

***TOYO TIRES***

**Modern  
Slavery  
Statement**

For the reporting period 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2022

***TOYO TYRE AUSTRALIA PTY LTD***

## REPORTING PERIOD

This statement applies to the company's financial year commencing 1<sup>st</sup> January 2022 and ending 31<sup>st</sup> December 2022.

## COMPANY STRUCTURE

Toyo Tyre Australia Pty Ltd (ACN 000 767 279) has its registered office at level 2, 137-149 Airds Road Minto, NSW, 2566, Australia, and is an unlisted Australian public company, being a wholly owned subsidiary company of Toyo Tires Corporation, based in Japan.

As at the end of December 2022, Toyo Tyre Australia Pt Ltd employed 63 people in Australia across the operation of its pneumatic rubber tyre importation and wholesale distribution business

Toyo Tyre Australia Pty Ltd does not own or control any other entities.

## COMPANY OPERATIONS

Toyo Tire Corporation (parent company) employs nearly 12,000 people globally and has seven tyre manufacturing plants in Japan (2), USA, Malaysia, China (2) and Serbia. The manufacture and sale of tyres accounts for approximately 90% of Toyo Tire Corporations global net annual sales, with the manufacture of automotive parts accounting for the remaining 10% of global net annual sales. The tyre business manufactures and controls the global distribution of the following 2 tyre brands;

1. Toyo Tires
2. Nitto

Toyo Tyre Australia Pty Ltd's tyre business unit sources tyres exclusively and directly from Toyo Tire Corporation (its parent entity) and directly manages and operates 7 tyre distribution centres in Townsville (QLD); Brisbane (QLD); Newcastle (NSW); Sydney (NSW); Melbourne (NSW); Adelaide (SA); Perth (WA), and operates a rubber manufacturing plant in Sydney (NSW).

The tyres are sold on a wholesale basis predominantly to tyre retailers in Australia, who in turn sell them to private and commercial consumers. Tyres are also sold into the New Zealand market though a local distributor who in turn sells them on a wholesale basis to New Zealand tyre retailers.

Our company's 1<sup>st</sup> tier supplier matrix is shown in the following table which also categorises the type of relationship we have for each supplier product/service group.

The type of relationship we have with our suppliers infers the level of relative influence we may potentially have in each commercial relationship.

| TOYO TYRE AUSTRALIA PTY LTD'S SUPPLY CHAIN |                           |   |
|--------------------------------------------|---------------------------|---|
| Products/raw materials                     | Tyres                     | F |
|                                            | Storage stillages         | L |
| Services                                   | Logistics (freight)       | C |
|                                            | Utility companies         | C |
|                                            | Waste removal             | C |
|                                            | Cleaning contractors      | C |
|                                            | Labour hire               | C |
|                                            | IT contractors            | C |
|                                            | Fire services contractors | C |
|                                            | Security contractors      | C |
|                                            | Legal                     | L |

**LEGEND:**

- F fixed relationship
- L long term relationship
- C changeable relationship

**SUPPORTING POLICIES**

Toyo Tire Corporation enforced a *Global Human Rights & Labour Policy* throughout the Toyo Tire Group in January 2019. This policy specifically addressed the following United Nations Sustainable Development Goals;

- 1 No Poverty
- 8 Decent Work and Economic Growth
- 9 Industry, Innovation and Infrastructure
- 10 Reduced Inequalities



A component of the global version of Toyo Tire Corporation’s *Code of Conduct Handbook* also specifically deals with issues pertaining to “Human Rights and Local Communities” and complements the aforementioned policy.

Toyo Tyre Australia Pty Ltd also has a *Whistle-blower Policy* to support compliance with the company’s *Code of Conduct Handbook*. All Toyo Tyre Australia Pty Ltd’s employees are aware of the *Code of Conduct Handbook* and *Whistle-Blower Policy*.

Toyo Tyre Australia Pty Ltd will also develop a specific Modern Slavery Policy that directly addresses the risk of modern slavery issues within its supply chain.

All company policies are readily available on the company’s Intranet site.

## TRAINING

Online compliance training is provided by both Toyo Tire Corporation and Toyo Tyre Australia Pty Ltd on a regularly scheduled basis each year to Toyo Tyre Australia Pty Ltd's employees. These training courses are delivered through experienced and accredited training service providers.

## DUE DILIGENCE ON RISK

As a means of providing a transparent benchmark for our corporate Environmental, Social and Governance (ESG) practices, the Toyo Tire Group has been included in;

- [FTSE4 Good Index Series](#)
- [FTSE Blossom Japan Index](#)
- [SOMPO Sustainability Index](#)

The Toyo Tires Group understands and respects the applicable local laws governing human rights in the countries we conduct business in and the following international principles governing human rights;

- *International Bill of Human Rights including Universal Declaration of Human Rights* (UN: United Nations).
- *Guiding Principles on Business and Human Rights* (UNHRC: United Nations Human Rights Council).
- *OECD Guidelines for Multinational Enterprises* (OECD: Organization for Economic Cooperation and Development).
- *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy* (ILO: International Labour Organization).

Toyo Tyre Australia Pty Ltd's employees encompass a range of warehouse and office roles, including warehouse workers, technicians, tradespeople, salespeople, finance and admin functions, middle and senior managers.

All of Toyo Tyre Australia Pty Ltd's employees are employed in compliance with Australian workplace laws.

The company is accredited under ISO 9001:2015 and ISO 14001:2015

The risk of modern slavery occurring in our supply chain is predominantly with suppliers external to the Toyo Tires Group, particularly those operating in high-risk industries and based in high-risk countries.

## TOYO’S RESPONSE TO THE MODERN SLAVERY ACT

Toyo Tyre Australia Pty Ltd is not aware of the existence of any modern slavery issue, or allegation of a modern slavery issue, arising within its supply chain.

If any instance of modern slavery is identified, action will be taken to ensure the issue is immediately remediated. Ongoing confirmation will also be required from the relevant suppliers that no further modern slavery issues arise in their workforce and supply chain. If remediation and ongoing confirmation does not occur, alternative suppliers will be sourced who will commit to provide goods and services free of any modern slavery practices and in accordance with our relevant policies. Our supplier contracts will also be amended where appropriate to include terms prohibiting modern slavery practices and requiring confirmation these practices are not engaged in and will not be engaged in.

Toyo Tyre Australia Pty Ltd will continue to review responses provided by suppliers to our questionnaire regarding modern slavery issues as they are received and will assess what steps we can take on an ongoing basis to further minimise the risk of modern slavery issues arising in our supply chain.

## STATEMENT REVIEW AND APPROVAL

This statement was reviewed and approved by the Board of Directors of Toyo Tyre Australia Pty Ltd on 29<sup>th</sup> June 2023.

|           |                                                                                     |
|-----------|-------------------------------------------------------------------------------------|
| Signed:   |  |
| Name:     | Michael Rudd                                                                        |
| Position: | Managing Director & CEO                                                             |
| Date:     | 29   6   2023                                                                       |