



**TOYOTA**

# Anti-Modern Slavery Statement 2023

# Index

Endorsement from the Board of Directors	1
Toyota Motor Corporation Australia Limited	1
Structure, Operations and Supply Chain	2
Assessing the risks of modern slavery in our supply chain	4
Addressing the risks of modern slavery in our supply chain	7
Tracking the effectiveness of our actions	9
Consultation Process with our entities	10
Additional Information	10

NOTICE: The information in this report is provided for general information purposes only. While Toyota Australia uses its best endeavours to ensure the information in this report is accurate and up-to-date at the time of publishing, it is not necessarily comprehensive and may change over time. To the extent permitted by law, Toyota Australia is not liable for any damage or loss suffered from relying upon the information contained in this report whether by way of negligence or otherwise. Toyota Motor Corporation Australia Limited ABN 64 009 686 097 155 Bertie St, Port Melbourne Vic 3207. Published 19/09/2023. © 2023 Toyota Motor Corporation Australia Ltd - no part of this publication may be copied, reproduced or distributed without consent of Toyota Australia.

## Endorsement from the Board of Directors



A handwritten signature in black ink, appearing to read 'M. Callachor'.

**Matthew Callachor**  
President & CEO  
Toyota Australia

Toyota Motor Corporation Australia Limited (TMCA) is committed to the rights and freedoms of all people and our company shares this vision with our Toyota affiliates across the globe.

TMCA continues to learn more about our supply chain and operations, building on the work delivered in past reporting periods. This modern slavery statement addresses the work TMCA and our subsidiaries have undertaken to assess, address and mitigate the risks of modern slavery in our operations and supply chains in FY2023 (current reporting period).

‘Happiness for All’ is our company mission at Toyota. We will continue our activities and play our part to improve conditions for people, both in Australia and around the world.

This statement was approved by the Board of Toyota Motor Corporation Australia Limited on 1 September 2023, Matthew Callachor, President and CEO, 11 September 2023.

## Toyota Motor Corporation Australia Limited

Toyota's origins in Australia began in 1958, after Thies became the first Australian company to win a construction contract on the huge Snowy Mountains Hydro-Electric Scheme. Toyota Motor Corporation Australia Ltd (TMCA) has since established and maintained its position as Australia's leading automotive company. Toyota, globally founded in 1937, and TMCA, continuously strive to contribute to the sustainable development of society and the planet through our quality products and services.

TMCA is a wholly owned subsidiary of Toyota Motor Corporation (TMC), a publicly listed company in Japan and Japan's largest vehicle manufacturer. Toyota Community Foundation Australia (TCFA) is a wholly owned subsidiary of TMCA and is Trustee for the Toyota Community Trust (TCT), the philanthropic arm of TMCA. S.C.T Pty Ltd (SCT), is also a wholly owned subsidiary of TMCA. SCT wholly owns 3 companies; OTS (AUSTRALIA) PTY. LTD ACN 060 941 808 T/A Revolution Software Services, MLAN Computer Solutions (AUST.) Pty Ltd ACN 061 826 195 and Revolution Software Limited NZCN 4133527. They are known collectively as the "Revolution Group of Companies" or "Revolution". TMCA is the sole reporting entity under the Modern Slavery Act 2018 (Cth) (the Act).

The Toyota Human Rights Policy together with the Toyota Supplier Sustainability Guidelines, as subsections of the broader Toyota Global Sustainability Fundamental Policy (collectively, the Global Policy) guides TMCA on supplier sustainability and human rights issues. The Global Policy outlines Toyota's Philosophy and draws the focus of our affiliates and suppliers onto sustainable development and Toyota's expectations; both for ourselves and our suppliers, regarding these important issues. The Global Policy includes Toyota's commitment, and expectation of our suppliers, to respect human rights, including by not using or tolerating any form of forced or child labour in its operations and supply chains, and recognising the rights of our employees and customers. It also outlines due diligence responsibilities, which TMCA upholds in our everyday procurement practices. This Global Policy has been active since 2008 and has been updated on a regular basis.

TMC also maintains a Sustainability Data Book which explains Toyota's global approach to human rights and sustainability, including practical cases and numerical data. These policies and approaches apply to our activities and supply chains.

## Structure, Operations and Supply Chain

### Structure

Toyota has operated in Australia for over 60 years and strives to maintain its position as one of Australia's most reputable automotive brands. The corporate headquarters for TMCA are situated in Port Melbourne, Victoria. Our four regional offices are located across Australia, except in Western Australia, where an independent company, Prestige Motors Pty Ltd, distributes Toyota-branded vehicles. TMCA distributes Lexus branded vehicles throughout all of Australia.

TMCA has approximately 1,600 employees and is structured under six Operating Arms comprising:

- National Sales, Marketing and Franchise Operations;
- Guest, Aftersales and Corporate Operations;
- Finance Operations;
- New Business Solutions & Product Planning Operations;
- Information, Digital and Corporate Services Operations; and
- Lexus.

### Operations

The vehicles we distribute are imported from Toyota affiliates overseas. Our customers include private buyers, business, and rental and government fleets. Our customers are serviced by TMCA's extensive network of over 200 dealers, comprising of some 300 sites. The dealership operations are independently owned under franchise agreements.

The Toyota Community Trust (TCT) is a discretionary trust fund. The TCT was established following the closure of Toyota's manufacturing operations in Australia in 2017. The TCT provides grants and other support to organisations (both for profit and not for profit). The current focus of the TCT is STEM education (science, technology, engineering, and mathematics) in Australia.

Toyota Community Foundation Australia Pty Ltd (TCFA) is a separate entity that was established to be the trustee of the TCT. The Board of the TCFA (comprising of three members) makes decisions on who shall be grant recipients of the TCT proceeds each year.

Revolution is a highly regarded and professional software development and implementation business that has developed a unique methodology and approach to customer facing systems. Starting in the 1990s, Revolution has developed a unique best of breed software management solutions for the Automotive, Marine & Motorcycle industries, but its application in other areas is endless. Product applications of the technology include motor vehicle, motorcycle and marine dealerships. Revolution is considered today as the benchmark within industry.

## Supply Chain

TMCA's supply chain includes both overseas and Australian-based suppliers. Across the current reporting period, we used the services of 1261 first tier suppliers, with a total expenditure of approximately \$9.4 billion. The largest category of spend was on the importation of vehicles from Toyota suppliers in Japan, Thailand, Austria and the USA.

Of the remaining proportion, the importation of parts features suppliers from Japan, Singapore, the USA and Belgium; service parts and accessories are a small percentage of total spend, the majority of which are Australian based and source their components across Japan, China, Thailand and various other countries; all included as part of TMCA's conflict minerals survey. Finally, our corporate procurement group includes suppliers of indirect goods and/or services, along with payments to government and sponsorship entities.

The supply chain for Revolution is typical of a software services and development provider, in that its suppliers are split between two main categories; supply of technology to build and maintain a service, and supply of services to deploy and manage the service. Revolution's suppliers in both categories are typically US companies with a supply model out of the US. Suppliers of technology to build and maintain the Revolution services represent approximately \$2.1M of spend annually. Suppliers of services to deploy and manage the Revolution Dealer Management Solution (DMS) service (e.g. Public Cloud) is approximately \$1.9M annually.

# Assessing the risks of modern slavery in our supply chain

## Preliminary risk assessments & Supplier Minimum Standards

TMCA undertakes a preliminary supplier risk assessment for each supplier as part of our supplier onboarding process.

We continually analyse the risks relating to our suppliers on an ongoing basis. When sourcing new suppliers, we inform and expect that they adhere to our Supplier Minimum Standards (Minimum Standards) and we engage with suppliers directly where more information is required to satisfy TMCA that the supplier can meet our Minimum Standards.

The Minimum Standards enable TMCA to clearly express the expectation we have of suppliers at all stages of our procurement processes. Suppliers were asked to confirm that their business could meet the Minimum Standards, which require our suppliers to commit to:



Free and voluntary employment



No discrimination



Respect and dignity



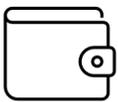
No child labour



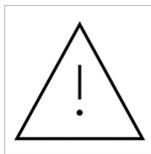
Freedom of association



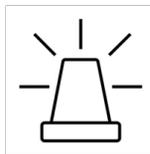
Environmental sustainability



Wages and benefits



Workplace safety



Grievance process



No bribery



Responsible material procurement

Currently, over 97% of our suppliers surveyed report (see supplier questionnaires section) that they have policies in their own organisations that enable them to meet our Minimum Standards, which is a positive outcome. We will continue to work progressively with our suppliers to assist those who need support complying with our standards.

During the reporting period, TMCA conducted our annual conflict minerals survey of suppliers for the TMCA supply chain. This activity is part of a global requirement for all Toyota affiliates and assists TMCA to confirm that no Tantalum, Tin, Gold and Tungsten used in products sourced by TMCA are from high-risk or conflict affected smelters. Of the suppliers that use the above minerals in their products, we received a response from all but one supplier, who was going through a closure activity and subsequently are no longer a supplier to TMCA. From the survey responses received, no conflict minerals were identified.

## Supplier questionnaires

During the current reporting period, TMCA shared our supplier questionnaire with approximately 1227 first-tier suppliers, which were identified as active at the time of commencing the activity. For FY2023, TMCA received responses from 378 suppliers overall, including several key suppliers who submitted their own modern slavery statements, prepared in accordance with either U.K. or Australian reporting requirements.

TMCA's supplier base profile contains a high percentage of tail spend (low value and/or low frequency spend) suppliers, therefore TMCA has prioritised issuance of the Modern Slavery Supplier questionnaire to both those suppliers who supply goods or services in higher risk categories and high spend suppliers.

TMCA has provided Revolution's suppliers (105) with both the Minimum Standards and Supplier Questionnaire and continue to focus on strengthening the procurement processes that Revolution has, with TMCA's procurement team regularly sharing their process knowledge. There has been a modest response from 15 suppliers this year (16%), which is up from 7 in FY22 and 22 (20%) in total since commencing the Revolution activity. More effort will be focused on increasing the visibility of Revolution's supply chain in FY2024.

Responses to the supplier questionnaire have been low in our TMCA Anti-Modern Slavery reports to date. Promisingly, we have worked to increase supplier responses to over 30% for the FY2023 period (up from 7% in FY2022).

Across the reporting years, cumulative supplier responses continue to build, in addition to suppliers who have previously responded; providing TMCA with greater visibility of our supply chain, equating to over 39% of total suppliers surveyed.

This year's response represents 47% of TMCA's supply chain spend. Building on previous years' responses, this represents visibility over 68% of TMCA's typical total annual spend.



### Supplier Snapshot

All FY2023 supplier questionnaire responses

23% Outsource part of their operations

55% Prepared Aus/ UK Modern Slavery statement

32% Have collective representation

73% Take steps to ensure no child labour in supply chain

19% Use labour hire organisations

## **Supplier Information Management Activity**

In our previous report, TMCA outlined its hybrid contract management structure (combination of centralised & decentralised supplier management), which has caused some challenges due to a heavy reliance on manual processes.

Collecting and maintaining up-to-date information relating to our supply chain has been a major focus of FY2023 activities and our procurement team is preparing to enhance the supplier portal to optimise and automate going forward. Once implemented, the Supplier Information Management portal will be managed as a centralised tool through which provides both internal users and suppliers with the ability to see their current information and request updates when necessary. This will make our supplier data collection processes more efficient and effective, and we expect these improvements will increase the number of supplier responses TMCA receives each year.

The portal update is scheduled to be implemented in FY2024 and we will continue to look for opportunities to improve our two-way communication channels with our suppliers moving forward.

## **Due-Diligence Platform**

We have procured a leading ESG questionnaire tool, which will support automated reminders and tracking of questionnaire outcomes and risks for each supplier. This platform will also tap into existing external sanctions datasets, together with providing an enhanced tool for overall risk assessment and tracking.

A body of work has been undertaken in FY2023 to procure this platform and TMCA is currently on-boarding the tool. This tool for collecting and maintaining up-to-date supplier information, will greatly aid TMCA in its daily procurement activities.

## **Supplier engagement**

TMCA continues to engage directly with our suppliers that indicate challenges with meeting our minimum standards and endeavour to support them to improve their practices, policies and procedures to minimise the risk of modern slavery within their supply chains.

Of the few that indicate difficulties, we welcome their openness and willingness to improve their practices, as continuous improvement is a core value of TMCA.

As noted above, although we have made several survey contact attempts, we are still in the process of engaging with all of our first-tier suppliers in relation to modern slavery risks. While the challenges of this process have been well documented, TMCA has made significant advancements in establishing the systems and methods which underpin it. We will continue to work towards our goal of completing TMCA's review of all first-tier suppliers by FY2025 and expect to see another significant increase in coverage and visibility once the due diligence system is fully operational.

# Addressing the risks of modern slavery in our supply chain

TMCA has robust processes in place to assess and address the risks of modern slavery in relation to our existing and candidate suppliers, which include TMCA's preliminary supplier risk assessments, supplier questionnaires, and engagement with suppliers around compliance with our Minimum Standards. This activity spans across the entire procurement lifecycle and is not limited to onboarding.

We actively engage with our suppliers, both as required and as identified by our processes, to confirm they are taking appropriate action to assess, manage and mitigate risks of modern slavery practices in their own operations and supply chains. Where necessary and appropriate, we will cease procuring goods or services from suppliers who are unable to demonstrate that they are taking those actions.

We also take a number of other actions to address the risks of modern slavery in our operations and supply chain, which are outlined below.

## Policies, processes and procedures

Our parent company, TMC, has worked with TMCA, and other Toyota affiliates, on the upcoming Toyota Global Code of Conduct, which will be released later in 2023. The global code, together with an updated TMCA Code of Ethics, will reinforce the expected standards of TMCA in many areas, including human rights and modern slavery. These Codes will continue to highlight the importance of our processes and activities to our people.

TMCA's Modern Slavery Policy is planned to be published internally in line with the above Codes, to set out TMCA's expectations around our procurement and supplier engagement activities. The policy will empower all in the company to do their part to identify, assess and address risks of modern slavery in our supply chains, together with the established procurement and risk functions.

TMCA's suite of purchase agreements require suppliers to take reasonable steps to ensure that there is no modern slavery in their operations and supply chains. This includes establishing appropriate systems and processes to ensure risks or occurrences of modern slavery in their supply chains are identified, assessed and addressed. Suppliers are required to notify TMCA as soon as reasonably practicable after becoming aware of, or reasonably suspecting instance(s) of modern slavery in their supply chains or any part of their business and undertaking remedial actions to address and cease any instance(s) of modern slavery accordingly.

## Operational Tools

As described earlier in this statement, TMCA is continuing to automate many of our modern slavery functions, including the supplier questionnaire process.

## Grievance mechanisms and remediation

TMCA maintains systems to ensure that our employees and other stakeholders can safely and, where necessary, confidentially raise concerns and lodge complaints. We have continued to maintain our grievance mechanisms for modern slavery concerns, which fit within our existing frameworks.

Our suppliers have received communications about the Toyota Ethics Line, in conjunction with other relevant policies, periodically.

Our mechanisms for remediation aim to both remediate and improve conditions for those impacted, whenever detected. The ultimate goal is to stop instances of modern slavery before they have the chance to begin, by ensuring proactive measures, such as ethical sourcing standards and practices, are in place throughout the supply chain. These principles for remediation are considered and embedded throughout TMCA's policies and processes.

## Training

In conjunction with the previously mentioned code and policy updates, TMCA is updating our training packages, which will increase the focus on human rights and modern slavery, among other compliance obligations. Sessions of the previous Fraud and Ethics training program, which included human rights and modern slavery content, were conducted in FY2023 and attendance is reflected in the statistics in this report.

TMCA has recently launched more in-depth modern slavery training, specifically designed for our contract managers, legal and procurement teams and an awareness video for staff was also presented, rolled-out during a Governance week activity.

In FY2024, TMCA will continue to ensure steady progress is made to:

- Realise the benefits of our newly acquired due diligence system and leverage it to improve our current processes in risk detection and mitigation;
- Implementation of the Supplier Information Management module in our procurement system; and
- Continue to refine and improve our existing modern slavery methods and processes.

## Tracking the effectiveness of our actions

TMCA is committed to ensuring the changes and actions taken to identify, assess and address risks of modern slavery are effective.

The procurement and risk teams regularly review the actions TMCA is taking and assesses our outcomes against the allocated responsibilities to ensure modern slavery due diligence is occurring as planned. This supports communication between contract managers across TMCA and the risk and procurement teams overseeing our modern slavery activities.

Our Modern Slavery (Supplier) Risk Register records instances of risks related to modern slavery in our supply chain and ensures there is regular monitoring and evaluation of TMCA's responses to those claims.

We continue to track the following metrics which assess the effectiveness of our actions to assess and address risks of modern slavery in our operations and supply chain:

378

Supplier questionnaire responses received for FY2023

97%

Percentage of suppliers that confirmed they can meet TMCA's Minimum Standards

68%

Visibility over TMCA's typical total annual spend

39%

Of supply chain that has responded to date

## Consultation process with our entities

TMCA sought supply chain information from relevant contract managers throughout the business. The report team consulted with senior management and key stakeholders in relation to supply chain management processes and policies, for each of our wholly owned subsidiaries in preparing this statement.

TCFA operates from TMCA's Central Headquarters in Port Melbourne, Victoria, and shares TMCA's resources and functions (i.e., Finance & Procurement teams). TMCA has consulted with the coordinator of the TCFA in preparing this statement and has confirmed TCFA's commitment to supporting TMCA's modern slavery compliance program. TCFA is working closely with TMCA to identify, assess and address the risks of modern slavery in our supply chain.

TMCA has also consulted with the stakeholders responsible for procurement at Revolution in respect of its operations and supply chain, and these outputs can be seen throughout this report. We will continue to work with Revolution to ensure the processes and policies are aligned with TMCA's.

## Additional information

TMCA continues to work with TMC to standardise our modern slavery practices as much as possible across Toyota globally. TMCA recognises that it is important to share experiences and learnings amongst affiliates and continually strive to achieve best practice.

TMCA continues to support our dealer network with guidance in respect of modern slavery compliance and share our knowledge with them.

## Copies of the report

The Anti-Modern Slavery Statement 2023 can be viewed online at <https://www.toyota.com.au/support>

## Feedback

Please provide us with your feedback so we can continue to improve on our approach to modern slavery.

If you have any comments, ideas or questions, please email [compliance.support@toyota.com.au](mailto:compliance.support@toyota.com.au) to provide feedback.

## Contact

Head Office Toyota Motor Corporation Australia Limited  
155 Bertie Street Port Melbourne VIC 3207

**E** [compliance.support@toyota.com.au](mailto:compliance.support@toyota.com.au)

Toyota Motor Corporation Australia Ltd (TMCA) ABN 64 009 686 097

Toyota Community Foundation Australia Pty Ltd (TCFA) ACN 621 680 993

S.C.T. Pty Ltd (SCT) ACN 004 182 192

OTS (AUSTRALIA) PTY. LTD ACN 060 941 808 T/A Revolution Software Services

MLAN Computer Solutions (AUST.) Pty Ltd ACN 061 826 195

Revolution Software Limited NZCN 4133527