



## **Toyota (GB) PLC & Toyota Financial Services (UK) PLC**

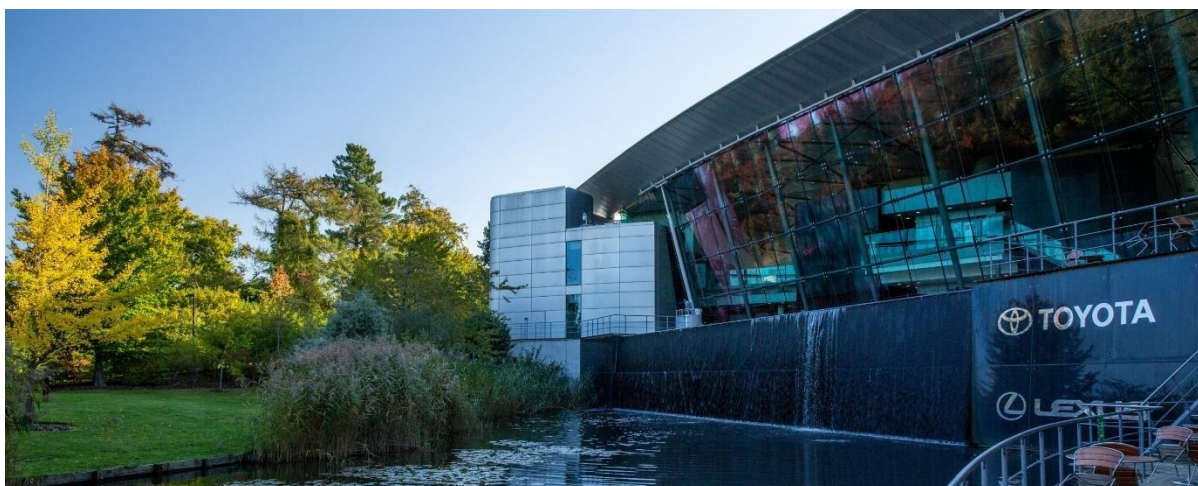
### **Modern Slavery Statement 2022**

*For the financial year ending 31<sup>st</sup> March 2022*



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## **1. Introduction**

Toyota (GB) PLC (“TGB”) and Toyota Financial Services (UK) PLC (“TFSUK”) (together (“we”)) continue to implement and endorse responsible business practices to ensure compliance with all applicable modern slavery legislation and to uphold the integrity of our brands, ‘Toyota’ and ‘Lexus’. This is our seventh joint statement under the Modern Slavery Act 2015 (“the Act”). Our statement sets out the actions we have taken to prevent modern slavery and human trafficking within our businesses and supply chains.

We work closely with our UK manufacturing operations, Toyota Motor Manufacturing (UK) Limited (“TMUK”), to share best practice and experience. We are continuing to publish TMUK’s statement on the TGB website alongside our own to ensure customers, suppliers and other stakeholders have transparency in understanding our approach to modern slavery.

### **Defining Modern Slavery**

The term “modern slavery” encompasses the offences of slavery, servitude and forced or compulsory labour, and human trafficking. A common misconception about modern slavery revolves around the idea that victims are primarily non-UK nationals. In 2020, the UK wide modern slavery charity ‘Unseen’ reported that 26% of victims trafficked in the UK were British.

Despite the challenges in identifying modern slavery, there are generic indicators. While this is not exhaustive nor conclusive, these can help to identify potential victims. Victims may appear anxious or fearful and may isolate themselves from others. They could be threatened with violence, potentially having injuries that they are unable to explain to others. They may have very few possessions, including a lack of identification. Further, they may not be allowed to travel on their own or appear to be in a controlling relationship.

## **2. A Toyota Insight**

Toyota seek to contribute to a more prosperous society through the manufacturing of both Toyota and Lexus vehicles. With this goal, Toyota has generated a global presence and is one of the world's largest automobile manufacturers.

Toyota's vision is constantly evolving. We are working towards a more sustainable world, both within the business and in the vehicles we manufacture. Our "Beyond Zero" is at the forefront of this. Currently, we offer four different electrified powertrains and plan to build 40 new or updated electric vehicles by 2025 to reduce or remove tailpipe emissions entirely.

We are exceptionally proud of our Worldwide Official Mobility Partnership with both the International Olympic and Paralympic Committees in our mission to give freedom of movement to humankind.

As the parent company of both TGB and TFSUK, Toyota Motor Corporation ("TMC") set the direction and principles which its subsidiaries follow. These principles consist of conducting business with honesty and integrity, respecting people, and maintaining good relationships through open and fair communication. TGB and TFSUK ensure this approach is adopted and implemented by senior management at a national level.

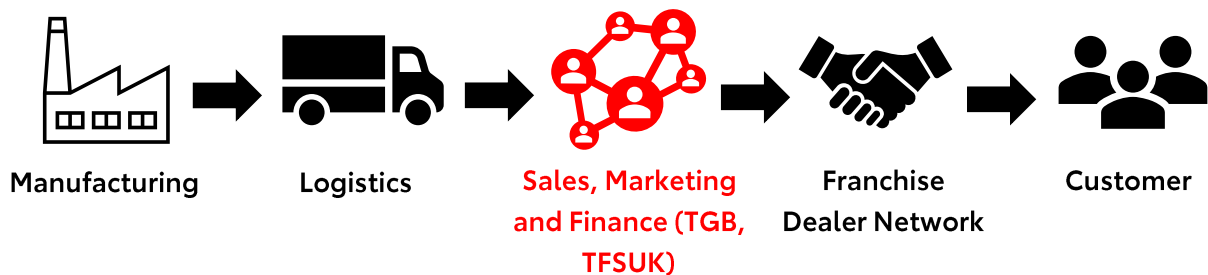




### 3. How We Operate

TGB is the national sales and marketing company for Toyota and Lexus in the UK, focusing on managing the franchise retail network and supporting customers alongside the sale and marketing of Toyota and Lexus vehicles. Most of our vehicles are sold to customers through our authorised retailer network, however, we are increasingly selling direct to customers using our online channels. Additionally, we supply private corporations and public sector organisations with fleets of vehicles to support their business needs. We manage relationships with our aftermarket suppliers, ensuring they share our values and work with us to uphold the integrity of our brands.

TFSUK provide automotive sales with finance services, these include a range of flexible finance options for new cars, Light Commercial Vehicles and Toyota Approved Used Vehicles. These cover both the Toyota and Lexus brands with the inclusion of Lexus Financial Services, a trading name of TFSUK. We also provide credit and hire product solutions for customers and offer specific insurance types covering the asset value of vehicles and small accident repair.

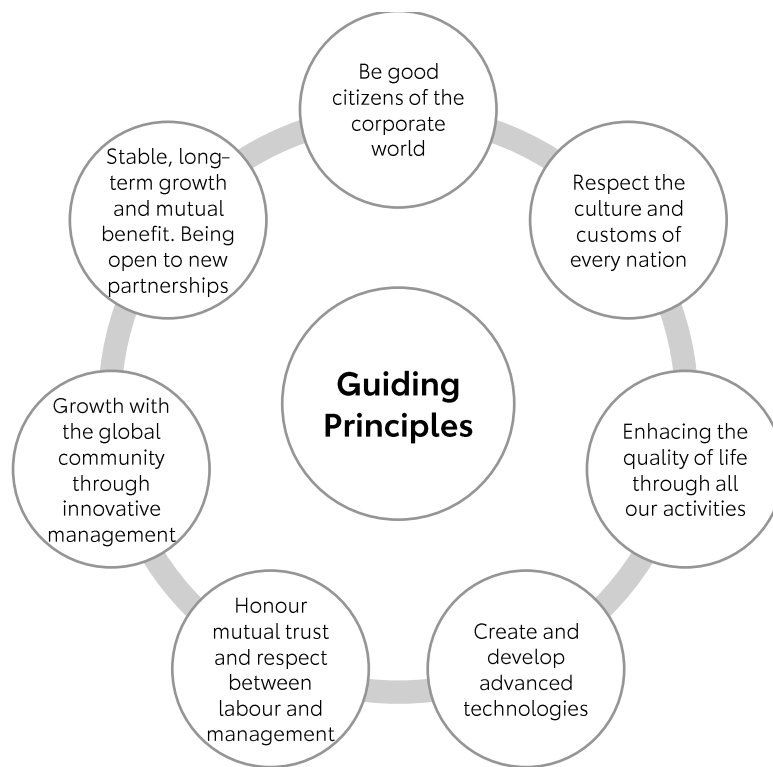


## **4. Our Policy**

We maintain a clear and comprehensive Modern Slavery Policy which is annually reviewed, updated, and approved by the Board of Directors.

Our Policy states that modern slavery is a crime and a violation of fundamental human rights to which both TGB and TFSUK have a zero-tolerance approach, as perpetuated by our seven Guiding Principles.

Awareness of our Policy forms part of the induction process for every individual that works for us, we require all staff to read, understand and comply with this Policy to foster an ethical corporate culture.



We hold all our contractors, suppliers, and other business partners to the same high standards. We include relevant prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude as part of our tendering and contracting processes. We place clear obligations on suppliers to hold their own suppliers to the same high standards. Where appropriate, we grant ourselves rights to audit and terminate supplier relationships where necessary.

It is the responsibility of every individual in any part of our business or supply chains to prevent, detect and report modern slavery. We have a reporting system in which, in

the first instance, a manager must be notified, and the issue must be reported in line with the Whistleblowing Policy. The Board of Directors have overall responsibility for ensuring compliance with this policy as well as the Compliance Officer and the wider Legal and Compliance teams.

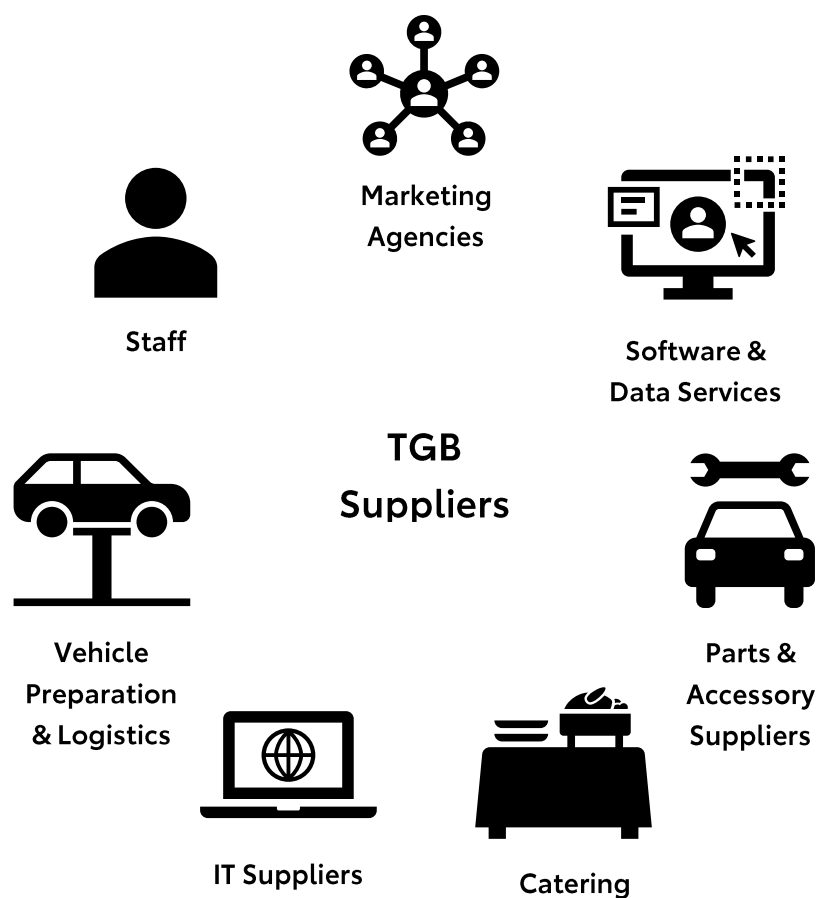


## **5. Ensuring Due Diligence in the Supply Chain**

Our Procurement teams are critical in conducting supplier due diligence. Every supplier will undergo a series of checks, enabling us to identify any potential weakness. In every instance a check will be done on suppliers' financial status. A company's financial status can be a key indicator for assessing the risk of whether a supplier may breach the Modern Slavery Act 2015 as companies that are not financially secure may attempt to cut costs through unethical practices. Suppliers are also expected to meet a certain score threshold in due diligence reviews.

Before the restraints imposed by the COVID-19 pandemic, TGB would undertake numerous Modern Slavery audits every year. With restrictions now lifted, we will renew this effort, aiming to fully return to physical audits by March 2023. Additionally, we will

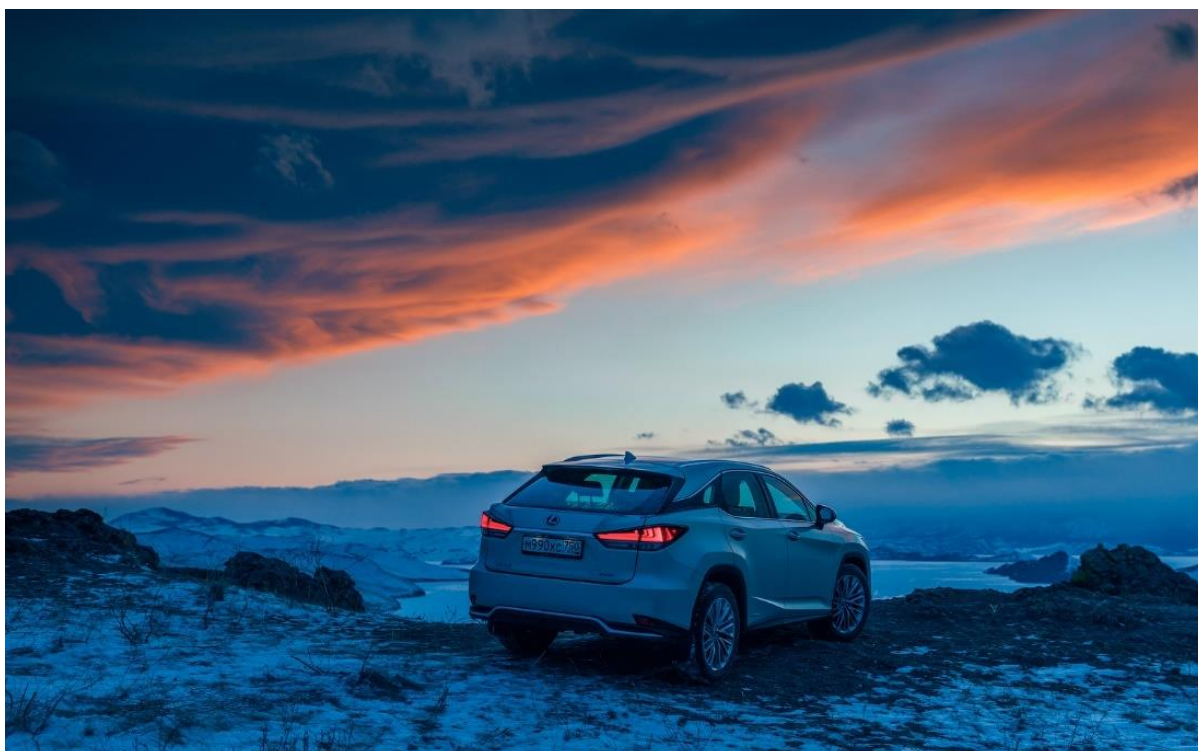
continue to improve our audit capabilities using companies such as SEDEX as benchmarks.



TFSUK clearly set out their appointed distributors' responsibilities and obligations regarding modern slavery in their contracts of appointment. TFSUK has also continued to enhance vendor onboarding management system to state and streamline controls.







## **6. Risk Assessment**

Both TGB and TFSUK can reasonably be considered low risk companies for modern slavery. This is largely because many of those employed by both companies would be considered working professionals and mainly carry out office work. We have identified and acknowledged that there is a comparatively higher risk of modern slavery for those maintaining the office building and facilities. However, this risk is still low.

The companies that supply us with staff are often obligated to produce their own Modern Slavery Statements, making them aware of the requirements they must follow and thereby reducing risk.

We have maintained robust systems to check the status of our vendors with regards to modern slavery. This has been more important than ever throughout the COVID-19 pandemic and uncertain financial times.

## **7. Mitigation**

### **Training**

We are proud of the comprehensive training we provide to all our staff. This training comprises of a mandatory e-learning topic that is required to be completed annually. This equips all staff with the awareness and skills to identify and report any acts of modern slavery, within and outside of the workplace.

### **Whistleblowing Policy**

Our Whistleblowing Policy provides all staff with a simple process for reporting suspected instances of modern slavery. This sets out the procedure in which a concern can be raised which includes Safecall, an anonymous whistleblowing helpline. Every concern is thoroughly investigated, and protection and support are provided for whistleblowers.

### **Our Standard Terms and Conditions**

The terms and conditions on which we engage with suppliers allows us to gain control in the event of a supplier infringing modern slavery legislation. Looking forward, we will continue to develop our terms and conditions to ensure that they are always updated and afford maximum protection.

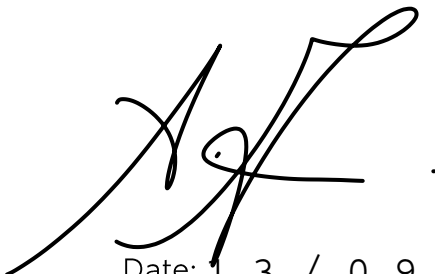


This statement is approved on behalf of Toyota (GB) PLC and Toyota Financial Services (UK) PLC with signed versions being held and stored securely.

Agustin Martin

President and Managing Director

Toyota (GB) PLC

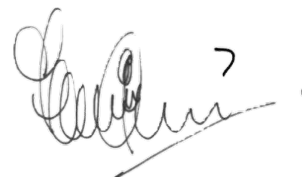


Date: 13 / 09 / 2022

Fran Kenny

CEO and Managing Director

Toyota Financial Services (UK) PLC



Date: 27/09/22