSR goals. By joining the initiative, Toly becomes part of a European network of over 9,000 organizations dedicated to diversity and inclusion.



TOLY INTERNSHIP PROGRAM

Toly's Internship Programme offers top students from around the world a strong start to their careers by applying academic skills in a globally recognized company within the packaging and beauty industry. Focused on developing today's and tomorrow's leaders, the programme provides a valuable experience that fosters both professional and personal growth.



MAKE A POSITIVE IMPACT

Toly is proud to share a recent initiative that raised €3,500 in support of the WOW Centre at the Millennium Chapel. The funds were presented to Father Hilary, who spoke about his mission to create a shelter and educational centre for those in need offering support not only to the hungry and homeless, but also to individuals seeking guidance and mentorship.



SUPPORTS WOW FOOD BANK FOUNDATION

As part of their annual donation, Toly Malta employees contributed €3,000 worth of food to the WOW Food Bank Foundation, a local charity that supports individuals facing financial hardship, including parents who cannot work and those suffering from medical conditions. The foundation distributes 200 food bags each month to families in need.



SECTION 05

OTHER INFORMATION



Toly Design Studio

Glossary



Acronyms

BMS	Building Management System	ISCC	International Sustainability and Carbon Certification
Capex	Capital Expenditure	ISO	International Organisation for Standardisation
CDP	Carbon Disclosure Project	KPIs	Key Performance Indicators
CSR	Corporate Social Responsibility	LCA	Life Cycle Assessment
CSRD	Corporate Sustainability Reporting Directive	LMS	Learning Management System
DMA	Double Materiality Assessment	OECD	Organisation for Economic Co-operation and Development
DR	Disclosure Requirements	OH&S	Occupational Health and Safety
E1	Climate Change	Opex	Operating Expenditure
E2	Pollution	PCR	Post-Consumer Recycled
E3	Water and Marine Resources	PESTEL	Political, Economic, Social, Technological, Legal, and Environmental
E4	Biodiversity	PPWR	Packaging and Packaging Waste Regulation
E5	Resource Use and Circular Economy	RO	Reverse Osmosis
EEA	European Economic Area	RoE	Return on Environment
EFRAG	European Financial Reporting Advisory Group	RoI	Return on Investment
ESG	Environmental, Social and Governance	S1	Own Workforce
ESR	European sustainability reporting	S2	Workers in the Value Chain
ESRS	European Sustainability Reporting Standards	SBTi	Science Base Targets Initiative
FY	Financial year	SDGs	United Nations Sustainable Development Goals
G1	Business Conduct	SPICE	Sustainable Packaging Initiative for Cosmetics
GDPR	General Data Protection Regulation	SWOT	Strengths, Weaknesses, Opportunities, and Threats
GHG	Greenhouse Gas	T&D	Transmission and Distribution
H&S	Health and Safety	TGI	Toly Group International Limited
HR	Human Resources	VOC	Volatile Organic Compound
HRIS	Human Resource Information System	Y.O.Y	Year over year

Units

CO ₂ e	Carbon Dioxide Equivalent
Kg	Kilograms
kgCO ₂ e	Kilograms of Carbon dioxide equivalent
kWh	Kilowatt-hour
m ³	Cubic Meters
MWh	megawatt-hour
tCO ₂ e	Tonnes of Carbon dioxide equivalent
tCO ₂ e/€	Tons of Carbon Dioxide Equivalent per Euro

TOLY

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Building on Beauty



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