

Modern Slavery Statement

Reporting Period 1st April 2019 to 31st March 2020

Introduction

This statement sets out Toyota Material Handling Australia Pty Limited (ACN 104 644 635) (**TMHA**) actions undertaken between 1 April 2019 and 31 March 2020 in order to assess all potential modern slavery risks related to TMHA's operations and to put into place processes that are aimed at ensuring there are no modern slavery practices in TMHA's operations or its supply chain operations.

TMHA recognises that it has a responsibility to ensure that no modern slavery exists in its business and is committed to a process of continuing assessment to prevent any risk of modern slavery arising.

This statement and TMHA's actions serve to conform to the Australian Federal Legislation "Modern Slavery Act 2018" (No. 153, 2018): An Act to require applicable entities to report on the risks of modern slavery in their operations and supply chains and actions to address those risks, and for related purposes.

Organisational structure, operations and supply chains

The principal core activities of TMHA consist of:

- (a) the wholesale and retail sale of forklift trucks and forklift replacement parts; and
- (b) rental (both long and short-term) of forklift trucks and the servicing and repair of forklift trucks.

TMHA is a proprietary limited company with one shareholder and headquarters in Nagoya Japan and has approximately 800 employees. TMHA operates through 15 branches in Australia and does not have any subsidiaries.

TMHA purchases forklifts and forklift parts from overseas TICO production plants in Japan, North America, and Europe and from non-related entities in Europe.

Assessment of the risks of modern slavery practices in TMHA's operations and supply chains

TMHA is committed to identifying possible modern slavery risks in TMHA's operations and supply chains.

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TMHA have conducted an internal risk assessment of its top 50 spend suppliers and at-risk category suppliers by sector and have come to the following conclusions relating to possible modern slavery risks that TMHA may be directly linked to, including:

- **Sector and industry risks:** TMHA did not identify that the distribution or rental forklift trucks and forklift replacement parts was a high modern slavery risk sector or industry. However, TMHA recognises that IT hardware may be a higher risk sector or industry for modern slavery risks;
- **Product and services risks:** TMHA did not identify that the distribution or rental forklift trucks and forklift replacement parts was a high modern slavery risk for product or services.
- **Geographic risks:** TMHA distributes plant and equipment at 15 branch locations in Australia and understands that Australia is at the lower risk scale for modern slavery instances; and
- **Entity risks:** TMHA is committed to continuously improving its knowledge and visibility over its direct suppliers to better identify any entity risks with suppliers.

TMHA is committed to continuously improving its approach to identifying modern slavery risks in its supply chains and operations, including by undertaking risk assessments beyond its top 50 spend suppliers in the future.

The outcome of the supply chain analysis conducted by TMHA was to send a newly created Supplier Code of Conduct document to these suppliers asking them to acknowledge and agree to the Supplier Code of Conduct.

Actions taken by TMHA to assess and address risks, including due diligence and remediation processes

- Development of a Modern Slavery Action Plan which sets out TMHA's actions and priorities for addressing modern slavery risks in our supply chains over the next three years.
- Undertaken a supply chain risk assessment internally to identify and assess high risk areas in our supply chain. This will assist us to target screening of new suppliers in these high risks areas.
- Developed a Supplier Code of Conduct in line with international norms and regulations which all suppliers will need to abide by. We provided this Code of Conduct to all identified suppliers and requested they acknowledge and sign the Supplier Code of Conduct. Standard purchasing terms and conditions have been reviewed to ensure that provisions are included which expressly refer to, and demand compliance with, all applicable Modern Slavery laws.
- TMHA's codes and policies require TMHA employees to act lawfully, ethically and with integrity and encourages them to raise compliance and ethics concerns. TMHA's Code of Conduct requires that suppliers and service providers are only engaged when applicable laws, regulation and TMHA policies are followed. Any TMHA employee who violates our standards may be subject to disciplinary action up to and including termination of employment.
- TMHA ensure that no under aged people are employed within our company.

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- TMHA ensure that we are provided with all relevant details for employees engaged through third party labour agencies.
- TMHA ensure that our employees are trained on the modern slavery legislation and are provided with useful information on how to recognize different types of Modern Slavery including what to do if it is identified.
- TMHA's Whistleblowing policy ensures that workers and contractors are able and encouraged to raise their concerns confidentially including Modern Slavery concerns.
- Developed modern slavery provisions and incorporated these into many TMHA policies e.g. Purchasing Policy, Whistle blower Policy, Recruitment, Risk register and others. These clauses set out TMHA's commitment to human rights and the use of ethical suppliers.
- Developed remediation policy provisions which outlines ways that TMHA may remediate where modern slavery is found to exist in our supply chain depending on whether it has directly caused, contributed to, or been directly linked to the modern slavery instance, including:
 - (a) Incorporating modern slavery provisions in our whistleblowing policy;
 - (b) ensuring our actions are always in the best interests of the suspected victim or victims; and
 - (c) promptly involving law enforcement agencies so the situation is properly investigated, any victims are identified and protected and that the perpetrators are held to account.

Training

TMHA engaged an external consultant (Holding Redlich) to undertake training to TMHA Management. The training included a 1.5 hour training session.

We have also provided our staff links to online resources and training materials to increase their knowledge and awareness about modern slavery.

Impact of COVID-19

TMHA is committed to protecting vulnerable workers from the impacts of COVID-19. To this end, TMHA has maintained supplier relationships during COVID-19 and avoided varying or terminating current supplier contracts.

Assessment of the effectiveness of TMHA actions

TMHA assesses the effectiveness of the anti-modern slavery actions it is taking in the following ways:

- (a) Implementing an internal review mechanism of any notified known or suspected instances of modern slavery in its supply chain;

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- (b) Internal development of relevant KPIs on:
- (i) the number of modern slavery training and awareness-raising programs delivered;
 - (ii) the proportion or number of complaints resolved by its grievance mechanism;
 - (iii) the number of contracts that include modern slavery clauses;
 - (iv) the number of tender documents that include supplier on-boarding questionnaires in relation to modern slavery and labour hire practices; and
 - (v) the number of actions taken to work with suppliers to improve their capacity to respond to modern slavery risks.
- (c) Implementing contractual rights in supply contracts to allow us to undertake audits of suppliers.

Board/Member Approval

This statement was approved on 21st October 2020 by TMHA's board of directors who instruct that it is reviewed and updated annually.

Director's signature:

Steve Takacs – President and Chief Executive Officer

Date

22nd October 2020