

***TOYO TIRES***

**Modern  
Slavery  
Statement**

For the reporting period 1<sup>st</sup> January 2020 to 31<sup>st</sup> December 2020

***TOYO TYRE & RUBBER AUSTRALIA LIMITED***

## REPORTING PERIOD

This statement applies to the company's financial year commencing 1<sup>st</sup> January 2020 and ending 31<sup>st</sup> December 2020.

## COMPANY STRUCTURE

Toyo Tyre and Rubber Australia Limited (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 2020, Toyo Tyre and Rubber Australia Limited employed 107 people in Australia across the operation of two business units;

1. Pneumatic rubber tyre importation and wholesale distribution.
2. Rubber manufacturing for domestic and international markets.

Toyo Tyre & Rubber Australia Limited does not own or control any other entities.

## COMPANY OPERATIONS

Toyo Tire Corporation (parent company) employs over 12,000 people globally, and has seven tyre manufacturing plants in Japan, USA, Malaysia and China with another under construction in 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 3 tyre brands;

1. Toyo Tires
2. Nitto
3. Silverstone

Toyo Tyre and Rubber Australia Limited'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 through a local distributor who in turn sells them on a wholesale basis to New Zealand tyre retailers.

Toyo Tyre & Rubber Australia Limited's rubber manufacturing business unit sources raw materials from 53 suppliers in 23 different countries across four different continents with whom it has long term relationships.

The raw materials for rubber manufacturing can be generally classified as rubber polymer, carbon black, chemicals and oils.

The rubber is processed to customers’ specified compounds for the mining, automotive, engineering, construction, and tyre re-conditioning industries in both the domestic and international markets.

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.

TOYO TYRE & RUBBER AUSTRALIA LIMITED’S SUPPLY CHAIN				
	Tyre Distribution		Rubber Manufacturing	
Products/raw materials	Tyres	F	Rubber polymer	L
	Storage stillages	L	Carbon black	L
			Chemicals	L
			Oils	L
Services	Logistics (freight)	C	Logistics (freight)	C
	Utility companies	C	Utility companies	C
	Waste removal	C	Waste removal	C
	Cleaning contractors	C	Cleaning contractors	C
	Labour hire	C	Labour hire	C
	IT contractors	C	IT contractors	C
	Fire services contractors	C	Fire services contractors	C
	Security contractors	C	Security contractors	C
	Legal	L	Legal	L

**LEGEND:**

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

The type of relationship we have with our suppliers infers the level of relative influence we may potentially have in each commercial 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 & Rubber Australia Limited also has a *Whistle-blower Policy* to support compliance with the company's *Code of Conduct Handbook*. All Toyo Tyre & Rubber Australia Limited's employees are aware of the *Code of Conduct Handbook* and *Whistle-Blower Policy*.

Toyo Tyre & Rubber Australia Limited will also develop a specific Modern Slavery Policy that directly addresses the risk of modern slavery issues within its supply chain which will be implemented for the next reporting period.

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 & Rubber Australia Limited on a regularly scheduled basis each year to Toyo Tyre & Rubber Australia Limited'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 & Rubber Australia Limited's employees encompass a range of factory, warehouse and office roles, including process workers, warehouse workers, technicians, tradespeople, salespeople, finance and admin functions, middle and senior managers.

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

The company is accredited under ISO 9001:2015.

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. The *2017 Global Estimates of Modern Slavery: Forced Labour and Forced Marriage* resource indicates that our highest risk lies with our rubber manufacturing business' raw material suppliers in Asia.

Having identified this risk, and due to Toyo Tyre & Rubber Australia Limited's diverse supplier base, we have asked our 1<sup>st</sup> tier suppliers to respond to a specific questionnaire to identify potential risks pertaining to the modern slavery practices for the next reporting period.

## TOYO'S RESPONSE TO THE MODERN SLAVERY ACT

Toyo Tyre & Rubber Australia 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 supplier 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 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 & Rubber Australia Limited on 13<sup>th</sup> May 2021.

Signed:



Name: Michael Rudd

Position: Managing Director & CEO

Date: 13 May 2021