

***TOYO TIRES***

**Modern  
Slavery  
Statement**

For the reporting period 1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2023

***TOYO TYRE AUSTRALIA PTY LTD***

## REPORTING PERIOD

This statement applies to the company's financial year commencing 1<sup>st</sup> January 2023 and ending 31<sup>st</sup> December 2023.

## TOYO TYRE AUSTRALIA COMPANY STRUCTURE

Toyo Tyre Australia Pty Ltd (ACN 000 767 279) has its registered office at Unit 1, 2 Culverston 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 2023, Toyo Tyre Australia Pt Ltd employed 59 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.

## TOYO TIRE GROUP OPERATIONS

Toyo Tire Corporation (Toyo Tyre Australia Pty Ltd's parent company) is headquartered in Japan and operates in 15 countries and regions including Australia, with 37 consolidated subsidiaries, 9 associated companies and approximately 11,600 consolidated employees, and is engaged in the manufacturing and sales of tyres (for passenger vehicles, light trucks, trucks and buses) and automotive parts.

Toyo Tire Corporation's tyre business accounts for over 90% of total sales with manufacturing bases in Japan, the United States, Malaysia, Serbia and China that produce tyres for the Toyo Tires and Nitto brands globally.

An automotive parts business manufactures anti-vibration rubber and other parts in Japan, the United States, China and Thailand, primarily for distribution to automotive manufacturers in different countries.

An outline of Toyo Tire Corporation's businesses is available on their Corporate Profile page (<https://www.toyotires-global.com/corporate/profile/>).

## TOYO TYRE AUSTRALIA OPERATIONS

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

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.

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.

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.

In March 2019, Toyo Tires became a signatory to the United Nations Global Compact (UNGC), declaring our support for, and commitment to achieving the UNGC’s 10 Principles, which include supporting and respecting the protection of human rights, elimination of forced labour, and effective abolition of child labour. Furthermore, we state our responsibility to respect human rights in the Toyo Tire Group Charter of Corporate Behaviour, which defines our basic stance in fulfilling our

corporate social responsibilities. The fulfillment of this responsibility is also explicitly detailed in our Global Human Rights & Labor Policy.

At the same time, the Toyo Tire Group Code of Conduct states that each employee should conduct themselves in a way that respects the human rights of all people involved in the course of their duties.

In addition, respect for human rights and prevention of human rights violations (including prohibiting forced and child labour) are also stipulated in the Toyo Tire Group CSR Procurement Guidelines and the Sustainable Natural Rubber Procurement Policy, both of which are aimed at promoting responsible procurement. We request that our business partners (suppliers) support and follow these guidelines and policies.

Each policy includes directives on understanding, respecting and complying with laws and regulations in each of the countries where we operate, as well as the fundamental human rights recognized in international standards such as the Guiding Principles on Business and Human Rights, the Guidelines for Multinational Enterprises and the tripartite declaration of principles concerning multinational enterprises and social policy.

Please refer to the following pages for further information.

- Toyo Tire Group Charter of Corporate Behaviour  
<https://www.toyotires-global.com/csr/corporate/charter/>
- Global Human Rights & Labor Policy  
[https://www.toyotires-global.com/csr/pdf/human\\_rights\\_en.pdf](https://www.toyotires-global.com/csr/pdf/human_rights_en.pdf)
- Toyo Tire Group Code of Conduct  
<https://www.toyotires-global.com/csr/corporate/conduct/>
- Toyo Tire Group CSR Procurement Guidelines  
[https://www.toyotires-global.com/csr/pdf/procurement\\_en.pdf](https://www.toyotires-global.com/csr/pdf/procurement_en.pdf)
- Sustainable Natural Rubber Procurement Policy  
[https://www.toyotires-global.com/csr/pdf/sustainable\\_en.pdf](https://www.toyotires-global.com/csr/pdf/sustainable_en.pdf)

Toyo Tyre Australia Pty Ltd also has a *Complaints and Grievances Policy* and a *Whistle-blower Policy* with reporting mechanisms available 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*, the *Complaints and Grievances Policy* and *Whistle-Blower Policy*, and all Toyo Tyre Australia Pty Ltd's 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.

Additionally, each year on international Human Rights Day, our global CEO send a message detailing the Toyo Group's commitment to human rights to all Toyo Group employees.

## TOYO TIRE GROUP'S 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](#)
- [FTSE Blossom Japan Sector Relative Index](#)
- [SOMPO Sustainability Index](#)

Reference:

[External Recognition - Action for Sustainability - TOYO TIRES GLOBAL WEBSITE \(toyotires-global.com\)](https://toyotires-global.com)

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).

In 2023, Toyo Tire Corporation identified relevant human rights risks throughout the Group's business activities and supply chain, scored them by severity and likelihood, and assessed their significance with more weight given to severity in accordance with the UN Guiding Principles on Business and Human Rights. The relevant human rights risks were then assessed according to rights holder (those who have the human rights that are at risk of being adversely impacted), which led to the ultimate identification of the following as important human rights risks that take priority based on severity should an incident occur: slavery and/or human trafficking of Group employees, employees of manufacturing contractors or distributors, and employees at raw material and other production sites.

Along with requesting that suppliers follow the Toyo Tire Group CSR Procurement Guidelines, their cooperation was also requested in making the goals of the guidelines known further up the supply chain.

To further strengthen human rights risk management across the supply chain, Toyo Tire Corporation have also introduced a third-party survey and assessment system in FY2022 to evaluate the status of their suppliers' efforts. As of the end of 2023, this survey had been conducted with raw material suppliers (including natural rubber suppliers) that make up about 70% of Toyo Tire Corporations total transactions by financial value. The aim is to survey tire raw material suppliers (including natural rubber suppliers) that make up at least 95% of total transactions by financial value by the end of 2025.

The next step in Toyo Tire Corporation's human rights due diligence will be to prevent occurrence of slavery and human trafficking within the Group by establishing definitions and preventative measures, as well as procedures in case incidents are discovered, and making these widely known throughout the Toyo Tires Group.

Furthermore, to eliminate slavery and human trafficking at suppliers, those who are found to not meet Group standards according to third-party evaluations will be encouraged to take seminars and other actions to deepen understanding and adoption of our position on sustainable procurement, while we monitor changes in evaluation results to check the effectiveness of these initiatives.

## TOYO TYRE AUSTRALIA'S DUE DILIGENCE ON RISK

Toyo Tyre Australia Pty Ltd's employees encompass a range of warehouse and office roles, including warehouse workers, 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 upstream of the supply chain in high-risk industries and based in high-risk countries.

In addition to the measures already described in relation to due diligence by our parent entity, Toyo Tyre Australia Pty Ltd requested Toyo Tire Corporation to complete a questionnaire and Confirmation Statement in September 2023 to enable Toyo Tyre Australia Pty Ltd to directly assess the effectiveness of our actions as a Group.

**TOYO TYRE AUSTRALIA ’S RESPONSE TO THE MODERN SLAVERY ACT**

Accordingly, 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. Toyo Tyre Australia Pty Ltd’s 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 the responses from our suppliers to our policies and surveys regarding our position on modern slavery 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 20<sup>th</sup> June 2024.

Signed:	
Name:	Michael Rudd
Position:	Managing Director & CEO
Date:	20/06/2024