



Toyo Engineering India Private Limited

Sustainable Procurement Policy

1. Introduction

Toyo Engineering India Private Limited (Toyo-I) is a professionally managed corporate entity undertaking EPC, PMC, and EPCM project assignments in diverse sectors such as Oil & Gas Refineries, Petrochemicals, Fertilizers, Cryogenics, Infrastructure, and Industrial solutions.

In addition to our expertise in Project Management, Engineering, and Construction, our procurement network demonstrates our superior supply chain management and our ability to source almost anything from anywhere in the world. Toyo-I ensures that our procurement processes excel in quality and value for money. Our effective risk minimization methods in procurement ensure that projects are not delayed and sustainable.

2. Purpose

To integrate sustainability into procurement processes, ensuring that all goods and services procured support Toyo-I's commitment to environmental, social, and economic sustainability.

3. Scope

This policy applies within Toyo-I and to all Toyo-I Suppliers (i.e., Suppliers, Sellers, Dealers, Contractors, Vendors, Traders, Agents, Consultants, Joint venture partners, Third parties, Service Providers parties including their employees, agents and other representatives) across all projects and sectors the company operates in.

4. Principles

- a) **Accountability and Transparency:** Maintain clear and open communication with stakeholders about procurement decisions and practices
- b) **Human Rights:** Ensure that all suppliers adhere to fair labour practices and respect human rights.
- c) **Business Integrity and Ethics:** Promote ethical behaviour and integrity in all procurement activities. Avoid any form of corruption, bribery, or fraudulent activities.
- d) **Legal and Regulatory Compliance:** Adhere to all relevant international and local laws and regulations.
- e) **Employee Health and Safety:** Prioritize the health and safety of employees in the supply chain. Implement safety protocols and provide necessary training.
- f) **Quality:** Ensure that all procured goods and services meet high-quality standards.
- g) **Local Community Development:** Support local economies and communities through procurement practices. Engage in activities that promote community welfare, education, and employment.
- h) **Environment:** Prioritize products and services with minimal environmental impact. Implement practices that reduce waste, promote reuse and recycling, and conserve resources.

5. Objectives

- a) **Supplier Engagement:** Toyo-I will work with suppliers to improve their sustainability practices and performance.
- b) **Environmental Responsibility:** Toyo-I aims to minimize greenhouse gas emissions by procuring energy-efficient products and services. Practice Reduce, Reuse, and Recycle, and take steps to minimize resource usage during construction and delivery, including using renewable alternatives where possible.
- c) **Social Responsibility:** Toyo-I promotes social equity and fair labour practices.
- d) **Economic Responsibility:** Toyo-I aims to achieve cost savings and support local economies.
- e) **Compliance and Standards:** Toyo-I ensures-adherence to legal and regulatory requirements.

6. Implementation Strategies

- a) **Supplier Selection:** Toyo-I develops criteria for selecting major suppliers based on their sustainability performance.
- b) **Contractual Requirements:** Toyo-I includes sustainability clauses in contracts to ensure compliance with the policy.
- c) **Training and Awareness:** Toyo-I provides training for procurement staff on sustainable procurement practices.



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- d) **Policy Communication:** This policy will be available to employees on the Toyo-I website, server, or intranet. It will also be included in Work Orders, Purchase Orders, or Contracts with suppliers.
- e) **Conflict of Interest:** All those involved in the procurement process at Toyo-I should ensure that they do not have a conflict of interest regarding the procurement concerned. Providers of goods and services are required to remain professional, objective, and impartial.

7. Monitoring

Toyo-I will regularly monitor compliance with this policy by its employees and suppliers through audits, assessments, or feedback mechanisms.

8. Non-compliance

If Toyo-I observes non-compliance with this policy, we request the auditee / supplier to propose a corrective action program and carry it out within the specified schedule. If the supplier cannot implement the required improvements, we may terminate our cooperation.

9. Continuous Improvement

- a) **Feedback Mechanism:** Any feedback and failure to comply with this policy should be immediately reported to the Toyo-I Division Head-Procurement.
- b) **Policy Review:** Toyo-I reviews the policy at least every three years or whenever there is a change in Toyo-I's sustainable procurement principles and processes.

10. Conclusion

By adopting this Sustainable Procurement Policy, Toyo-I can ensure that its procurement practices contribute to a more sustainable future, aligning with global sustainability goals and enhancing its reputation as a responsible corporate citizen.

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Takashi Kawahara
Managing Director
Toyo Engineering India Private Limited