



**Toyota (GB) PLC and Toyota Financial Services (UK) PLC**

**Modern Slavery Statement 2021**

*For the financial year ending 31<sup>st</sup> March 2021*



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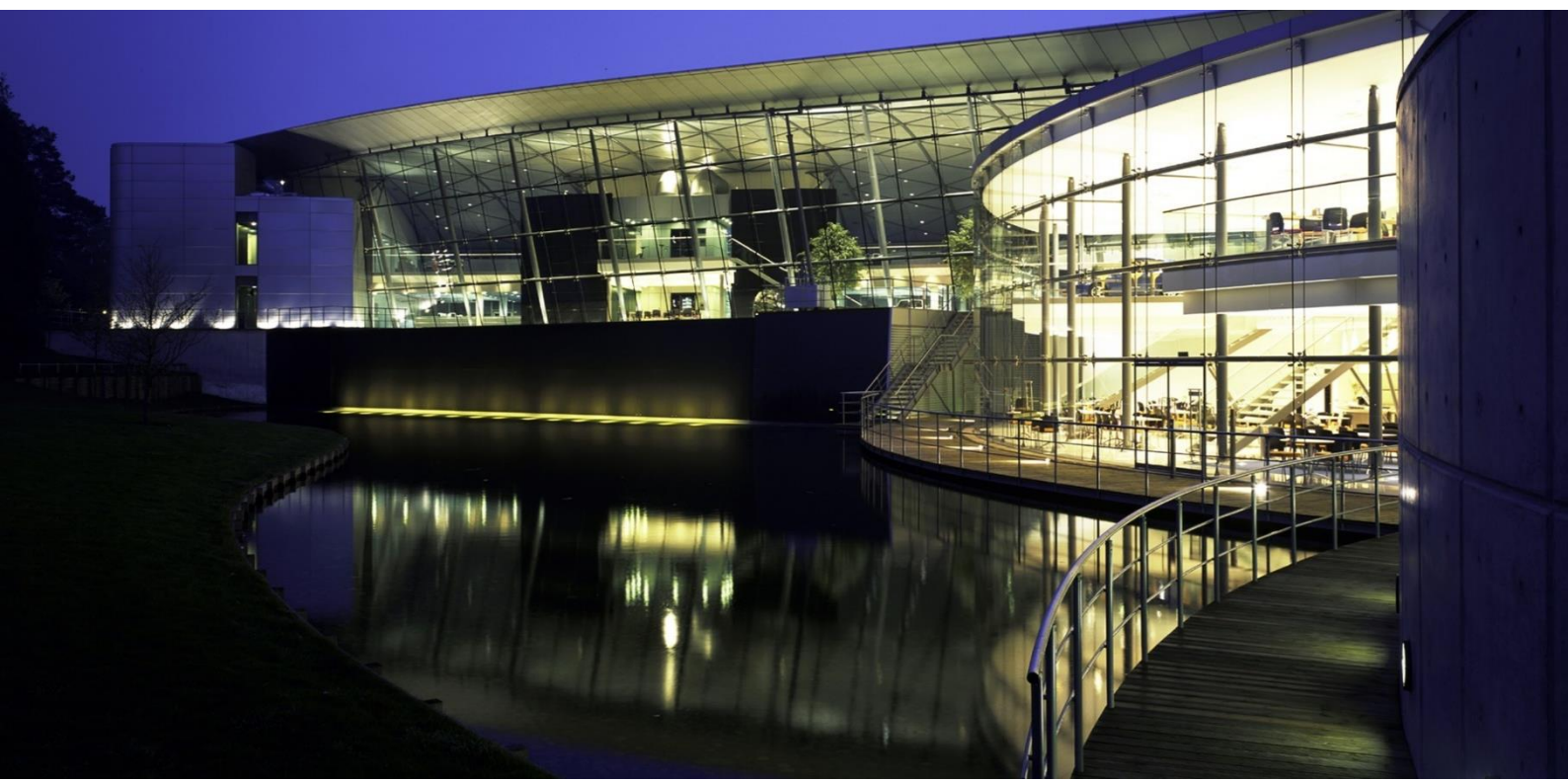




## 1. Introduction

Toyota (GB) PLC (“TGB”) and Toyota Financial Services (UK) PLC (“TFS”) together (“we”) (“us”), continue to implement and endorse responsible business practices to ensure compliance with applicable modern slavery law and to uphold the integrity of our brands, ‘Toyota’ and ‘Lexus’. This is our sixth joint statement under s.54 of the Modern Slavery Act 2015 (“the Act”) and it sets out the actions we have taken to prevent modern slavery and human trafficking within our businesses and supply chain since our last statement was published in September 2020.

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 this area.







## 2. A Toyota insight

Toyota is one of the leading automobile manufacturers in the World. The two core pillars of Toyota's culture are Respect for People and Continuous Improvement (or "kaizen").

Toyota grows as a company year on year. As we develop, so does our vision. Our partnership with the Olympic and Paralympic games demonstrates our passion for human movement and underpins our commitment to mobility, enabling us to deliver our aim of improved quality of life and ultimately achieve our goal of building a better tomorrow.

As a subsidiary of Toyota Motor Corporation ("TMC"), TGB focuses primarily on the marketing and sales of Toyota and Lexus vehicles in the UK, managing our franchise retail network, and supporting customers. While the majority of our vehicles are sold through our franchise retail network we also sell directly to customers through our online channels and to fleet customers such as public sector organisations and other large corporates. Additionally, we manage relationships with our aftermarket suppliers who provide parts and accessories to our customers. Consequently, we must ensure that these suppliers share our values and uphold the integrity of our Brands to facilitate our vision of a better tomorrow.

TFS is a subsidiary of Toyota Financial Services Corporation and ultimately of TMC. It provides a range of finance, credit and hire products and solutions for customers purchasing Toyota vehicles, Lexus vehicles and other brand vehicles. TFS also partners with an insurer, administrator and the dealership network to offer specific insurance types covering the asset value of vehicles and covering small accident repair.



### **3. Defining Modern Slavery**

The term “Modern Slavery” encompasses the offences of slavery, servitude and forced or compulsory labour; and human trafficking.

#### **Identifying victims of Modern Slavery**

A common misconception about modern slavery revolves around the idea that victims are primarily non-UK nationals. In 2020, “Unseen” a UK-wide modern slavery charity reported that 26% of victims trafficked in the UK were British, while 16% were Albanian and 8% Vietnamese.

Despite the challenges to identify modern slavery, there are some general indicators which, whilst not conclusive, may help identify potential victims. A person’s physical appearance may indicate signs of physical or psychological harm, as well as looking malnourished and unkempt. Additionally, they may be isolated from others and reluctant to seek help; not allowed to travel on their own or appear to be in relationships that do not appear right. They may have few possessions including a lack of identification documents. Further, they may work and live at the same address and live in dirty, cramped or overcrowded accommodation.

Victims of modern slavery may be threatened or coerced into working and be unable to leave without fear of repercussions.



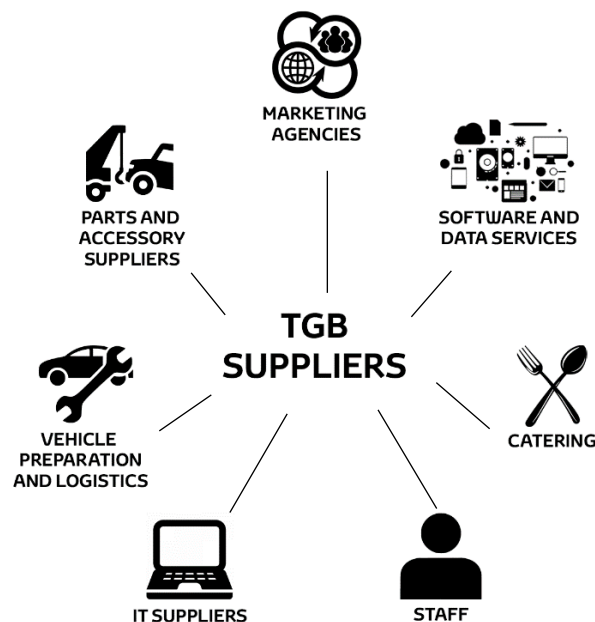
#### 4. The organisation's structure and supply chains

As the ultimate parent company of TGB and TFS, TMC set the company direction and fundamental principles; consisting of conducting our business with honesty and integrity, respecting people, and maintaining good relationships with stakeholders through open and fair communication. At national level, TGB and TFS ensure this approach is adopted and cascaded by senior management and implemented by our respective businesses and supply chain.

Over the past year we have continued to work directly with TMC, holding regular meetings to discuss current developments and share ideas and best practice in the area of modern slavery. This has been crucial for engagement and importantly has enabled us to further influence the enhancement of ethical practices within the business.

Moving forward we will continue to increase our focus on supply chain sustainability. TGB and TFS' focus on the sales, marketing and financing of Toyota and Lexus vehicles, as opposed to the manufacturing of them means that we have different supply chains to other parts of the Toyota Family, and thus different considerations when it comes to addressing risks of modern slavery.

TFS's business is the provision of financial services, it does not actively source or distribute physical goods as part of its primary activities. TFS is aware of its responsibilities towards modern slavery within its business and operating model particularly in the selection of its partners and its own service providers.





## **5. Our Modern Slavery policy, training and complaints mechanism**

### Policy

To affirm our position on modern slavery, we maintain a Modern Slavery Policy which is reviewed, updated and approved by each Board of Directors annually.

Our Modern Slavery Policy provides a clear, robust and accessible framework for all staff to observe and adhere to. As well as reflecting legislative requirements, the policy acknowledges our corporate approach to being a good corporate citizen and to acting ethically, and with integrity. The same standards are expected of our suppliers and partners. Setting a high standard for our key stakeholders to maintain, allows us to conduct business in an open and honest way. We require all staff and our suppliers to abide by our policies and act responsibly in their commercial dealings to enable the organisations to foster an ethical corporate culture.

Additionally, in the upcoming financial year, we intend to release the “Unseen” app allowing our staff to further develop their knowledge of modern slavery in a digitally accessible manner.

### Training

As a company we are proud of the comprehensive training we provide to our staff. All staff are required to complete mandatory e-learning training on this topic annually. In the last financial year, when our workforce was predominantly home-based, we promoted the topic internally and e-learning continued. The training equips all staff with the awareness and skills to identify and report any acts of modern slavery both within and outside of the workplace.

### Complaints mechanism

Our Whistleblowing Policy provides all staff with a simple process for reporting any suspected instances of modern slavery infringements. The policy outlines how an individual may raise concerns through internal channels such as the Legal department or through our external and independent helpline. Our staff can choose to report any incidences anonymously.





## **6. Risk assessment**

### Supplier due-diligence

When engaging with a supplier we undertake a number of checks. In all cases checks are carried out on their financial status. Suppliers are also expected to meet a certain score threshold in due-diligence reviews, enabling us to identify potential weaknesses in their respective systems and processes.

In collaboration with TMC we are looking at how we continue to evolve our risk assessment, for instance, further developing our due diligence process.

TFS consider and assess any risks in its services supply chain. It's appointed distributors' responsibilities and obligations toward modern slavery are reflected clearly in their contracts of appointment. TFS has continued with its initiative and strategy to research and introduce an enhanced vendor onboarding management system to state and streamline controls as a plan for next year. A key objective in the down selecting of external vendors is to input a more detailed vendor onboarding system and process, and to include enhanced 'know your vendor' checks.

Throughout the COVID-19 pandemic and difficult financial times, we have maintained robust systems to check the status of our vendors from a modern slavery perspective. It's been more important than ever to ensure that our business remains vigilant.





### Our Standard Terms & Conditions

The terms and conditions on which we engage with our suppliers enables us to remain in control in the event of a supplier infringing modern slavery legislation.

TGB ensures that high standards of ethical conduct are reflected within its supply chain by placing contractual obligations on all suppliers to comply with the Act. Specifically, these obligations include complying with all anti-slavery and human trafficking laws, maintaining their own policies and procedures and reporting any incidents or suspected incidents to TGB. Our approach not only requires that our suppliers hold themselves accountable but also requires they hold any subcontractors or other participants in their supply chain accountable to ensure the prevention of modern slavery. This is achieved through implementing the requirement that they undertake annual auditing to prove their compliance with the Act.

Looking forward, we will continue to develop our T&C's to ensure that they are always up to date and afford maximum protection.



### Post contractual assessment

Despite the restraints of the COVID-19 pandemic, in the year to March 2021 we succeeded in completing our supplier audit programme. In the upcoming financial year, we will look to build upon this by enhancing our audit programme, conducting a minimum of 3 audits before March 2022 and expanding our programme further to focus on a broader range of suppliers. In order to successfully do so, we are continually looking to improve our approach. TGB's internal audit and procurement teams will continually shape the methodology matrix and audit checklist whilst selecting and assessing key suppliers based on risk profile.

We aim to expand our audit capabilities in this area through using the internationally recognised SEDEX as a best practice benchmark to find the most successful business-wide approach post COVID-19. In the spirit of continuous improvement, we aim to support our suppliers by sharing audit reports and working with them to enhance their business processes.

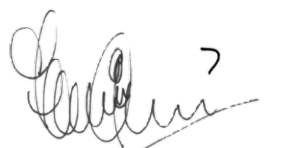
### Government registry

Since the 11<sup>th</sup> of March 2021, the UK government requires all businesses to upload their annual modern slavery statement on the [Government Modern Slavery Statement Registry](#). On here you will see a copy of TGB and TFS' joint statement.

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

A large, bold, handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

Augustin Martin  
President & Managing Director  
Toyota (GB) PLC

A handwritten signature in black ink, featuring a stylized 'F' and 'K' with a small question mark above the end.

Francis Kenny  
Managing Director and CEO  
Toyota Financial Services (UK) PLC

Date: 29<sup>th</sup> September 2021