

FY2023 Modern Slavery Statement

Cash Converters International Limited

1. Modern Slavery Statement

This is a joint Modern Slavery Statement (**Statement**) made under section 14 of the *Modern Slavery Act 2018* (Cth) (**Act**) for the reporting period 1 July 2022 to 30 June 2023 on behalf of 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 each reporting entities under the Act. 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 2023 financial year.

In this Statement, reference to "Cash Converters Group", "Cash Converters" or the "Group" are used to refer to Cash Converters International Limited and any entities which it owns or controls. This is because Cash Converters adopts a group-wide approach to identifying and managing modern slavery risks in its operations and supply chains.

This Statement has been approved by The Board of Cash Converters International Limited on behalf of the Cash Converters Group. The Board of Cash Converters International Limited and the Cash Converters Group have a zero tolerance for any form of modern slavery and in line with the United Nations Guiding Principles on Business and Human Rights, recognise the duty of States to protect human rights as well as the fundamental responsibility of business to respect human rights.

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 diversified business, generating revenue from franchising, consumer retail store operations, personal finance and vehicle finance.

Cash Converters is listed on the Australian Securities Exchange (CCV) and is supported by a corporate head office in Perth, Western Australia. The Personal Finance assessing contact call centre (**Assessing Centre**) is based in Toowong, Queensland and is supported by a corporate head office in Perth, Western Australia.

Cash Converters acquired its New Zealand partners interest in the Cash Converters New Zealand business within the reporting period to take 100% ownership of the operation. Cash Converters is working with the New Zealand team to implement practices and controls to address modern slavery risks within the New Zealand business.

Cash Converters employs 999 people in Australia. Of those, 92.09% are permanent employees, 7.31% are casual employees, 0.10% fixed term and 0.50% are contractors.

Cash Converters employs 144 people in New Zealand. Of those, 100% are permanent employees.

Operations

The Cash Converters Group operates across Australia and New Zealand and maintains an international presence through a franchise network in a further 14 countries around the world.

i. Corporate owned stores

Cash Converters has 77 corporately owned and operated stores in Australia and in November 2022 acquired the full interest in a further 11 stores in New Zealand. 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.

ii. Franchise operations

The global franchise network comprises approximately 549 stores, with 77 franchised stores in Australia, 11 in New Zealand, 171 in the UK and approximately 296 throughout the rest of the world. Countries with franchise stores include Belgium, France, Middle East, Netherlands, New Zealand, Portugal, Singapore, South Africa, Spain and United Arab Emirates.

Franchisees within this network are not controlled entities of Cash Converters and are independent entities, subject to arms-length commercial arrangements implemented under the trademark licensing or

master franchise agreements.

iii. Personal finance

The personal finance operations of the Group are conducted through Cash Converters Personal Finance Pty Ltd and Cash Converters Personal Finance New Zealand Pty Ltd which provides unsecured consumer loans, originated online or in store through the franchise and corporate store networks, supported by the Assessing Centres in Toowong, Queensland and Auckland New Zealand. The personal finance products are separated into two categories - personal loans and cash advances. Personal loans are loans of between \$400 - \$5,000 for a term of up to 24 months, while the cash advance product is generally between \$50 - \$2,000 for a term of up to 12 weeks.

Cash Converters notes that some franchisees also offer personal finance products under their own credit licenses.

iv. Vehicle finance

The Cash Converters Group offers vehicle financing through its business Green Light Auto Group Pty Limited ABN 39 131 507 474. This business offers a range of secured automotive loans through a network of brokers, car dealerships, Cash Converters stores and direct to customers online.

Supply chain

In the 2022/2023 financial year, the Cash Converters Group procured goods and services from approximately 1632 suppliers. Spending across all sub-sets of the Group can be broadly categorised into the following areas:

- **Information Technology:** which includes software, professional IT services, infrastructure, telecommunications, support and maintenance.
- **Corporate Services:** which includes advisory, finance and legal services, insurance, office supplies and records management.
- **Marketing** which includes marketing and advertising services.
- **Property and Facilities Management:** which includes leasing services, essential services such as air-conditioning maintenance, electricity, internet, pest control, cleaning and security.
- **Currency, lending and collection services:** which includes currency services, debt collection services, and credit checks.
- **Vehicle Financing:** which includes payments to car dealerships as part of Cash Converters' vehicle finance operations.

The Group's supply chain is based primarily in Australia and New Zealand however there are 31 suppliers based in other low risk jurisdictions such as Hong Kong, Singapore, Canada, France, New Zealand, United States of America, Norway and Ireland.

3. Identifying and Assessing Modern Slavery Risks

During this reporting period, Cash Converters continued to work on gaining a better understanding of modern slavery risks and how such risks may be present in the Group's operations and supply chains. Cash Converters has adopted a conservative approach in identifying any areas it considers may have exposure to modern slavery risks. Notwithstanding this, the focus has been on tier 1 suppliers to date but will be expanded in future reporting periods. Cash Converters recognises that to comprehensively assess modern slavery risks, it is necessary to go deep in supply chains and maintains its commitment to doing so for future reporting periods. Cash Converters acknowledges that identifying and addressing modern slavery risks requires a continuous commitment from the business and its suppliers. During this reporting period Cash Converters refreshed its risk assessment which covered its corporate and head office operations. Our suppliers outside Australia have also been risk assessed taking into consideration the geographic risk, vulnerability and country governance in place for modern slavery. Further to this Cash Converters has screened all existing third-parties and suppliers against modern slavery special interest categories via a commercial database. This has assisted in further developing the Group's understanding of the risks in its operations and will underpin future approaches to addressing modern slavery risks.

Operations

Cash Converters considers the risk of modern slavery within its direct business operations as low given the highly regulated industry in which the business operates and the relatively skilled nature of its employees.

The majority of Cash Converters employees are permanent staff, only 6.25% are casual and 0.06% are contractors. Casual staff are employed to allow for flexibility during peak business periods and predominantly employed for the Assessing Centre. Contractors are largely used across the Information Technology department and across the business for longer-term consultation, project work or provision of IT-related services, predominantly at Cash Converters corporate head office in Perth. All employees are engaged under a written employment agreement which sets out clear terms including pay and hours of work.

Where roles are not specifically covered by an enterprise bargaining agreement, employees are engaged on common law employment agreements which meet the requirements of any relevant awards.

Cash Converters' domestic and New Zealand operations focus primarily on second-hand retailing, pawnbroking and the provision of small amount regulated consumer lending to an Australian and New Zealand customer base. These products and services are not considered high risk in terms of modern slavery and Cash Converters does not operate within a high-risk jurisdiction (by reference to the Walk Free Global Slavery Index).

The Cash Converters Group provides financial products and services to its customers through three entities. Two of those entities provide personal finance and the third entity provides vehicle finance. Current lending practices are targeted at retail consumers only with the primary use for obtaining a loan assessed at the time of an application.

Customer applications for personal finance are capped at \$2,000 for small amount loans and \$5,000 for medium amount loans. Vehicle finance is capped at \$45,000 and is used exclusively for the purchase of an asset i.e., a vehicle. Given the nature of the financial products offered and the target market, Cash Converters considers its exposure to modern slavery risks through its lending practices to be low risk.

Supply Chain

Cash Converters has taken a risk-based approach to assessing of modern slavery risks within its tier 1, 2 and 3 suppliers, building on the work already carried out for our suppliers, and having regard to a range of benchmarking tools.¹ This assessment has been conducted on the basis of the geographic risk, vulnerability and country governance for modern slavery. As noted above, we have 31 suppliers that are outside Australia in low risk rated jurisdictions. All domestic and international suppliers have been screened against modern slavery lists, with no adverse findings. Australia, Hong Kong, Singapore, Canada, France, New Zealand, United States of America, Norway and Ireland are inherently low risk jurisdictions from a modern slavery perspective according to the Walk Free Global Slavery Index.

Cash Converters have again identified the two areas of our supply chain which present an inherently higher risk of modern slavery, those areas are:

Cleaning, and security

These supplies present a higher inherent risk of modern slavery due to the relatively low-skilled and labour-intensive nature of the work. Staffing in these industries may also be relatively informal and insecure and is often serviced by a migrant workforce. There have also been reported instances of modern slavery like practices in these industries, particularly the cleaning industry.

Electronic products

These supplies present a higher inherent risk of modern slavery because of the undesirable and at times hazardous working conditions (and without adequate safety equipment). As the electronic sector seeks to respond to rapid advancement in products and demand, workers in this industry can often be subject to extended hours without proper remuneration. The substantial migrant workforce, use of casual labour and labour agents present further inherent risks of modern slavery in the industry.

¹ This includes: the Walk Free Global Slavery Index (2023); Verite "Strengthening Protections Against Trafficking in Persons in Federal and Corporate Supply Chains: Research on Risk in 43 Commodities Worldwide" (2017); Commonwealth of Australia, Hidden in Plain Sight, Final Report of the Inquiry into Establishing a Modern Slavery Act in Australia (2017); US Department of Labor's 2020 List of Goods Produced by Child Labor or Forced Labor (2020).

Cash Converters recognises that through its supply chain, it may be directly or indirectly exposed to modern slavery risks. Mapping the supply chain through the various tiers of suppliers is necessary to identifying and assessing risk on areas of the business that could potentially cause, contribute to or be directly linked to modern slavery through Cash Converter's operations and supply chain.

During the reporting year Cash Converters updated its risk assessment of its suppliers, corporate store operations, franchise store operations and its corporate head office identifying any potential modern slavery risks in its operations and supply chain. This mapping program highlighted that risk of modern slavery within Cash Converters operations and supply chain to be low. Cash Converters remains committed to ongoing development of the program and continuous risk assessments to highlight and assess any risks of modern slavery that may arise within its operations and supply chains.

4. Controls to mitigate modern slavery risks

Cash Converters is continuing to implement and maintain a program of controls in order to address modern slavery risks in its operations and supply chain. The areas of focus can be broadly categorised into the following categories:

- **Values:** Cash Converters is driven by three core values which helps to build a culture of passion, respect and determination to do the right thing.
- **Increasing supplier controls:** this includes appropriate modern slavery provisions and protections in supplier agreements.
- **Continuing to develop policy frameworks:** this includes reviewing, assessing and (as necessary) uplifting Cash Converters' existing policy framework from a modern slavery provisions and protections perspective.
- **Improving employee awareness of modern slavery:** this includes modern slavery training modules to ensure greater awareness.

The areas of controls are also set out in more detail in the table below.

Values	<p>During this reporting period, Cash Converters continued to promote its core values. These values are set out below:</p> <ul style="list-style-type: none"> • We're real people who are passionate and proud: We're genuine, friendly and from your neighbourhood. We're passionate and proud to be here helping our customers. • We're caring and respectful: We're here to listen and find ways to help make things possible, supportive of our customers and our colleagues. There's no judgement here. We treat everyone as an individual. • We're tenacious problem solvers: We don't back down. We always try our best to help others, no matter how hard the task seems. <p>These values help to continually support a culture of integrity, respect and willingness to always try our best. This includes calling out misconduct or any incidents that may give rise to potential modern slavery risks.</p>
Supplier Controls	<p>1. Modern Slavery contractual clauses</p> <p>Suppliers are required to enter into a written agreement with Cash Converters with respect to supply arrangements or other engagements. Cash Converters recognises the value of incorporating a suite of modern slavery specific clauses into its supplier contracts and commenced work on preparing a such clauses as appropriate. This continues to be a focus for the future reporting periods.</p> <p>2. Supplier due diligence and risk assessment</p>

	<p>Cash Converters is continually improving processes around supplier engagement and associated due diligence requirements.</p> <p>Cash Converters has appointment a further Procurement Manager, who is responsible for assisting with the continual improvement of processes and associated due diligence with respect to supplier engagement and procurement.</p> <p>During the reporting year Cash Converters conducted a refresh of its previous risk assessment and expanded it to include international suppliers. Cash Converters also introduced supplier screening and further enhanced supplier due diligence. The work conducted includes the following:</p> <ul style="list-style-type: none"> • Considering human rights and modern slavery risks within the Company’s operations, supply chains and other business relationships. • An assessment of each risk based on Cash Converter’s risk assessment matrix and the likelihood of potential or actual modern slavery impacts. • International suppliers risk-based assessment conducted. • Screening of all suppliers (domestic & International) against modern slavery lists including: <ul style="list-style-type: none"> ○ Exploitation of Children ○ Forced and Slaved Labour ○ Human Rights Violation ○ Human Trafficking ○ Sexual Exploitation ○ Smuggling • Requesting suppliers provide their modern slavery statement (if available) or fill out Cash Converters MS questionnaire, which are then reviewed by the business. <p>The risk assessments and screening have concluded that the modern slavery risks within Cash Converter’s operations and supply chains are low as the operations of the Group are conducted in low modern slavery risk countries such as Australia and deal in low risk products.</p>
<p>Policy Framework</p>	<p>Cash Converters' existing policy framework which applies to all employees and suppliers includes:</p> <ul style="list-style-type: none"> • Code of Conduct - which sets out the expectation that all Cash Converters employees adhere to the highest standards of personal and professional business conduct, ethics and integrity, including compliance with all applicable law and regulations; • Third Party Governance Policy - which sets out the procedure for third party suppliers, including all legal requirements which must be met in order to ensure compliance with financial and legal obligations; • Third Party Due Diligence Procedure – which sets out in detail the process for due diligence at on-boarding and ongoing due diligence for Cash Converters providers and suppliers;

	<ul style="list-style-type: none"> • Purchasing and Invoicing Policy - which defines standard methods and procedures for purchasing and invoicing including that those procedures must comply with all legal requirements and those implementing them must adhere to ethical principles such as transparency, fairness, accountability; and • Whistleblower Policy - which sets out Cash Converters' commitment to the highest standards of conduct and ethical behaviour in all business activities, and to promote and support a culture of honest and ethical behaviour, corporate compliance, and good corporate governance in which individuals can safely raise concerns about any misconduct.
<p>Employment Practices</p>	<p>Cash Converters has robust human resources controls in place which cover all aspects of employment practice.</p> <p>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"> • Permanent employees are engaged on common law employment agreements or where applicable, an employment agreement based on the relevant award or an enterprise bargaining agreement. • Casual employees are, in most circumstances, engaged under the relevant award. • Fixed-term contractors are engaged on common law employment agreements or an employment agreement based on the relevant award. <p>From time to time Cash Converters may employ non-resident 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 has developed an online modern slavery module, which has been incorporated into mandatory annual training, as part of its e-learning framework.</p>

5. Assessment of effectiveness

During this reporting period, Cash Converter's focus was on continuing to build on the understanding of the risk of modern slavery in our operations and supply chain gained during previous reporting periods and developing controls to address those risks where required.

During the reporting period Cash Converters:

- Continued to provide modern slavery training modules which must be completed annually. The modules enable Cash Converters to monitor and track the number of employees who have undertaken and successfully completed modern slavery training.
- Updated policies and procedures to include and reflect modern slavery practices.
- Enhanced due diligence on our suppliers by having a dedicated Procurement Manager and Partnership Manager in place.
- Implemented global screening of suppliers for modern slavery.
- Conducted a risk assessment of our international suppliers.
- Continued with our robust employee practices.
- Continue reviewing and assessing the number of supplier agreements across the Group's supply

chain that require the incorporation of appropriate modern slavery provisions and protections.

- Conducted a risk assessment of new and existing domestic providers and suppliers.
- Progressing implementation of MS policies and procedures into New Zealand business.

Cash Converters will continue to look for and report on ways in which it assesses effectiveness in future reporting periods.

6. Consultations

Cash Converters has worked with and consulted 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.

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



Sam Budiselik
Managing Director
Cash Converters International Limited

26 November 2023