



COLLECTION HOUSE LIMITED

MODERN SLAVERY STATEMENT

This Modern Slavery Statement (Statement) has been prepared to comply with the requirements of the Modern Slavery Act 2018 (Cth), including the actions taken by the Group to address modern slavery risks in our business and supply chain, for the financial year ending 30 June 2021.

ABOUT US

Collection House Limited (ABN 74 010 230 716) is a publicly listed Company that was founded in 1994 and listed on the Australian Securities Exchange (ASX) in 2000. Collection House Limited is Australia's leading end-to-end receivables management company, providing solutions to organisations and individuals that span the entire credit management lifecycle and beyond.

Our Structure, Operations and Supply Chains

Collection House Limited has a number of owned and controlled entities in jurisdictions both within and outside of Australia. With over 600 staff in offices across Brisbane, Sydney, Victoria and New Zealand, and in the Philippines, Collection House Limited and its subsidiaries, collectively referred to as the Collection House Group (Group), offers stakeholders a range of professional, ethical and effective products and services.

The Group is made up of the following brands:

- Collection House Limited – debt collection and receivables management for third parties.
- Lion Finance Pty Ltd – debt purchasing and recovery.
- Collection House (NZ) Limited – debt collection and receivables management for third parties.
- Lion Finance (NZ) Limited – debt purchasing and recovery.
- CLH Lawyers – legal services, including insolvency administration.
- Collective Learning and Development – nationally recognised training provider in financial services and leadership.
- CLH Business Services – customer service outsourcing for third parties.
- ThinkMe Finance – licensed specialist finance broker for the provision of credit.
- Midstate Credit Collect – tailored debt collection services, specialising in local government.
- Receivables Management (NZ) Limited – New Zealand supplier of receivables and debt management.
- Receivables Finance Limited – debt collection and receivables management for third parties.
- Southern Receivables Limited – debt purchase and recovery.
- Safe Horizons – provision of financial hardship services for third parties.

The Group is headquartered in Brisbane, Australia, with other offices, including New Zealand and the Philippines, reliant upon the Brisbane office for corporate support and services such as Finance, Human Resources, Information Technology and Communications, and Procurement.

The Group has a relatively simple supply chain which involves the procurement of goods and services for day to day business operations, including office supplies, employment and training of staff, external legal advice, leasing of office space, IT infrastructure and support services, and travel. Goods and services are procured in jurisdictions where our operations are located (Australia, NZ and Philippines), with the majority sourced from Australian-based suppliers and contractors.



The Group has established a panel of field agents to assist with debt collection activities, where appropriate, across its locations. The Group may also, on occasions, on-sell accounts to other third party debt collection agencies. Field agents and third party debt collection agencies are either sole traders or mostly small businesses with less than 50 employees.

Modern Slavery Risks

Modern slavery¹ is defined as serious exploitation and situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom. Practices that constitute modern slavery can include:

- human trafficking
- slavery
- servitude
- forced and child labour
- debt bondage
- forced marriage.

The definition of modern slavery does not include practices like sub-standard working conditions or underpayment of workers, though these practices are also harmful and may be present in some situations of modern slavery.

Our approach to modern slavery is incorporated into the Group's Modern Slavery Policy (Policy) where our goals are to:

- comply with the Modern Slavery Act and relevant local and national laws and regulations in jurisdictions where Collection House operates
- source products and services in accordance with legal obligations and community expectations
- act, and work with suppliers, to minimise the modern slavery in the Company's business and supply chains.

The Policy applies to Directors and all individuals at all levels who are employed or engaged by the Company within jurisdictions where the Company operates.

Using the Group's Risk Assessment Methodology, the Group has identified the following risk areas in our operations and supply chain where there may be a perception of, or a potential modern slavery risk:

Off-shore operations

While the vast majority of our operations and direct suppliers are located in Australia, the Group has off-shore operations located in New Zealand and the Philippines. The 2018 Global Slavery Index² identified Asia and the Asia-Pacific region as having the largest concentration of people in situations of modern slavery.

As such, the Group identified that the Philippines may be seen as operating at a higher risk of situations of modern slavery due to its geographic location, working conditions and economic environment.

Debt collection activities

The Group's core business is the provision of debt collection services on behalf of our clients (contingent services) and on accounts purchased from vendors (Lion Finance). In the provision of these services, the Group may, where appropriate, engage field agents to assist with debt collection activities such as vehicle repossession and process serving. The Group may, on occasions, on-sell accounts to other third party debt collection agencies.

¹ <https://www.homeaffairs.gov.au/criminal-justice/Pages/modern-slavery.aspx>

² <https://www.globallslaveryindex.org/2018/findings/regional-analysis/asia-and-the-pacific/>



The Group's reputation may be significantly impacted if any of our contingent services clients, Lion Finance vendors, field agents or third parties are associated with, or participate, in modern slavery practices.

Service providers

The Group procures goods and services for its day to day business operations, including office supplies, employment and training of staff, external legal advice, leasing of office space, IT infrastructure and support services, and travel.

The Group recognises that goods and services may be procured from third parties whose employees are from vulnerable geographical locations or low social economic backgrounds. The Group's reputation may be significantly impacted if any of our service providers are associated with, or participate, in modern slavery practices.

OUR ACTIONS

The Group recognises that modern slavery is a crime and a violation of fundamental human rights, and as such, adopts a zero tolerance to all forms of modern slavery, human trafficking, all forms of servitude, and forced and compulsory labour within its business and supply chain.

The Group is committed to implementing and enforcing effective systems and controls to ensure modern slavery and human trafficking is not taking place in its own business or in any of its supply chains. Our purpose and values are integral to the way we operate our business. Our commitment to human rights is supported by policies and processes that identify, assess and mitigate modern slavery risks.

Using a risk-based approach, we have undertaken the following actions during financial year 2021 to minimise the modern slavery risks within the Group's relatively simple supply chain. These actions include, but are not limited to:

Policies and procedures

We have enhanced the following policies and procedures to take into account modern slavery risks:

- Reviewed and updated the Group's Modern Slavery Policy to align with better practices.
- Engaged Legal Counsel in the Philippines to review and assess the Group's existing employment contracts and employee handbook compliance with Modern Slavery Laws in the Philippines.
- Developed Third Party Supplier Audit policy which outlines the requirement to regularly assess the level of compliance with applicable laws, statutes and regulations in force from time to time, including those which relate to modern slavery.
- Developed modern slavery training and awareness framework to educate our people on the modern slavery risks.

Contractual agreements and obligations

We have completed the following to communicate the Group's expectations on modern slavery to suppliers and third parties in our supply chain.

- Included mandatory clause into agreements with new suppliers which requires the Supplier to comply with all applicable modern slavery laws, statutes and regulations in force from time to time.
- Drafted variations to existing supplier contracts which requires the Supplier to comply with all applicable modern slavery laws, statutes and regulations in force from time to time.



The Group has various policies and processes in place to support our day-to-day operations and ensure that staff, suppliers and other third parties meet our core values and minimise modern slavery risks within our operations and supply chain. These include, but are not limited to:

- Collection House Philosophy
- Code of Conduct
- Anti-Money Laundering and Counter-Terrorism Financing Policy
- Modern Slavery Policy
- Whistleblower Policy.

Modern slavery risks

The Group has been working closely with our suppliers and have implemented measures so that vulnerable people in our supply chain are not subjected to poor labour conditions, including modern slavery.

These measures included the audit of the Group's third parties to provide responses, including supporting documentation, to questionnaires sent as part of the Group's third party audit program.

OUR PROGRAM TO ASSESSING EFFECTIVENESS

To date, the Company has not found, or been made aware of, any incidents of modern slavery in our supply chain. There are various means which the Group uses to measure the effectiveness of our actions. These include but are not limited to:

- Undertaking risk assessments and due diligence on proposed suppliers
- Conducting annual reviews of suppliers to assess compliance with applicable laws and regulations which may be in force from time to time.
- Obtaining confirmation from Legal Counsel in the Philippines that the Group's employment contracts and employee handbook complies with Modern Slavery Laws in the Philippines.
- Tracking the number of contract variations sent to, and received from, existing suppliers outlining the requirement for suppliers to consider modern slavery risks.
- Development of modern slavery training and awareness program to ensure that all staff have an awareness of modern slavery risks.

In addition to the above, the Group regularly reviews and assesses our policies and procedures to ensure that our policies and procedures continue to be effective and aligned with legislative requirements and better practices.

CONSULTATION WITH COLLECTION HOUSE LIMITED OWNED OR CONTROLLED ENTITIES

The Group has communicated with entities that we own and control to explain our zero tolerance to all forms of modern slavery, human trafficking, all forms of servitude, and forced and compulsory labour within its business and supply chain. We will continue to work with these entities to ensure that the consideration of modern slavery risks is embedded into the everyday operations of these entities.

The Group has a Whistleblower Protection Policy that allows its people and third parties, such as suppliers, service providers and contractors, to report in a confidential manner concerns they may see in their interactions with the Group. This channel is available for reporting suspicions or known instances of modern slavery and human trafficking through our internal whistleblower reporting mechanisms (for internal staff) and through STOPLINE, our external hotline (for internal staff and third parties).

The Group will investigate any concerns raised, and will address them as appropriate, including engagement with customers and other stakeholders and/or referring the matter to the appropriate authorities (in the case of allegations of modern slavery).

ADDITIONAL INFORMATION

The Group recognises that the process of developing its monitoring and reporting program requires time and resources. Our continuing goals in relation to modern slavery for the financial year 2022 are to:

- Continue the establishment and implementation of a robust, effective and sustainable auditable monitoring program of our suppliers
- Implement into the updated risk appetite statement for the Group the Company's expectations on modern slavery (zero tolerance)
- have all existing staff re-assessed on modern slavery risks and new staff trained and made aware of the Group's modern slavery policy and framework
- formalise the annual schedule for the audit of suppliers, using a risk-based approach, but focusing on those suppliers who failed to respond to our previous audit and for monitoring and closing audit actions identified
- recognise and adapt to each individual supplier's risk assessment and amend due diligence processes to obtain consistency in reporting the assessment of modern slavery risks to the Company.

This Statement will be reviewed and updated annually.

This Statement has been endorsed by the Collection House Limited Board.



Leigh Berkley (Chairman)

22/12/2021

Date