

Australian Modern Slavery Act 2018
MODERN SLAVERY STATEMENT FOR YEAR ENDING 31 MARCH 2021

About us

Turners Automotive Group Limited (the Group) is the parent company of a diversified group of companies that provide automotive retail and integrated financial services (finance, insurance, and credit management) operating primarily in the automotive retail sector.

Our approach

Modern slavery describes situations of severe worker exploitation, including forced labour and trafficking in persons. Modern slavery is defined under the Australian Modern Slavery Act 2018 (Cth) (section 4) and also includes debt bondage, servitude, deceptive recruiting, the worst forms of child labour, slavery (including the severe exploitation of migrant workers), and forced marriage.

The Group is committed to ethical and fair conduct. We are committed to continuously improving our policies and practices to combat modern slavery in all its forms, including forced labour, human trafficking and the worst forms of child labour. As part of this, the Group is committed to improving transparency within our organisation and of suppliers of goods and services to the Group in respect of modern slavery. The Group does not, and will not knowingly support or deal with any business involved in modern slavery.

Our operations

- **Automotive retail** - Turners Group NZ Limited, trading as Turners, buys and sells second hand consumer and commercial vehicles.¹ Automotive retail is the largest part of the Group, employing 451 employees (c. 72% of the Group).
- **Finance** – Oxford Finance Limited, trading as Oxford Finance, provides asset-based finance to consumers and SMEs. 82 employees are employed in the finance business.
- **Insurance** – DPL Insurance Limited, trading as Autosure and Greenwich Life, provide motor vehicle, loan protection and life insurance solutions. 44 employees are employed by the insurance business.
- **Credit Management** – EC Credit Control (NZ) Limited and EC Credit (Aust.) Limited, trading as EC Credit Control, provide collection services, credit management and debt recovery services to corporate and SME sectors in New Zealand and Australia.² 45 employees are employed by the Credit Management business.

¹ Further Group subsidiaries involved in automotive retail include: Turners Fleet Limited; Turners Finance Limited; Turners Property Holdings Limited; and Buy Right Cars (2016) Limited. We also operate a small car subscription service, Carly New Zealand Limited, which trades under the name “Turners Subscription”.

² Further Group subsidiaries involved with EC Credit include: Estate Management Services Limited; Payment Management Services Limited; and EC Web Services Limited.

- **Corporate Head Office** – Nine employees are employed to support the rest of the Group.

Turners Group includes a number of subsidiaries which are referenced throughout this Statement.³

Our supply chain

We have identified the main supply chains in relation to the Group's business:

- **Turners automotive retail** - Turners employees travel periodically to Japan to purchase second-hand vehicles from Japanese auction houses. We have a close and long-standing relationship with several Japanese vehicle importers which are responsible for exporting the vehicles to New Zealand. The vehicles need to pass biosecurity and custom checks prior to arrival in New Zealand. These checks are performed in Japan by providers accredited by the New Zealand Customs Service and the Ministry for Primary Industries. We engage local transport agents to transport vehicles from the port to our car yards via independent vehicle compliance centres. We have a long-standing and close relationship with our main transparent agent Auto Logistics.
- **Turners head office, retail offices and Group financial services businesses** – Turners head office and retail offices and the Group's financial services businesses engage with a number of primarily New Zealand-based corporate service suppliers. This includes IT procurement, logistics, legal services, commercial property leasing and commercial property building services, including cleaning, waste management and security.

Risks of modern slavery practices in our operations and supply chains

The Group has adopted a risk-based approach to modern slavery due diligence. For us, the starting point is that we are only willing to do business with suppliers that hold similar values and ethical practises as ourselves. Whilst we consider the risk of modern slavery within our supply chain to be lower than other parts of the automotive industry, because of the jurisdictions we operate in and our close relationships with our key suppliers, we are mindful of the need to choose our business partners well, to carry out appropriate due diligence before commencing a relationship, and to remain alert to the indicators of modern slavery.

In early 2020 the Group conducted an initial analysis of key suppliers that might create a higher risk of modern slavery practices for Turners. We have updated this analysis for the 2020 – 2021 financial year. Current key risks identified are below:

- Risk of modern slavery practices in sourcing and import of second hand Japanese cars: low so long as key supplier relationships are maintained and our expectations are made clear.
- Risk of modern slavery practices in using New Zealand transport agents: low.
- Risk of modern slavery practices in supply chain for manufacture of uniforms worn by Turners employees operating in automotive retail: medium – high on the basis of identified risk in the garment industry globally.

³ The Group offers its employees a share plan, which we operate through a separate Group subsidiary, Turners Staff Share Plan Trustees Limited.

- Risks of modern slavery in contracted cleaning services for Turners head office, retail offices and the Group's finance, insurance and credit management businesses: medium (particularly due to high staff turnover and a reliance on migrant workers).
- Risks of modern slavery in contracted motor vehicle repairer services for DPL Insurance and Turners retail: low so long as supplier relationships are maintained and our expectations are made clear.

Actions to assess and address risks of modern slavery practices: remediation and whistle-blowing

The Group's **Audit, Risk Management and Sustainability Committee**, which reports to the Board, is responsible for assessing the effectiveness of Turners' modern slavery risks. The Audit, Risk Management and Sustainability Committee reports to the Board on an 'as needed' basis, including providing a regular annual risk update.

Since the Group's first risk assessment in early 2020, we have amended our Group **Governance Code** and **Code of Ethics**. These codes highlight our expectations and commitments to good business ethics and responsible supply chain management.

In addition we have developed a **Supplier Code of Conduct** and, separately, a **Procurement Policy**. Our Supplier Code of Conduct reaffirms our commitment to ethical, responsible and sustainable business conduct, and particularly Turner's expectations regarding modern slavery. This includes that all suppliers ensure that all employees, agents and sub-contractors should comply with all employment, workforce and health and safety regulatory and statutory requirements. Our Procurement Policy prescribes the process for engaging new suppliers, conducting supplier due diligence, establishing supply arrangements, and executing supply contracts. The Group's procurement expectations are that suppliers will be chosen that have demonstrated their ability to comply with the Code of Conduct.

Following our risk assessments in 2020 and 2021, we have focussed initially on reducing the risk of modern slavery in commercial cleaning and uniform manufacturing within our supply chain. We have undertaken a review of all of our commercial cleaning contractors and uniform suppliers and are contacting them to make them aware of our expectations that they are properly managing modern slavery risks in relation to their sub-contractors and employees.

We continue to empower our staff to raise modern slavery risks if they arise. We encourage employees to report any concerns and raise grievances, including regarding a risk of modern slavery practices. We are committed to acting on any concerns regarding modern slavery practices raised by our employees.

In the 2020 – 2021 financial year we have undertaken specialised training on how to identify risks of modern slavery and what to do if employees have concerns that these activities are taking place. Targeted training has been given to the Executive team and Financial Controllers. In addition, all staff in DPL Insurance have been trained on both Modern Slavery and our Whistleblower Policy. We are committed to ongoing specialised training for the different businesses in our Group.

Specifically, our Group Whistleblower Policy offers an anonymous channel to report any unethical conduct, including any illegal acts and any modern slavery violations. All reports are treated confidentially and are fully investigated. If remediation is required involving a supplier relationship, the Group will work with the supplier to reinforce our standards. We commit to considering termination of a supplier relationship where we are concerned by ongoing breaches or un-remedied

behaviour in relation to modern slavery.

Key Areas of Action 2021 - 2022

We continue to identify further areas of action to be progressed over the next 12-18 months. This will help strengthen our measures and prevent modern slavery in all parts of our business.

- Continue to identify high risk suppliers and segments (based on geographical local and industry) further down our supply chain i.e. our second tier suppliers. Regularly assess the modern slavery risks of our major suppliers – those by volume and spend.
- Continue to engage with our high risk suppliers, including communicating our expectations that they take appropriate actions to address modern slavery risks in their supply chain and expressing our ongoing commitment to combat modern slavery in our own supply chains.
- Notify identified suppliers via email, asking them to review and comply with our Supplier Code of Conduct and be alert to modern slavery risks in their own operations and supply chains.
- Consider new avenues for engagement with existing suppliers and new suppliers, including the use of our Supplier Code of Conduct.
- Consider appropriate contractual clauses in supplier contracts regarding obligations to manage and notify regarding modern slavery risks.
- Further training on modern slavery risks by providing tailored training to all employees of the Group.

Consultation

The Group has consulted with all subsidiary entities described above in the preparation of this statement including by discussing modern slavery risks with the Group Leadership Team.

This statement applies to the financial year ended 31 March 2021. This statement was approved by the Group's Board of Directors on 28 September 2021.



Grant Baker
Chairman