

TOYOTA MOTOR MANUFACTURING (UK) LTD

Burnaston, Derbyshire
East Midlands
DE1 9TA, United Kingdom
T 01332 282121 – F 01332 282801

Supply Chain Responsibilities

Introduction

Toyota Motor Corporation (TMC) has continuously strived to contribute to the sustainable development of society through the manufacturing and distribution of high-quality and innovative products and services, as indicated in the '**Toyota Earth Charter**'.

Through such continuous efforts, Toyota has established its own management philosophy, values and methods that have been passed down from generation to generation throughout the company. Toyota has summarized this management philosophy into what is known as the '**Guiding Principles at Toyota**', which reflect its idea of what kind of company Toyota wants to be. These Guiding Principles were created in the expectation that all Toyota Group companies and business partners would understand and share fundamental management principles and contribute to society by referring to these principles. We believe that the spirit of the Guiding Principles has been put into practice in all our business activities throughout Toyota's history.

Toyota takes initiatives to contribute to harmonious and sustainable development of society and the earth. Toyota expects its business partners to support these initiatives, and comply fully with all applicable laws, regulations, and societal norms, and to practice management based on "respect for people."

With regard to environmental aspects - an area in which Toyota has been active for many years - the twenty-first century will be a period when all business activities and all people must work in concert to resolve global environmental issues, such as those related to energy, climate change, and management of chemical substances. Consequently, Toyota requests even greater environmental initiatives by suppliers in their business activities. In light of these developments, TMUK is issuing its Supplier Code of Conduct.

Toyota commits to:

- Develop and provide innovative, safe and outstanding high quality products and services that meet a wide variety of customers' demands.
- Support equal employment opportunities, diversity and inclusion for our employees and not discriminate against them.
- Provide a safe environment in which the supply chain may operate.
- Provide sustainable solutions.
- Treat all suppliers fairly, without discrimination, by providing fair procurement methods and developing long term relationship.
- Recognize excellent supplier performance by providing repeat business opportunities.

Toyota expects its suppliers to commit to:-

Health and Safety and environmental considerations

- Suppliers and business partners should provide a safe and hygienic working environment.
- Health and safety policies and procedures should be in force, trained and followed which prevent accidents and injury in the course of work or supply of goods.
- Suppliers must ensure that adequate training is provided to their employees in the execution of their job such that the risk of accidents is minimized.
- Safe transportation and storage of goods by ensuring that goods are packed, marked and labeled according to applicable transportation and storage regulations. Material Safety Data Sheets must be provided for all chemical substance before supplying to Toyota or using such products on Toyota's site.
- Personal Protective Equipment should be supplied to all supplier personnel working at Toyota's sites, which is relevant to the type of work being undertaken.

- Suppliers must strive for continual improvement in their environmental performance and that of their suppliers and business partners. This should include: non use of hazardous materials (banned substances of concern (SoC) ie Lead – Pb, Cadmium – Cd, Mercury – Hg, Hexavalent Chromium – Cr6+); development of use of recyclable products in those goods supplied; responsible use of natural resources; integration of principles of sustainability into business decisions and product design.
- Supplier business activities must comply with all applicable environmental laws & regulations.
- Obtain certification to ISO14001 by 2009.
- All suppliers should seek to minimize the use of packaging when supplying goods to Toyota whilst not compromising the quality of the goods. Wherever possible packaging should come from renewable sources and be recyclable.

Treatment of employees

- The supplier must be able to demonstrate that employees of the company and their sub-suppliers and business partners are treated fairly and legally with regard to remuneration, benefits and working conditions.
- Toyota will not do business with any company using forced labour. No employee will be forced to work through force or intimidation.
- Suppliers shall not employ children less than 16 years old or who are younger than the age for completion of compulsory education in the country of manufacture where age is higher than 16.
- Suppliers shall not discriminate against employees on the basis of personal characteristics or beliefs. We will seek to do business with suppliers who do not discriminate in hiring and employment practices on the grounds of race, nationality, gender, religion, age, disability, marital status, membership of associations, sexual orientation or political opinion.
- Wages and benefits: The supplier shall pay wages commensurate with minimum wage or the prevailing industry wage, whichever is higher. The supplier should ensure that sub-suppliers are equally paying wages which meet employees' basic needs.
- Hours of Work: Employees should not be required to work more than the standard 48 hour week in line with Working Time Directive and should be given reasonable rest breaks throughout the working day.
- Freedom of Association: Business partners and suppliers of Toyota UK, shall respect employees' rights to join associations of their own choosing and to bargain collectively.
- Disciplinary practice: Every employee shall be treated with respect and dignity. No employee shall be subject to any abuse, either physical, sexual, psychological or verbal.

Community involvement

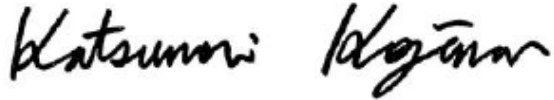
- Suppliers will be viewed favourably who are seen to contribute to the local community, for example, by providing assistance to local organizations, community, financial or otherwise, or by improving conditions in the country of operation.

Sub-supplier management

- Suppliers must undertake to apply the principles of this charter fairly and consistently to their own supply chain.

TOYOTA MOTOR MANUFACTURING (UK) LTD

Toyota Motor Manufacturing (UK) Ltd would like its suppliers to fully embrace the spirit of the code and we look forward to continuing to work together in an atmosphere of continuous improvement.



Katsunori Kojima
Managing Director
Toyota Motor Manufacturing (UK) Ltd