



**TOYOTA FINANCE AUSTRALIA**  
Modern Slavery Statement

September 2024

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## INTRODUCTION

This statement has been published in accordance with the Modern Slavery Act 2018 (Cth) (“**MSA**”) and outlines the steps Toyota Finance Australia Limited (“**TFAL**”) has taken to assess and address the risks of Modern Slavery (as defined in the MSA) in its operations and supply chains during the financial year ending 31 March 2024.

## STRUCTURE, OPERATIONS AND SUPPLY CHAIN

TFAL, which was incorporated as a public company limited by shares in New South Wales, Australia on 18 June 1982, operates under the Australian Corporations Act and is a wholly owned subsidiary of Toyota Financial Services Corporation (“**TFS**”) which is a wholly owned subsidiary of the ultimate parent entity, Toyota Motor Corporation incorporated in Japan.

TFAL has the following owned and controlled entities that are also covered by this modern slavery statement:

- Australian Alliance Automotive Finance Pty Limited (“**AAAF**”), incorporated in New South Wales is a subsidiary of TFAL.
- TFAL also has an investment of 5,000,000 ordinary shares (45.45 per cent) in an associated company, Toyota Finance New Zealand Limited (“**TFNZ**”), incorporated in New Zealand. The balance of the shares in TFNZ are owned by TFS.

**For the purposes of this Modern Slavery Statement, TFAL by reference incorporates the operations, management, compliance and governance of AAAF.**

The registered office of TFAL is located at Level 9, 207 Pacific Highway, St Leonards NSW 2065 Australia. As at 31 March 2024, TFAL had 1152 adjusted full-time equivalent employees. The majority of TFAL’s employees are direct permanent and fixed term, with a small number of contractors and consultants.

The principal activities of TFA, which are an integral part of the Toyota group’s presence in Australia, are:

- financing the acquisition of motor vehicles by retail and commercial customers by way of consumer and commercial loans;
- providing bailment facilities and commercial loans to motor dealers;
- providing vehicle finance (by way of loans, term purchase, finance lease or operating lease) and fleet management services to government bodies and corporate customers;
- selling retail insurance policies underwritten by third party insurers; and
- providing short-term provision of vehicles through carshare, car rentals and car subscription services to registered members in Australia.

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TFA operates in the following business and geographical segments:

*Business segments:*

- Retail – comprising loans and leases to personal and commercial customers including wholesale finance which comprises loans and bailment to motor vehicle dealerships;
- Fleet – comprising loans and leases to small business and fleet customers consisting of medium to large commercial clients and government bodies; and
- Carshare – short-term provision of vehicles through subscription carshare and car rental services.

*Geographical segments:*

- TFA's business segments operate in Australia, with representation in New South Wales, Victoria, Queensland, South Australia and Western Australia.

This Modern Slavery statement outlines actions taken by TFAL during the financial year with respect to the requirements of the MSA.

TFAL purchases goods and services from approximately 3,470 suppliers. During the financial year ending 31 March 2024, TFAL incurred third party supplier costs of approximately AU\$1.7bn primarily within Australia. TFAL's supply chain for Fleet includes vehicle manufacturers for vehicle resale including the supply of parts and accessories, Auto dealerships, vehicle servicing and repairs providers, recruitment and workforce service providers, and providers of IT services and office supplies. The largest areas of spend for TFAL are vehicle purchase, maintenance, fuel, and registration fees.

TFAL is committed to the prevention of Modern Slavery in its operations and supply chains. TFAL has a clear expectation that our employees, business partners and suppliers (including contractors and agents) must not engage in the conduct or practices of Modern Slavery and must actively work to prevent the risk of Modern Slavery in the business operations and supply chains. During the financial year TFAL increased its understanding of Modern Slavery through research and general awareness initiatives, in addition to ongoing training and alignment with TFAL's Modern Slavery risk assessment framework.

## **MODERN SLAVERY RISK WITHIN OUR OPERATIONS AND SUPPLY CHAINS**

TFAL acknowledges that high standards alone will not be enough to combat the potential risks of Modern Slavery in its operations and supply chains. TFAL believes it is important to have a multi-faceted Modern Slavery risk assessment and mitigation strategy that comprises of awareness, education and training programs for its employees, and the deployment of robust measures that evolve and improve over time as new information about modern slavery practices and response becomes available.

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TFAL recognises the complexity of Modern Slavery, and the variety of ways in which it can manifest in operations and supply chains. During the financial year TFAL continued to review its Modern Slavery risk assessment within its operations and high risk supply chains to identify if any changes in known, or new areas of risk existed.

The risk assessment identifies high risk factors of Modern Slavery and those categories of goods and services within our business and the business of our suppliers and partners that are considered at risk of Modern Slavery. This assessment considers, among other things, factors such as the use of low skill labour by suppliers, goods that are manufactured in high-risk countries and services that are provided by suppliers that may potentially utilise opaque contracting arrangements.

The outcome of this risk assessment is consistent with previous reporting years' assessments in which the following potentially 'High Risk' categories of goods and services were identified:

- Vehicle Purchase – this incorporates vehicles purchased by TFAL for the purposes of leasing to our customers;
- Vehicle Maintenance, Fuel and Tyres – this captures TFAL's activity in managing and maintaining its customers' fleet cars. As part of these activities, TFAL enters into service agreements with suppliers; and
- Fleet Partners and Auto Dealerships, with who TFAL has ongoing business relationships as an integral part of the Toyota value chain.

Factors considered in the assessment include industry type, whether the product has been manufactured overseas potentially using low skill labour, and services provided by suppliers in Australia that may utilise low skill labour with opaque contracting arrangements. The diverse range of goods and services in the key areas of expenditure and supplier engagement (Vehicle Purchase, Sale and Maintenance and general business operations) leads TFAL to conclude that due to the nature of TFAL's business there is an ongoing requirement for TFAL to continually monitor, assess and immediately respond to any exposure to Modern Slavery in our operations and supply chains.

TFAL's monitoring and supervision risk assessment activities were undertaken during the reporting year with no adverse Modern Slavery events being identified. This will continue to be performed annually for existing operations, supplier relationships and business partnerships, and at the time of entering new contractual arrangements. The objective of these assessment activities is to identify and validate high risk goods and services to ensure effective due diligence and controls are applied in managing the risk of Modern Slavery.

## **POLICIES, PROCESSES AND CONTRACTUAL CONTROLS TO ADDRESS RISK**

During the last reporting period, the following steps were taken by TFAL to strengthen its governance and controls in the area of Modern Slavery in its operations, supply chain and business partnerships:

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## Due Diligence Platform

During the last reporting period TFAL procured a leading ESG questionnaire tool which supports tracking of supplier assessment questionnaires and risk profiles. In FY24 the following was undertaken:

- Mapping over 600 suppliers with a total spend of \$391m against its Modern Slavery risk assessment criteria and taking a risk-based approach to management of identified risks. 75% of TFAL's suppliers show a low risk rating with no suppliers showing a high risk rating;
- Posing questions around modern day slavery compliance in tender documents;
- Ongoing investment in technology and consulting services to support TFAL's modern slavery risk assessments;
- Developing a supplier code of conduct; and
- Adding new clauses to its supply agreement templates to ensure that issues relating to modern slavery risk and mitigation measures are specifically addressed in our contracts with suppliers.

TFAL has several policies in place to mitigate Modern Slavery risks in its operations and supply chains. In FY24 TFAL engaged a third party to review and advise on its policies. Each of these policies is reviewed and approved annually by Senior Management. These policies include:

- Code of Conduct policy;
- Whistle-blower policy; and
- Grievance Resolution Policy.

These policies are made available to all TFAL employees, contractors and business partners.

TFAL's supplier contractual terms require suppliers to:

- Warrant that none of its directors, officers, employees, agents, representatives, contractors or subcontractors engage in modern slavery,
- Develop and maintain policies to avoid modern slavery; and
- Comply with any reporting requirements applicable to them.

TFAL Senior Management are required to provide a yearly attestation, as to their respective business area's compliance with TFAL's Modern Slavery requirements and principles around reducing the risk of Modern Slavery. TFAL Senior Management must notify TFAL Compliance immediately if they become aware of a potential act of, or increased risk of Modern Slavery within the business operations, supply chain or business partnerships. Bi-annual compliance reviews are undertaken by the TFAL Compliance team in accordance with TFAL's Compliance Policy to assess the effectiveness of the company's management of the risk of Modern Slavery in the daily operations of the business. TFAL's Procurement

team manage the operational aspects of identifying Modern Slavery risk when engaging with new and existing suppliers.

TFAL believes that raising awareness of Modern Slavery within the business will build greater capability of staff and management in identifying Modern Slavery risks and increase TFAL's overall effectiveness in addressing and mitigating the risk of Modern Slavery. TFAL commits to training its staff to ensure awareness of Modern Slavery risks across the company TFAL continues to develop and provide Modern Slavery awareness and training annually to all TFAL employees and contractors, and upon commencement of employment and/or contracting with TFAL. To date over 200 managers have completed this training.

## ASSESSING EFFECTIVENESS

During financial year ending 31 March 2024, TFAL undertook a review of its response to Modern Slavery to assess the effectiveness of its modern slavery practices using a third-party supplier. This included evaluation of TFAL's supplier risk assessment methodology and validation of its ongoing effectiveness as well as reviewing TFAL's policy framework relating to modern slavery.

The table below is a summary of the key focus areas and our progress against our FY23 Modern Slavery Statement.

<b>Planned Measure indicated in FY23 Statement</b>	<b>Status in FY24 Reporting Period</b>	<b>Progress description and other comments</b>
Operationalise and embed supplier risk management processes including strengthening our supplier on boarding due diligence procedures	Completed	Assessing over 600 suppliers against its Modern Slavery risk assessment criteria
	In Progress	Issuing supplier assessments questionnaires with a response rate of 35% in line with our plan to issue SAQs to highest risk suppliers. Supplier Code of Conduct has been developed.
Continue to expand the awareness of our staff and partners, of the modern slavery risks in our operations and supply chain	Ongoing	Formal training modules for staff
	Completed	External training session conducted

Deepen our understanding of our Tier 1 (direct) and Tier 2 (subcontractors) modern slavery risk	Completed	Assessing over 600 suppliers against Modern Slavery risk assessment criteria
Perform due diligence desktop assessments on high-risk suppliers	Not Applicable	None of the sample of 600 suppliers assessed were identified as high risk based on geography and type of service.

In FY25 TFAL will undertake the following actions to strengthen its modern slavery response:

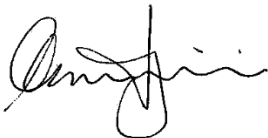
**FY25 FOCUS**

- roll out the Supplier Code of Conduct and incorporate it into tendering and onboarding processes for new suppliers;
- amend any internal policies, where appropriate;
- continue to expand the general awareness of, and education around Modern Slavery risks to our suppliers, staff and partners; and
- Create an internal Working Group focussed on day to day responsibility for making, implementing and reporting on TFAL’s modern slavery response.

## CONSULTATION AND COMMITMENT OF THE BOARD

This Modern Slavery Statement was prepared by TFAL on its own behalf and on behalf of AAAF, its wholly owned subsidiary. TFAL consulted the relevant companies we own or control in the development of this statement. TFAL will continue to monitor and report on the effectiveness of this Modern Slavery Statement to the Board of Directors of TFAL.

The statement was approved by the Board of Toyota Finance Australia Limited on 22 August 2024 and signed by CEO and President Evan Tsirogiannis.



**Evan Tsirogiannis**  
**CEO and President**





*“At Toyota Finance Australia, we are committed to a future without slavery and one with equality for all” Evan Tsirogiannis, CEO and President*

**TOYOTA FINANCE AUSTRALIA**