



Cash Converters Group

# Modern Slavery Statement

# 1. Modern Slavery Statement

This is a joint Modern Slavery Statement (**Statement**) made under Section 14 of the Modern Slavery Act 2018 (Cth) on behalf of the Cash Converters Group.<sup>1</sup>

Cash Converters adopts a group-wide approach to identifying and managing modern slavery risks in its operations and supply chains. This Statement sets out the actions taken by Cash Converters to identify, assess and address modern slavery risks across the Group's operations and supply chains for the 2020 financial year.

This Statement has been approved by the Board of Cash Converters International Limited on behalf of the Cash Converters Group.

## 2. Overview of the Cash Converters Group

### About us

Cash Converters was founded in 1984 as a family owned and operated pawnbroking business based in Western Australia. Today the business has grown to become the largest second-hand goods retailer in Australia and is a diverse group generating revenue from franchising, store operations, personal finance and vehicle finance. Cash Converters is listed on the Australian Securities Exchange and is supported by a corporate head office in Perth, Western Australia.

### Operations

The Cash Converters Group operates across Australia and maintains an international presence through a franchise network in a further 15 countries around the world. Countries include the United Kingdom, New Zealand, Belgium, France, the Middle East, Netherlands, Portugal, Singapore, South Africa and Spain.

#### i. Franchise operations

The global franchise network comprises approximately 650 stores, with 80 stores in Australia, 195 in the UK and approximately 380 throughout the rest of the world. Stores operating within the international network operate under a trade mark licensing or master franchise arrangement.

#### ii. Store operations

The Group's domestic operations include 73 corporately owned and operated Cash Converters branded stores in Australia. Revenue from these stores is derived from the retailing of new and second-hand goods both in-store and online, as well as interest from pawnbroking loans.

#### iii. Personal finance

The personal finance operations of the Group are conducted through Cash Converters Personal Finance Pty Ltd ABN 42 110 275 762<sup>2</sup> which provides unsecured consumer loans, originated online or in store through the franchise and corporate store networks.

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<sup>1</sup> In this Statement a reference to "Cash Converters Group", "Cash Converters" or "Group" is a reference to Cash Converters International Limited ABN 39 069 141 546 and its subsidiaries Cash Converters Personal Finance Pty Ltd ABN 42 110 275 762 and Cash Converters (Stores) Pty Ltd ABN 43 127 343 293 which are reporting entities.

<sup>2</sup> Cash Converters Personal Finance Pty Ltd is a subsidiary of Cash Converters International Limited but is not a reporting entity under the *Modern Slavery Act 2018*.

iv. Vehicle finance

The Cash Converters Group offers vehicle financing through its business Green Light Auto Group Pty Limited ABN 71 050 495 095.<sup>3</sup> This business offers a range of secured automotive loans through a network of brokers, car dealerships, Cash Converters stores and direct to customers online.

### 3. Supply chain

In the 2019/2020 financial year, the Cash Converters Group spent approximately \$122m procuring goods and services from approximately 1947 suppliers. Spending across the Group can be broadly categorised into the following areas:

- Information Technology – software, professional IT services, infrastructure, telecommunications, support and maintenance.
- Corporate Services – Advisory, finance and legal services, records management and stationery.
- Marketing – marketing and advertising services.
- Property and Facilities Management – Leasing services, cleaning services and security.

Key suppliers through which the Group procures goods and services are predominantly Australian based organisations. Most key suppliers engaged by Cash Converters are large and well-established operators.

Outside of the Cash Converters corporate operations, franchisees are permitted to independently procure goods and services. These services are generally low value and locally sourced.

### 4. Modern Slavery Risks

#### Operations

Cash Converters acknowledges that identifying and addressing modern slavery risks requires an ongoing commitment from the business and its suppliers. Cash Converters considers the risk of modern slavery within its direct business operations as being low given the industry in which the business operates and the skilled nature of its employees.

Cash Converters' domestic operations focus primarily on second-hand retailing, pawnbroking and the provision of small amount regulated consumer lending to an Australian customer base. These products and services are not considered high risk in terms of modern slavery and do not operate within a high-risk jurisdiction.

Cash Converters' international operations are limited to the trade mark licensing or master franchise arrangements entered into within its global franchise network. Franchisees within this network are not controlled entities of Cash Converters and are independent entities, subject to arms-length commercial arrangements implemented under the trade mark licensing or master franchise agreements.

#### Supply Chain

Cash Converters recognises that through its supply chain it can be directly exposed to modern slavery risks. As a result, Cash Converters has commenced a program whereby it is currently

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<sup>3</sup> Green Light Auto Group Pty Limited is a subsidiary of Cash Converters International Limited but is not a reporting entity under the Modern Slavery Act 2018.

mapping its supply chain and undertaking appropriate risk assessments to identify the inherent modern slavery risks in its operations and supply chain.

The initial focus of this assessment is on those areas of the business that could potentially cause, contribute to or be directly linked to modern slavery through Cash Converters operations and supply chain. In the next reporting period, Cash Converters will address and report on the findings of the risk assessment and its approach to managing identified risks.

While Cash Converters is not required to report on modern slavery risks associated with the operations and supply chains of the franchisees operating within the franchise network, Cash Converters will work closely with franchisees on modern slavery risk issues. This includes addressing modern slavery requirements within franchise agreements with franchisees.

## 5. Assessing and Managing Risks

Cash Converters expects that on completion of its risk assessments it will be provided with a clearer view of those areas within its operations and supply chain exposed to modern slavery risks. However, while that work is ongoing, Cash Converters has adopted a conservative approach and pre-emptively identified areas it considers may have exposure to modern slavery risks and commenced implementing steps to manage those risks. Those areas can be broadly categorised into supplier controls, policy framework and employment practices.

Supplier Controls	<p><b>1. Modern Slavery contractual clauses</b></p> <p>Suppliers are required to enter into a written agreement with Cash Converters with respect to supply arrangements or other engagements. Cash Converters is actively preparing a suite of modern slavery specific clauses which will be incorporated into supplier contracts.</p> <p><b>2. Supplier due diligence and risk assessment</b></p> <p>Cash Converters is continually improving processes around supplier engagement and associated due diligence requirements. This will include the requirement for suppliers to complete an initial questionnaire as part of the due diligence process.</p>
Policy Framework	<p>Cash Converters has an existing policy framework which it is currently reviewing to identify areas that require enhancement in response to modern slavery requirements. Policies currently within the framework include:</p> <ul style="list-style-type: none"> <li>• Code of Conduct;</li> <li>• Third Party Supplier Governance Policy;</li> <li>• Purchasing and Invoicing Policy; and</li> <li>• Whistleblower Policy.</li> </ul>
Employment Practices	<p>Cash Converters has robust human resources controls in place which cover all aspects of employment practice. All employees are engaged under a written employment agreement which sets out clear terms including pay and hours of work.</p> <ul style="list-style-type: none"> <li>• Permanent employees are engaged on common law employment agreements or an employment agreement based on the relevant award or an enterprise bargaining agreement.</li> </ul>

	<ul style="list-style-type: none"> <li>• Casual employees are, in most circumstances, engaged under the relevant award.</li> <li>• Fixed-term contractors are engaged on common law employment agreements or an employment agreement based on the relevant award.</li> </ul> <p>From time to time Cash Converters may employ foreign workers in Australia subject to that person having the appropriate authorisation and right to work in Australia. Cash Converters takes particular care to ensure that any foreign worker is engaged on the same terms and conditions as Australian citizens and permanent residents.</p> <p>Cash Converters is developing an online modern slavery module, which will be incorporated into mandatory annual training, as part of its e-learning framework.</p>
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## 6. Assessment of effectiveness

Cash Converters is undertaking a program of ongoing review in assessing the effectiveness of its approach to managing modern slavery risks. Enhancements will be implemented as they are appropriately identified under this continual improvement program.

Measurement of activities include:

- Tracking and reporting on the number of employees who have undertaken and completed modern slavery training modules; and
- Reviewing, assessing and reporting on the number of supplier agreements across the Group's supply chain that require the incorporation of appropriate modern slavery provisions and protections.

Any significant modern slavery risks identified will be escalated to senior management and to the Board or appropriate Board Committee, where appropriate.

## 7. Consultations

Cash Converters has worked with senior management within the Group in preparing this modern slavery statement. Those senior managers sit across core business operations and subsidiaries.

Franchisees are independently owned and operated entities. Cash Converters is however, progressively communicating and working with the franchise network to assess and address modern slavery risks in their supply chains.

This statement was approved by the Cash Converters International Limited Board.



Sam Budiselik  
Managing Director  
**Cash Converters International Limited**

31 March 2021