

Toyota (GB) PLC and Toyota Financial Services (UK) PLC Approach to Preventing Modern Slavery and Human Trafficking

This statement has been published in accordance with the Modern Slavery Act 2015. It sets out the steps taken by Toyota (GB) PLC (“TGB”) and Toyota Financial Services (UK) PLC (“TFS”) during the financial year ending 31 March 2016 to prevent modern slavery and human trafficking in its business and supply chains.

Toyota in the United Kingdom

Toyota has a number of group companies operating in the United Kingdom and performing different functions, including TGB, TFS, Toyota Logistics Services GB Ltd and Toyota Motor Manufacturing (UK) Limited. TGB is the National Marketing and Sales Company for Toyota and Lexus in the United Kingdom (excluding logistics and distribution). TFS is the captive finance provider of Toyota in the United Kingdom.

The Toyota Group follows these “Guiding Principles of Toyota”:

1. Honour the language and spirit of the law of every nation and undertake open and fair corporate activities to be a good corporate citizen of the world.
2. Respect the culture and customs of every nation and contribute to economic and social development through corporate activities in the communities.
3. Dedicate ourselves to providing clean and safe products and to enhancing the quality of life everywhere through all our activities.
4. Create and develop advanced technologies and provide outstanding products and services that fulfil the needs of customers worldwide.
5. Foster a corporate culture that enhances individual creativity and teamwork value, while honouring mutual trust and respect between labour and management.
6. Pursue growth in harmony with the global community through innovative management.
7. Work with business partners in research and creation to achieve stable, long-term growth and mutual benefits, while keeping ourselves open to new partnerships.

TGB and TFS Business, Supply Chain and Commitment

TGB has established a long term business strategy for the UK market, setting demanding sales growth, customer satisfaction, and profitability targets. TGB employs 276 permanent staff in the UK and it operates a Franchise Network Model with independent retail centres including 199 Toyota and 51 Lexus centres, with approximately 4,000 retail staff.

TGB investigates opportunities for improved sourcing, covering all areas of spend for both the Toyota and Lexus motor vehicle brands. As the main division for sales and marketing our supply chain includes IT systems, data storage and archiving, media, marketing and social, product development and vehicle systems.

Toyota and Lexus are committed to creating life-time loyalty to their respective brands through a culture of continuous improvement and by delivering superior quality throughout the organisation - including their respective retail networks and business partners. Placing the customer at the centre of everything they do is essential if the stated objective of 'complete customer satisfaction' is to be achieved.

TFS' role is to provide affordable and accessible finance solutions to our customers to provide mobility through Toyota and Lexus vehicles. We have just over 200 employees and operate in the UK, where we are authorised and regulated by the Financial Conduct Authority for our Consumer Credit and Insurance Mediation activities.

Due to the nature of TFS' business our supply chains are very limited. They include the use of routine technical support services for IT systems, data storage and archiving, telephony and communications infrastructure, credit reference and fraud prevention services, and print services. We do not act as a producer, manufacturer or retailer of physical goods and have no supply chain in relation to such activities. Our Anti-Slavery and Human Trafficking Policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

TFS is the parent company of a group of companies whose respective roles are to provide the same or similar finance solutions to customers within their own countries of residence: Italy, Finland, Czech Republic, Slovakia, Hungary, Denmark, Kazakhstan, and South Africa. These companies are independently managed entities, regulated in accordance with the applicable laws of their own territories, with the role of TFS being limited to matters of shareholder administration.

The shared culture of TGB and TFS is inherited from our ultimate parent and is underpinned by the Seven Guiding Principles of Toyota, as set out above.

TGB and TFS are aware that we must be conscious of the working conditions and other practices used within our supply chains. The employment, procurement and audit practices operated by TGB and TFS ensure that our own high standards for ethical conduct are shared

by those entities with which we do business. We ensure that we work collaboratively with our suppliers to improve environmental, social and ethical standards, and make sure that all of our suppliers comply with our policies. We seek to guide and support where we are confident that improvements can be made in environmental, social or ethical performance of suppliers. We ensure that all supplier staff working on our premises are afforded the same level of respect and safety as our own staff. We make sure that we base our supplier selection on an objective and fair criteria that include consideration of environmental, social and ethical performance.

We endeavour to comply with all national and international laws, trade restrictions, embargoes, sanctions and regulations that apply to the work we do. We are committed to respecting the dignity, liberty and equality of everyone we work with. This includes maintaining an interest in the business practices used by companies and business partners that supply goods or services to us.

TGB and TFS understand the importance of eliminating modern slavery and human trafficking and ensuring supply chains are free from such activity and so we act as an advocate for responsible supply chain practices within our industry sector.

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our businesses.

Policies, Ethical Trading and Due Diligence

As part of our initiative to identify and mitigate risk (including in relation to that of slavery and human trafficking) we operate a range of policies and procedures appropriate to our businesses. These include the policies and procedures in the following areas:

- Anti-slavery and Human Trafficking;
- Anti-Money Laundering, and Financial Crime;
- Code of Conduct;
- Outsourcing;
- Procurement; and
- Whistleblowing.

Our Procurement Policies set out our purchasing process which illustrates the rationale behind our supplier selection and ensures suppliers have the capacity, the capability and have a fair opportunity to contract with TGB and TFS. Our established procurement practices ensure a fair procurement process in compliance with all laws and regulations and our

Procurement Policies support this. TGB's Procurement Policy is available on our website (toyota.co.uk).

In exercising supplier due diligence, we use a risk based approach to ensure we focus on those areas where the risk is greatest and maximum impact can be achieved. To this end TGB has conducted an initial risk analysis of all our suppliers and we will perform enhanced due diligence throughout the 2016/2017 financial year with key suppliers. TGB will work to remedy any areas in which suppliers do not meet our standards or do not comply with relevant regulations. This may ultimately include ceasing trade with suppliers who show persistent disregard for important elements of environmental, social or ethical performance or that do not meet our internal criteria for selection.

TGB has high expectations of our suppliers. We expect all suppliers to have management systems in place to enable compliance with all relevant legal requirements and transfer our policy into their own operations and those of their supply chains by including these in our contracts. All relevant internal labour conventions must be complied with at all times and they must be able to demonstrate continuous improvement in their approach to sustainable and responsible sourcing.

TFS is also working on increasing the level of due diligence on ethics and elimination of modern slavery by conducting checks on identified tier one suppliers, and their management, and by requesting assurance on levels of compliance within their supply chains. We have identified those existing suppliers that will undergo further due diligence check over the course of the next financial year. Where risk areas are identified, we will ensure that those in our supply chain, and those participating in our tender process, commit to comply with our Anti-slavery and Human Trafficking Policy and Procurement Policy.

TGB and TFS ensure credit checks are run against potential suppliers to ensure we are aware of trading history and their ongoing viability as a business. We request certain information and documentation from all our suppliers and TGB may also require suppliers to register with our preferred due diligence portal. This allows us to perform effective reviews on all our suppliers.

TFS' Anti-Money Laundering and Financial Crime processes include the systematic screening of all customers against official sanctions lists to ensure that we are not inadvertently providing funding to individuals and/or organisations that have been identified as designated persons.

Due to the nature of our business and our status as a regulated entity, TFS is subject to the oversight of the Financial Conduct Authority and required to operate a structured programme of corporate governance and controls. This includes remaining in close contact and performing regular checks on our key suppliers to ensure that their internal procedures are in line with our values and our high expectations.

Both TGB and TFS operate Whistleblowing Policies, demonstrating our commitment to reducing any unethical practices in the workplace. These policies facilitate an independent reporting service available to all employees, officers, consultants, contractors, casual workers and agency workers who may experience or witness dishonest or unethical behaviour, health and safety breaches, harassment, bullying or other forms of wrongdoing.

Our respective Codes of Conduct set out the standards expected of everyone working for the companies. They provide support to our commitments to being responsible and respectful, and they help our staff and contractors to make informed, ethical and legal decisions. It also provides a strong foundation for our framework of internal policies and procedures. TFS also articulate a series of employee rights and benefits available to employees in our Employee Handbook and our individual contracts of employment for each member of staff.

This statement is approved by Paul Van der Burgh, President and Managing Director of Toyota (GB) PLC and Doug Gillies, Managing Director of Toyota Financial Services (UK) PLC.

Date of Signature: 30th September 2016

