

## Modern Slavery Statement 2019

*For the financial year ending 31 March 2019*

**Toyota (GB) PLC (“TGB”) and Toyota Financial Services (UK) PLC (“TFS”) together (“we”), (“us”) continue to implement robust procedures to effectively monitor and identify modern slavery and human trafficking within our business practices. It is our aim to ensure compliance with all applicable law and regulation, and to maintain the integrity of our brands, ‘Toyota’ and ‘Lexus’. This is our fourth 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 2018 (“2018 Statement”). This statement applies for the financial year ending 31<sup>st</sup> March 2019.**

Modern slavery refers to the deprivation of fundamental human rights, including freedom from forced labour and the right to liberty, for the purpose of personal or commercial gain. This covers a wide range of exploitative practices such as slavery, servitude and human trafficking.

TGB and TFS continue to be fully committed to acting responsibly and ethically within our commercial dealings and are always actively seeking to improve and implement preventative mechanisms to minimise the risk of modern slavery within our businesses and supply chains.

### Supplier Audits

In line with the stated aims within our 2018 Statement, we have further increased focus on our supply chain by placing greater responsibilities on our suppliers to be transparent about their business operations. Our auditing procedures allow us to strengthen the working relationships we have with our suppliers, ensuring that they comply with modern slavery legislation and promote the welfare and well-being of workers.

Over the last financial year, our compliance and procurement teams, lead by TGB’s internal auditor, conducted audits on certain key suppliers based on risk profile. We are pleased to report that these audits raised no concerns in relation to breaches of modern slavery legislation, however we were able to identify further ways to help our suppliers strengthen their health, safety and environmental standards.

### Retailer Agreements

In September 2019, TGB will be updating its commercial agreements with its franchise holders to further strengthen our stance on modern slavery. These measures place obligations on our retailers to respect and support TGB with our compliance to the legislation, to undertake yearly risk assessments and communicate the outcomes of these assessments to us along with any safeguarding mechanisms they propose to implement. This ensures transparency within our working relationship with our franchisees, allowing us to effectively communicate our commercial expectations and ensure that these expectations are being met.

TFS will also be launching a new form of commercial agreement to its retail partners that governs the terms on which they are permitted to provide our financial services to customers. This agreement will

contain robust provisions in relation to modern slavery, requiring compliance with the legislation, enforcement of appropriate anti-slavery policies and an obligation to ensure that our partners hold their sub-contractors to the same standards.

### Mandatory Training

Mandatory training is essential to our ability to further heighten awareness of modern slavery and promote compliance within our respective businesses and supply chain. At TGB, we undertake mandatory e-learning training on an annual basis to ensure that all of our employees are well-equipped to identify acts of modern slavery and take preventative measures to tackle any concerns. At TFS, we have previously raised awareness to our employees of our policy, approach and expectations, and will be moving to the same mandatory training model as TGB during the next financial year.

This is consistent with our modern slavery policy which sets out behavioural and ethical standards for all of our employees and encourages those to be transparent by voicing any concerns that may arise, in particular concerns relating to slavery and human trafficking.

### **Our Ongoing Commitment for Financial Year 2019/20**

We have a responsibility to continue taking initiatives to combat acts of modern slavery and uphold the integrity of our brands. We are committed to the continuous development of our business procedures in order to provide clarity as to our expectations within our commercial dealings and supply chain. This is essential for the efficiency of our businesses and the maintenance of high health, safety and environmental standards that we set ourselves.

### Modern Slavery Policy

As set out in our 2018 Statement, we will be updating our modern slavery policy to ensure that this reflects changes within legislation and provides a more effective and robust framework. This goes hand-in-hand with our updated whistleblowing policy, which facilitates clear communication of misconduct and promotes an open and ethical culture within our organisation.

We are keen to explore other initiatives to further raise awareness within our businesses such as embedding the use of the 'Unseen' app ([www.unseenuk.org](http://www.unseenuk.org)) which publicly provides key information and direct access to a secure helpline to report concerns or instances of modern slavery.

### Further Supplier Audits

Over the next fiscal year, we shall be increasing the surveillance of our supply chain by conducting further audits on key suppliers. An update on these upcoming audits will be provided within our next statement in September 2020. Our compliance and procurement teams will be introducing a new methodology matrix which will improve our ability to identify high-risk suppliers and further develop our reporting methods. In particular, we will look to further enhance our audit checklist and the procedure in which we prioritise the selection of our suppliers for audit. We continue to encourage our employees, representatives and suppliers to be pro-active and reactive in their compliance to

legislation and to work to the highest professional standards in order to help eradicate acts of modern slavery within our businesses and supply chain.

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: 24<sup>th</sup> September 2019

