

Australian Modern Slavery Act 2018 MODERN SLAVERY STATEMENT FOR YEAR ENDING 31 MARCH 2023

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 522 employees (c. 74% of the Group).
- **Finance** – Oxford Finance Limited, trading as Oxford Finance, provides asset-based finance to consumers and SMEs. 85 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. 41 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 44 employees are employed by the Credit Management business.

¹ Further Group subsidiaries involved in automotive retail include: Turners Fleet Limited; Turners Finance Limited; and Turners Property Holdings Limited. We also operate a 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; and Payment Management Services Limited.

- **Corporate Head Office** – Seven 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. 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. Local transport agents, including from our main transport agent Auto Logistics, then transport vehicles from the port to our car yards via independent vehicle compliance centres.
- **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. 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 longstanding and 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.

The Group conducted its first analysis of key suppliers that might create a higher risk of modern slavery practices for Turners in early 2020. We update this analysis each year. Current key risks for the 2022 – 2023 financial year 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, our Group **Governance Code** and **Code of Ethics** both highlight our expectations and commitments to good business ethics and responsible supply chain management.

We provide all of our suppliers with our **Supplier Code of Conduct**. 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. The Group's procurement expectations are that suppliers will be chosen that have demonstrated their ability to comply with the Code of Conduct.

We are committed to continuing engagement across our supply chain and have taken steps each year to expand this work. We completed initial risk assessments in 2020 and 2021, and have since undertaken reviews of all our commercial cleaning contractors, uniform suppliers and telemarketers. We expect each of these suppliers to review and comply with our Supplier Code of Conduct. We have also communicated our expectations that they are properly managing modern slavery risks in relation to their own sub-contractors and employees.

In FY23 we conducted specific outreach for our suppliers of our largest business within the Group, the Turners car sale business. We have reviewed key suppliers particularly for this business, including office supplies, uniforms, cleaning, , including circulating our Supplier Code of Conduct as above. We have had some specific positive feedback from key suppliers who have been supportive of our approach.

As set out below, this year we will send key suppliers a **Modern Slavery Due Diligence Checklist** which sets out our expectations in more detail.

We continue to encourage our staff to raise modern slavery risks if they arise.

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. The Group Whistleblower Policy is available to all staff for our Group. 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.

We continue to identify areas for modern slavery training for staff. Our Executive team and Financial Controllers have received specialised training on how to identify risks of modern slavery and what to do if employees have concerns that these activities are taking place. Members of our Compliance Team have attended information sessions on consultations led by the Ministry of Business, Innovation and Employment on potential modern slavery legislation in New Zealand. Our Compliance Manager has undertaken external study through Certified Anti-Money Laundering Specialists (ACAMS) on Modern Slavery. All staff are trained in DPL Insurance on Modern Slavery as well as our Group Whistleblower Policy. In FY24 we plan to introduce an internal online modern slavery training module for all staff.

Key Areas of Action 2023 - 2024

We have made progress against our key action areas and continue to identify further areas of focus in order to strengthen our measures and prevent modern slavery in all parts of our business.

- Continue to identify high risk suppliers further down our supply chain i.e. our second tier suppliers. As above, we have begun the process of engaging further with all of our operational suppliers and have sent them our Supplier Code of Conduct. We will now look to review our intermediary broker and repairer network, as well as our second tier suppliers, such as car dealers and car groomers. We will engage with these suppliers by sending them our Supplier Code of Conduct and ensuring that we are communicating our expectations that they take appropriate actions to address modern slavery risks in their operations and supply chains.
- Though we have already engaged with our high risk suppliers, including our uniform providers, cleaning contractors and tele-marketers, we will continue to communicate our expectations that they take appropriate actions to address modern slavery risks in their own supply chain, for example through providing them our Due Diligence Checklist this year. We understand that this engagement will increase if New Zealand adopts Modern Slavery legislation.
- Continue to assist our lower risk key suppliers to ensure they are aware of our modern slavery commitments as well as build our awareness of key suppliers' actions on modern slavery within their business. We have prepared a Modern Slavery Due Diligence Checklist for our key suppliers, including our high risk suppliers, to complete alongside our Supplier Code of Conduct. The Checklist includes questions such as: Does a particular supplier have their own Modern Slavery Policy? Is a supplier required to publish a Modern Slavery Statement every year under the Australian or United Kingdom legislation? How aware is a supplier of the upcoming Modern Slavery proposals in New Zealand? Where responses are unsatisfactory we will engage further with that supplier.
- Continue to communicate our procurement expectations to our suppliers. We have circulated our Procurement Policy around our business for internal use. The Procurement Policy prescribes the process for engaging new suppliers, conducting supplier due diligence, establishing supply arrangements, and executing supply contracts. The Procurement Policy provides that only suppliers that have demonstrated their ability to comply with the Supplier Code of Conduct will be engaged.

- We will include appropriate contractual clauses in supplier contracts regarding obligations to manage and notify regarding modern slavery risks.
- Continue to provide further tailored training on modern slavery risks to all employees of the Group. We are currently preparing an online training module for all staff on our internal management system.

We are fully committed to understanding, preparing for, and promoting awareness of, the current New Zealand Modern Slavery legislative proposals, most recently outlined by the Minister for Workplace Relations and Safety in July 2023.

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 2023. This statement was approved by the Group's Board of Directors on 27 September 2023.

A handwritten signature in black ink, appearing to be 'GB', with a large, sweeping flourish extending from the bottom right.

Grant Baker
Chairman