

Australian Modern Slavery Act 2018 MODERN SLAVERY STATEMENT FOR YEAR ENDING 31 MARCH 2020

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 about 450 employees (c. 70% of the Group) .
- **Finance** – Oxford Finance Limited, trading as Oxford Finance, provides asset-based finance to consumers and SMEs. Around 80 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. About 45 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 Around 60 employees are employed by the Credit Management business.

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

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.

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

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.

We have conducted an initial analysis of suppliers that might create a higher risk of modern slavery practices. Key initial 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.
- 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).

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

Given the risks identified above, we are currently focussed on reducing the risk of modern slavery in commercial cleaning and uniform manufacturing within our supply chain.

The Group encourages employees to report any concerns and raise grievances, including regarding a risk of modern slavery practices.

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.

Training

The Group has identified the need for 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 will be provided to staff engaged in procurement and supplier management. Further training will be undertaken for all employees on our Whistleblower Policy.

Key Areas of Action 2021

We have identified key 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.

- The Group's Audit and Risk Committee, which reports to the Board, will be responsible for assessing the effectiveness of our actions to address modern slavery risks.
- Identify high risk suppliers and/or segments (based on geographical local and industry).
- Amend our existing Group **Governance Code** and **Code of Ethics** to highlight our commitment to good business ethics and responsible supply chain management.
- Develop a **Supplier Code of Conduct** and a **Procurement Policy**. The Supplier Code of Conduct will outline behaviours expected from our suppliers, including supply chain transparency. The Procurement Policy will prescribe the process for engaging new suppliers, conducting supplier due diligence, establishing supply arrangements, and executing supply contracts.
- Assess contracting arrangements and, where appropriate, consider strengthening our supplier contract terms.
- Create awareness of modern slavery risks by providing tailored training for the different businesses in our 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 2020. This statement was approved by the Group's Board of Directors on 18 December 2020.



Grant Baker
Chairman