



FY2023 Statement on the UK Modern Slavery Act

Toyo Tire Corporation (below: Toyo Tires) reports the following on our FY2023 (January 1-December 31, 2023) initiatives to prevent slavery and human trafficking within the company and our supply chain pursuant to Section 54 of the United Kingdom Modern Slavery Act.

1. Our business (as of the end of December 2023)

• Organization and business summary

Toyo Tires is headquartered in Japan and operates in 15 countries and regions including the United Kingdom, with 37 consolidated subsidiaries, 9 associated companies and approximately 11,600 consolidated employees, and is engaged in the manufacturing and sales of tires (for passenger vehicles, light trucks, trucks and buses) and automotive parts.

Our tire business accounts for over 90% of total sales, and we have manufacturing bases in Japan, the United States, Malaysia, Serbia and China that produce tires for the Toyo Tires and Nitto brands globally. The new tire manufacturing plant in Serbia commenced operations in 2022.

In our automotive parts business, we sell anti-vibration rubber and other parts produced in Japan, the United States, China and Thailand, primarily to automotive manufacturers in different countries.

An outline of our businesses is available on our Corporate Profile page (<https://www.toyotires-global.com/corporate/profile/>).

• Supply chain

The Toyo Tires supply chain includes services outsourced to contractors spanning raw material procurement, research and development, marketing, manufacturing, and distribution and sales. Our primary procured goods are raw materials, components, molds and manufacturing equipment to produce tires and automotive parts.

• Philosophy

The overall Toyo Tires philosophy is formed of the company philosophy that is the spirit of our establishment; our mission that defines our purpose within society; our vision that states what kind of company we want to be to achieve our mission; and the Toyo Way, which is the set of our fundamental values that form the basis for thinking and are equally valued by all of our executives and employees in striving to achieve our vision.

One of the goals in our vision is to be a company that “shares in the enjoyment felt by everyone involved in our activities,” and we recognize that respect for human rights forms the foundation of this. We thus believe it necessary to have zero tolerance of all forms of slavery and human trafficking within Toyo Tires and our supply chain.

Details about our philosophy are available here (<https://www.toyotires-global.com/corporate/philosophy/>).

2. Policies for preventing slavery and human trafficking

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 labor, and effective abolition of child labor. Furthermore, we state our responsibility to respect human rights in the Toyo Tire Group Charter of Corporate Behavior, 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 labor) 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.

See the following pages for further information.

Toyo Tire Group Charter of Corporate Behavior

<https://www.toyotires-global.com/csr/corporate/charter/>

Global Human Rights & Labor Policy

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

Sustainable Natural Rubber Procurement Policy

https://www.toyotires-global.com/csr/pdf/sustainable_en.pdf

3. Processes for preventing slavery and human trafficking within the company and supply chain

(1) Grievance mechanism

Since 2006, Toyo Tires has operated an internal concern-raising system with a hotline available to employees and business partners both in and out of the company. This hotline also accepts reports related to human rights, including on slavery and human trafficking. Each report is investigated, and measures are implemented based on the results to remediate the issue and prevent its recurrence. Our internal regulations prohibit unfair treatment of informants for having made a report. We promote the hotline in the Toyo Tire Group Code of Conduct Handbook and on the Group intranet to raise awareness.

To further ensure slavery and human trafficking are prevented, we also operate a special hotline for reports related to our supply chain for natural rubber, the core material used in the manufacturing of our main product, tires.

(2) Human rights due diligence

In 2023, we 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. We then assessed these relevant human rights risks 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.

(3) Procurement guidelines and self assessments

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

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

(4) Future initiatives

The next step in our 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 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.

4. Training on prevention of slavery and human trafficking

Since establishing our Global Human Rights & Labor Policy, each year on international Human Rights Day, the head of management sends a message about human rights to Group employees.

We also strive to improve awareness of human rights in as many employees as possible through measures such as holding annual readings of the Toyo Tire Group Code of Conduct handbook in each workplace to confirm knowledge about respect for human rights, and covering human rights issues in business within stratified training programs.

To prepare for conducting human rights due diligence, in FY2022 we held a lecture by an external expert for staff at general manager level or higher to deepen their understanding of the relationship between our business operations and human rights and help them learn how to conform to international standards.

Going forward, we will continue these efforts and update the content of the training as needed to prevent any human rights violations.

5. Approval of Board of Directors

This statement has been approved by the Board of Directors, and is signed by Representative Director, President & CEO Takashi Shimizu.

April 26, 2024


