



SUPPLIER SUSTAINABILITY POLICY

Green Tokai Co., Ltd. (GTC) is committed to conducting business ethically and sustainably. GTC's Supplier Sustainability Policy sets forth the minimum expectations we require throughout the supply chain. This includes Customer Specific Requirements (CSRs). All suppliers, contractors, and sub-suppliers must comply with this policy.

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1. Purpose and Scope

- This Supplier Sustainability Excellence Policy is provided to ensure that our supply chain operates in a manner that respects human rights, the environment, health, safety, and business ethics.
- Applies to all suppliers (tier-1, sub-suppliers) providing goods or services to GTC, in all countries of operation.

2. Reference Standards

We expect compliance with applicable local laws and internationally recognized standards, including but not limited to:

- Substance-of-Concern (SoC) / Chemical Data Reporting: Suppliers are required to provide accurate and complete material and substance data (e.g., through IMDS) to ensure all materials, components, and transition parts meet Green Tokai's regulatory and internal compliance requirements. These obligations must also be communicated and cascaded to all sub-suppliers.
- Training & Supplier Capability / Transparency: GTC expects suppliers to engage in training on its sustainability framework including environment, health, safety, trade compliance, ethics, and governance. Suppliers shall maintain transparency (reporting, documentation, audits).

3. Guidelines To Rely On

- United Nations (UN) Guiding Principles on Business and Human Rights
- International Labor Organization (ILO) Conventions (labor rights, forced labor, discrimination)
- Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- The Paris Agreement and climate-change frameworks for environmental / emissions expectations
- GTC Company Supplier Manual
- GTC Master Purchase Agreement
- GTC Anti-Trust Compliance Policy
- GTC Anti-Corruption Policy
- GTC Anti-Bribery Policy

4. Minimum Requirements

Suppliers must have written policies and/or management systems covering the following areas and will provide evidence of their implementation upon request.

4.1. Human Rights & Working Conditions

GTC believes that businesses have a responsibility to respect the human rights of their workers, local communities and all other relevant stakeholders by proactively preventing and addressing any adverse human rights impacts associated with their operations, products, or business relationships.

- 4.1.1. Child labor and young workers:** Child labor is strictly prohibited in any form within its operations and throughout its supply chain. The minimum age for employment must comply with the International Labour Organization (ILO) Minimum Age Convention and meet or exceed Green Tokai's internal standards, customer requirements, and all applicable local labor laws.
- 4.1.2. Fair wages, benefits, and working hours:** We provide fair and equitable remuneration that meets or exceeds legal requirements and supports a decent standard of living for employees and their families. Compensation practices comply with applicable local laws and collective bargaining agreements, including those governing minimum wage, overtime pay, paid leave, and statutory benefits. We also expect our suppliers and business partners to promote and contribute to a living wage for all workers within their operations and supply chains.
- 4.1.3. Modern slavery, forced labor, human trafficking:** We prohibit any forms of forced, bonded, or compulsory labor, including prison labor and human trafficking.
- 4.1.4. Rights of Minorities and Indigenous Peoples:** GTC recognizes and respects the rights of local communities to adequate living conditions, access to education and employment, and participation in social and cultural life. We are committed to honoring the principle of Free, Prior, and Informed Consent (FPIC) for projects that may impact these communities or their lands, with particular care for vulnerable or marginalized populations.
- 4.1.5. Freedom of association and collective bargaining:** We support open communication between workers and management regarding workplace conditions and practices, ensuring that all employees can express concerns without fear of retaliation, intimidation, or harassment. We respect the rights of employees to freely associate, to join or refrain from joining labor unions, to bargain collectively, and to seek representation or participate in workers' councils, in full compliance with applicable local laws.

- 4.1.6. Ethical Recruiting:** We prohibit any form of deceptive or fraudulent recruitment practices. Employees must never be misled about the nature of their work or required to pay recruitment fees. We do not confiscate, destroy, conceal, or restrict access to employee passports or other government-issued identification documents. All workers are provided with a written employment contract, in their native language, that clearly and accurately outlines their rights, responsibilities, and conditions of employment at the time of recruitment.
- 4.1.7. Women’s Rights:** We provide equal opportunity in employment and commit to equal pay for equal work.
- 4.1.8. Land Rights and Forced Eviction:** GTC is committed to responsible land, forest, and water use. We avoid any actions that result in forced eviction or the involuntary loss of access to land, forests, or water resources in connection with acquisition, development, or other business activities.
- 4.1.9. Due Diligence:** GTC performs supply chain due diligence consistent with the OECD Due Diligence Guidance for Responsible Business Conduct. We are committed to fostering transparency and working proactively to embed Environmental, Social, and Governance (ESG) principles and the AIAG Guiding Principles throughout all tiers of our supply chain.
- 4.1.10. Responsible Sourcing of Materials:** GTC is committed to preventing human rights abuses, corruption, ethical violations, and environmental harm in its products. We conduct supply chain due diligence following the OECD Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas to trace the origin of raw materials. We encourage the procurement of materials and metals from conflict-free smelters and refiners to support responsible and ethical sourcing practices.

GTC recognizes that human rights are the universally accepted standards that ensure all individuals are treated with dignity and respect. These rights are inherent and inalienable, belonging to every person regardless of nationality, place of residence, gender, ethnic or national origin, color, religion, or any other status. GTC is committed to upholding and promoting these principles throughout its operations and supply chain.

4.2. Health, Safety, and Well-being

- 4.2.1. Contractors:** We ensure contractors’ health and safety by identifying hazards and assessing and mitigating risks throughout procurement processes.

- 4.2.2. Personal Protective Equipment:** GTC requires that all workers have access to appropriate Personal Protective Equipment (PPE) and receive training to understand when, where, and how it should be used to maintain safety.
- 4.2.3. Machine Safety:** All machinery must have necessary safety devices, and personnel must be trained to operate equipment safely.
- 4.2.4. Emergency preparation:** GTC seeks to prevent workplace hazards and ensures that effective emergency preparedness and response measures are in place to safeguard workers and the workplace environment.
- 4.2.5. Incident and accident management:** GTC employs systematic hazard and risk assessments to minimize workplace accidents and incidents. Incident investigations focus on identifying root causes, and corrective actions are implemented to prevent similar occurrences in the future.
- 4.2.6. Fire safety:** GTC applies appropriate fire safety measures to protect personnel and property, encompassing both fire prevention and extinguishment practices.
- 4.2.7. Handling of Chemicals:** GTC employs stringent controls to manage chemicals safely throughout their lifecycle, including transportation, handling, use, storage, disposal, and emergency response.
- 4.2.8. Workplace Ergonomics:** GTC encourages ergonomic workplace design and practices to safeguard employee health and minimize the risk of physical strain or injury over time.

4.3. Governance

- 4.3.1. Policy Implementation:** GTC implements formal sustainability policies supported by training to promote awareness and compliance. A grievance mechanism is available for associates to report violations and seek resolutions.
- 4.3.2. Risk Management:** GTC uses performance management tools to monitor sustainability risks and proactively detect potential issues for timely mitigation.
- 4.3.3. Transparency:** GTC commits to precise documentation and reporting of business operations and sustainability performance. Open and transparent communication with suppliers and customers supports trust, accountability, and shared understanding.

4.4. Environmental Sustainability

Green Tokai Corporation (GTC) is committed to a greener, more sustainable future while enhancing the well-being of its customers and associates. Suppliers are expected to adopt, implement, and support proactive environmental responsibility measures, including practices that protect the environment, conserve natural resources, and reduce the overall environmental footprint of products, goods, and services throughout their life cycle. Suppliers should maintain an environmental management system that addresses the following considerations:

- 4.4.1. Carbon Neutrality:** Suppliers are encouraged, where feasible, to set measurable, science-based targets for reducing emissions and increasing the use of renewable energy, in alignment with GTC's sustainability objectives.
- 4.4.2. Water Quality, Consumption & Management:** Suppliers are encouraged to reduce water usage, promote water reuse and recycling, treat wastewater responsibly, and mitigate potential flooding risks from rainwater run-off, in accordance with applicable legal requirements.
- 4.4.3. Air Quality:** Suppliers are encouraged to regularly monitor and report emissions that contribute to air pollution, control and reduce them wherever feasible, and comply with relevant legal requirements. Facilities should evaluate the cumulative impact of all pollution sources and take actions to mitigate emissions accordingly.
- 4.4.4. Responsible Chemical Management:** Where appropriate, suppliers should identify, minimize, or eliminate the use of restricted substances in manufacturing processes and finished products to ensure compliance with applicable regulations. Suppliers should also be aware of the presence of restricted substances and actively pursue suitable alternatives to support product safety and environmental stewardship.
- 4.4.5. Soil Quality:** Suppliers are encouraged to assess and control their effects on soil health, taking measures to prevent erosion, nutrient loss, subsidence, and contamination.
- 4.4.6. Noise Emissions:** Suppliers are encouraged to assess and control industrial noise emissions to minimize noise pollution and its impacts on workers and neighboring communities.
- 4.4.7. Greenhouse gas (GHG) emissions:** Suppliers are encouraged to measure, track, and disclose GHG emissions across Scope 1, Scope 2, and, where feasible, Scope 3, to support transparency and reduction efforts.
- 4.4.8. Energy efficiency; use of renewable energy sources**

4.5. Business Ethics and Compliance

Suppliers should operate with integrity, ensuring honesty, fairness, and ethical conduct across all supply chain activities. A robust business ethics management system should be implemented, incorporating the following elements:

- 4.5.1. Anti-Corruption and Anti-Bribery:** GTC strictly prohibits corrupt practices, including bribery, improper gifts or hospitality, and facilitation payments. We also do not support money laundering and actively report any suspicious financial activities to uphold transparency and integrity.
- 4.5.2. Conflict of Interest:** GTC expects personnel and suppliers to proactively manage conflicts of interest by disclosing any circumstances where personal or financial interests could interfere with responsibilities or create the perception of unethical conduct.
- 4.5.3. Fair Competition / Anti-Trust:** GTC is committed to fair competition and compliance with all relevant anti-trust and anti-competition regulations. Internal control systems are maintained to ensure adherence to these standards and promote ethical business practices.
- 4.5.4. Data Protection and Data Security:** GTC is committed to protecting personal data and civil liberties throughout its processing, storage, and use, including cybersecurity measures. We ensure compliance with relevant privacy and information security legislation.
- 4.5.5. Disclosure of Information:** GTC ensures transparent reporting of financial and non-financial information, adhering to legal requirements and industry standards to promote accountability and trust.
- 4.5.6. Intellectual Property:** GTC upholds intellectual property rights and ensures that confidential technology and experiential knowledge are protected through responsible and secure practices.
- 4.5.7. Grievance Mechanism:** GTC provides a grievance mechanism that allows employees, suppliers, and stakeholders to raise concerns regarding ethics, human rights, or other issues securely, anonymously, and without risk of retaliation.
- 4.5.8. Non-Retaliation:** GTC is committed to non-retaliation and respects stakeholders' rights to freely express opinions, associate, assemble peacefully, and engage in lawful protest without fear of intimidation or legal repercussions.

4.5.9. Supplier Non-Compliance: Suppliers must report any compliance violations in full detail and immediately notify GTC of product quality concerns. Reports may also be submitted via Green Tokai's Compliance and Ethics Line at 833-738-2963. Suppliers are responsible for conducting investigations, identifying root causes, implementing remediation activities, and applying corrective measures. GTC may suspend new orders, requests, or quotes, or take other appropriate actions until the issue is resolved.

5. Responsible Sourcing and Supply Chain Accountability

Suppliers to GTC should:

- Have a Supplier manual / environmental policy that is communicated to all tiers
- Set requirements for sub-suppliers to meet similar standards
- Conduct due diligence throughout the supply chain

6. Diversity

- **Diversity Statement:** GTC is committed to diversity, equity, and inclusion, and complies with relevant laws and regulations. Suppliers are also required to uphold diversity and inclusion standards in their operations.
- **Leadership Commitment:** GTC embeds diversity and inclusion into business strategies and policies, supported by top management commitment. Leadership ensures awareness of and compliance with all relevant diversity laws.
- **Inclusive Culture:** GTC ensures representation and inclusion at all workforce and leadership levels. We facilitate the integration of new employees by cultivating a supportive and inclusive environment for diverse groups.

7. Communication & Transparency

- Suppliers are expected to make their policies accessible and transparent, sharing them with business partners, sub-suppliers, and GTC.
- Suppliers must formally acknowledge this policy and ensure its inclusion in contractual agreements to reinforce commitment to sustainability and ethical standards.
- Suppliers should routinely monitor and report on sustainability performance metrics, such as GHG emissions, energy usage, waste, and labor data, to support transparency and continuous improvement.

8. Monitoring and Verification

- Suppliers shall allow audits (first party, second party, third party) to verify compliance.
- Suppliers' performance should be assessed using tools such as self-assessment questionnaires to evaluate compliance with Green Tokai Corporation (GTC) standards and expectations.
- If non-conformance is identified, suppliers must develop and implement corrective action plans submitting to GTC in a timely manner.

9. Continuous Improvement

- Suppliers should define clear, quantifiable targets for key sustainability areas—including emissions, energy use, and waste—and implement initiatives to achieve continuous improvement.
- Suppliers should actively explore and invest in innovative solutions, including environmental management systems, clean technologies, and renewable energy, to reduce environmental impacts and support sustainable practices.

10. Enforcement and Consequences

Failure to comply with these policy requirements may result in:

- Suspension of new or existing contracts
- Requirement for remediation plans
- Termination of relationships in severe or persistent cases

11. Policy Review

This policy will be reviewed at least annually to ensure alignment with evolving legal, regulatory, and stakeholder expectations, and updated as needed to remain consistent with CSR's.

12.0 SUPPLIER ACKNOWLEDGMENT

As a supplier of production materials and/or parts to Green Tokai Co., Ltd., I acknowledge that I received a copy of the Green Tokai Co., Ltd. Supplier Sustainability Policy and accept its terms.

Signature

Printed Name

Company Name

Title

Date