



Modern Slavery Statement
FY20-21

Thorn Group Limited Modern Slavery Statement FY20-21

Statement

This statement outlines the risk and actions taken by Thorn Group Limited ACN 072 507 147, including its subsidiary Thorn Australia Pty Ltd ACN 008 454 439 (collectively referred to as “Thorn”), pursuant to Section 14 of the *Modern Slavery Act 2018* (Cth) (the “Act”). This statement is being made to address modern slavery risks in Thorn’s operations and supply chains during the financial year ending 31 March 2021.

Thorn is committed to achieving a high level of ethical behaviour and integrity in the conduct of its business operations. We recognise we have wider responsibilities to our employees, customers, shareholders and community and aim to have a positive impact on society.

Thorn wholly supports the Federal Government’s initiative to require companies to uphold international human rights and endeavour to uphold Thorn’s similar stance to human rights abuses. Thorn is committed to taking steps to ensure that Thorn takes no direct part in the provision of modern slavery and human trafficking throughout our operations and supply chains.

Overview

Thorn is a publically listed company on the Australian Securities Exchange and provides services exclusively within Australia. Throughout FY20-21, Thorn’s services operated via two divisions, the first providing the consumer leasing products to individuals (“**Consumer Finance**”), and the second providing commercial asset finance to small and medium size enterprises (“**Business Finance**”).

Through our Consumer Finance brands “Radio Rentals”, “RR”, “Rentlo” and “Rentlo Reinvented”, we provide our customers with household essentials and every day technology at accessible weekly rates over 12 to 48 month periods.

Thorn’s operations include the provision of finance, sourcing of products, delivery of products, and ongoing servicing of products for our Australian customer base. Customer contact is managed primarily through our Customer Support Team, with a small portion of our collections function outsourced to an offshore third party contractor in the Philippines. We have conducted due diligence checks with this party to ensure that all workers are treated in accordance with Australian standards.

Our products were sourced from a small selection of suppliers during this financial year, all of which we understand to use offshore manufacturers. Whilst we do not have full visibility over the places of these offshore manufacturers, some of which may be located in areas with a higher risk of modern slavery, we recognise the importance of mitigating the prevalence of modern slavery in today’s world. We have continued to strengthen due diligence checks in an effort to ensure we are not complicit in or perceived to be complicit in the facilitation of modern slavery. During the financial year, Thorn included further warranties in new supplier arrangements to ensure that all products and suppliers are compliant with Australian laws, as well as compliant with Thorn’s obligations under the Anti-Money Laundering/Counter-Terrorism Financing act.

We rely on third party repair agents to provide ongoing servicing to the items leased by our individual and commercial customers. In the event we were unable to repair an item, through our network of third party vendors, replacement products were sourced through a variety of reputable online retail partners that can deliver directly to our customers.

Consultation

The Modern Slavery Working Group (“**Working Group**”) comprised of members from across the business, including members of the Executive Team, People & Capability, and the Legal, Risk & Compliance Team. The Working Group met on a number of occasions to discuss Thorn’s legal obligations under the Act, Thorn’s Modern Slavery Risks, Thorn’s supply chains for Consumer Finance and Business Finance, as well as Thorn’s obligations towards all employees, independent contractors and sub-contractors. Members of the Working Group have participated in the preparation of this statement.

In addition to working with internal stakeholders, the Working Group also considered published resources from the Australian Border Force, the Federal Government, and various professional organisations to direct and improve Thorn’s second statement.

Thorn’s Approach

Thorn continues to take steps to increase employee awareness and engagement regarding modern slavery. As outlined in Thorn’s Corporate Social Responsibility Charter (published on our website www.thorn.com.au), Thorn has adopted the definition of “Corporate Social Responsibility” provided by the World Bank:

“Corporate Social Responsibility is the commitment of business to contribute to sustainable economic development – working with employees, their families, the local community and society at large to improve the quality of life, in ways that are both good for business and good for development.”

Enterprise Risk Assessment

In order to assess and address our level of risk, Thorn has a robust Risk Management Framework in place which is overseen by the Board Risk and Compliance Committee and fosters a risk aware culture within Thorn. Recognising that our supply chains pose the greatest risk of modern slavery, we continue to take steps to ensure that our suppliers are subject to ongoing monitoring and adhere to the standards expected by Thorn.

In order to assess the effectiveness of the actions we take to mitigate the risks of modern slavery, we conduct ongoing due diligence of our suppliers.

Thorn continues to review and maintain its policies and procedures in order to foster the highest standard, and is continually looking for new ways to raise awareness within Thorn of the importance of eliminating modern slavery.

Recruitment and welfare of our people

Thorn is an Australian based company with approximately 200 employees and contractors working across Australia. As part of our People & Capability policies and procedures, we use only reputable recruitment firms and comply with all federal, state and territory laws.

We regularly review our recruitment procedures, as well as our arrangements for employees and contractors to ensure they remain fit for purpose while upholding current legislation/regulation. Where required, employees and contractors are paid in accordance with their relevant awards issued by the Fair Work Ombudsman

Related Policies

AML/CTF Policy

Thorn understands that the prevention of money laundering and terrorism financing underpins our contributions to ending modern slavery. Thorn's AM/CTF Policy is in place to set the standard all business units must meet. During FY20-21 Thorn made significant improvements to its AML/CTF Policy and subsequently its ongoing business processes.

Anti-Fraud and Corruption Policy

Thorn maintains strict compliance with its anti-fraud and corruption obligations, promoting employee awareness and training over the course of the financial year. Thorn acknowledges that fraud and corruption underpin the continued longevity of modern slavery and that with strict measures in place, anti-fraud and corruption procedures reduce our exposure and involvement in modern slavery. A copy of this policy is available on Thorn's website (www.thorn.com.au).

Code of Conduct

Thorn's Employee Code of Conduct helps to ensure that all Thorn employees not only act in accordance with all relevant laws, but also with openness, honesty, fairness and integrity. The Code underpins all of Thorn's business operations and promotes ethical business practices that mitigate the risk that any of Thorn's business operations may contribute to modern slavery and any other human rights abuses. Thorn's Code of Conduct is available on our website (www.thorn.com.au).

Whistleblower Policy

Thorn is committed to maintaining an open working environment in which employees, directors, contractors, suppliers, partners and consultants are able to raise concerns regarding actual or suspected unethical, unlawful or undesirable conduct freely and without fear of reprisal and intimidation. To support this commitment, Thorn maintains a Whistleblowing Policy which is available on our website (www.thorn.com.au).

Authority

This statement has been prepared by Thorn's Legal Risk & Compliance Team in consultation with the Modern Slavery Working Group, our Chief Executive Officer, Pete Lirantzis and the Board of Directors.



Pete Lirantzis

Chief Executive Officer, Thorn Group Limited