

**Thinktank..**

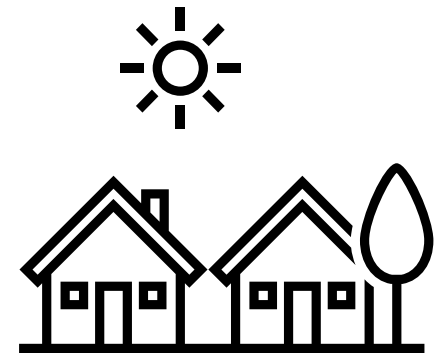
**ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE  
(ESG)  
STATEMENT**

June 2022



# ● THINKTANK AND ESG

- This document outlines Thinktank's approach Environmental, Social and Corporate Governance (ESG) and how we apply these principles in our day-to-day dealings with our people, our customers and the community.
- Founded in 2006, Thinktank is a leading independent property lender specialising in small ticket commercial and residential mortgage loans to the self-employed, small business and the Self-Managed Super Fund (SMSF) market.
- At Thinktank, we believe that self-employed and small business customers are the lifeblood of the Australian economy driving growth and innovation. Customers who run their own businesses have often been underserved by the mainstream lenders and Thinktank has developed products that cater to their specific business needs, requirements and individual circumstances.
- We are committed to fairness, transparency, and professionalism, and we consistently prioritise relationships with borrowers, introducers, investors, institutions and industry, alike. We believe that's what you should expect from a lender. And it's why we've been able to fulfil existing and emerging market requirements.



# ESG PRINCIPLES

At Thinktank, we believe that ESG plays an integral role in how we interact with our people, our customers, our business partners and the broader community. Our approach to ESG is guided by the following principles:



## Environmental

- Locating our offices in buildings which support efficient and responsible energy and water usage
- Responsibly managing waste including recycling initiatives
- Preferring technology that enables greater efficiency in core systems and processes and working with like-minded IT business partners
- Credit policies that consider environmental impacts
- Investment in green product development and compatible funding



## Social

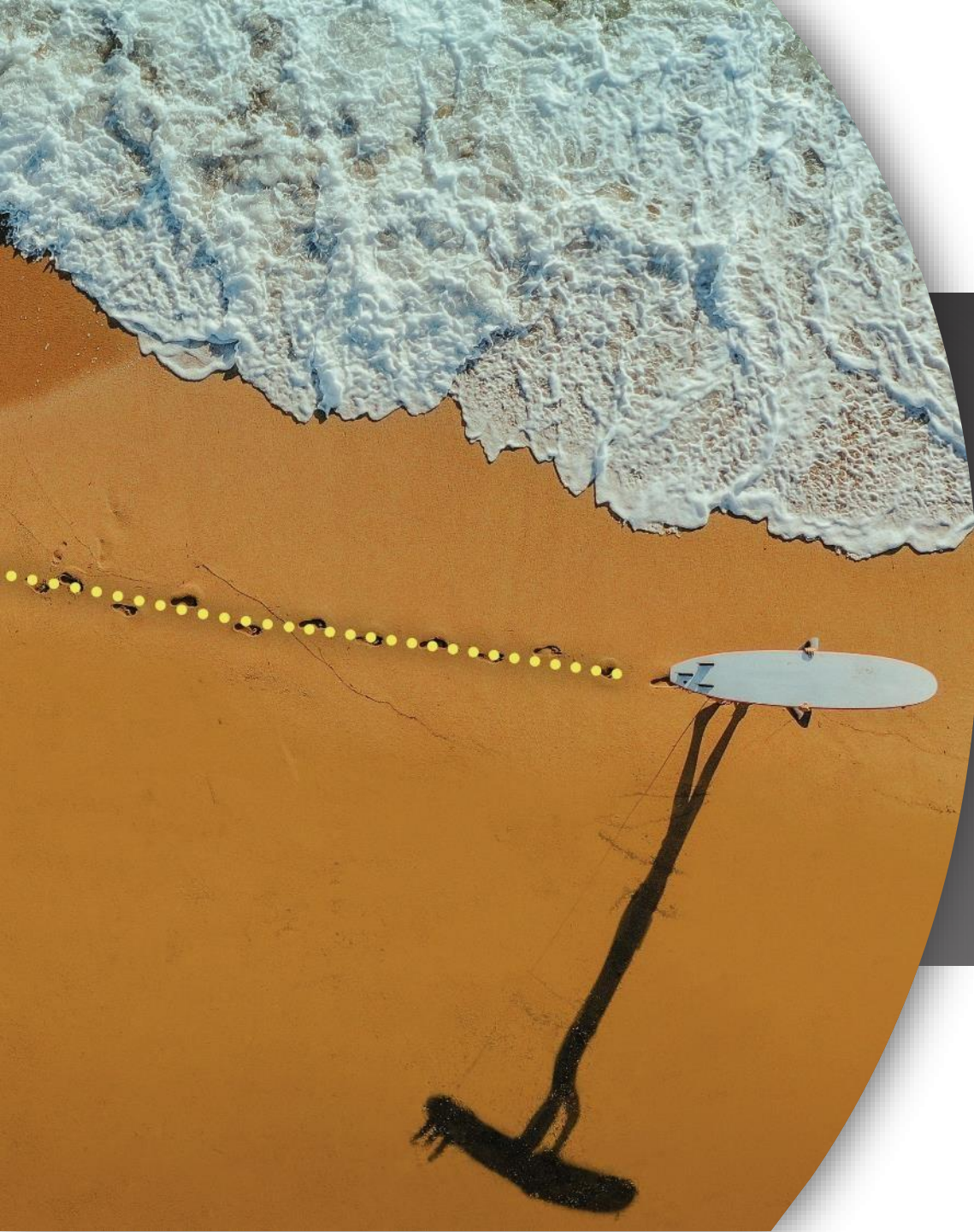
- People and culture:
  - ✓ Diversity, equity and inclusion emphasised
  - ✓ Employee wellbeing & workplace flexibility
- Customers:
  - ✓ Financial hardship assistance and dispute resolution best practice
  - ✓ Purpose built products for our customers
- Our community:
  - ✓ Charitable donation program and volunteer support



## Governance

- Corporate governance structure closely mirrors that of a publicly listed company
- Board of directors with independent directors (including chair)
- Prudent risk management and compliance processes
- Specific licenses and policies which are reviewed frequently and independently audited






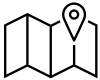


# Thinktank..

SECTION 1

Environmental

# OUR WORKPLACE

- Thinktank is largely an office-based business, head quartered in North Sydney with additional office locations in Melbourne and Brisbane.
- To reduce our impact on the environment as well as improve our efficiency, Thinktank has moved to a predominately paperless workflow environment since the onset of the COVID pandemic.
- In the limited circumstances where paper based documentation is required, we support initiatives including recycling of waste paper and printer cartridge toners.
- The office spaces we occupy carry higher range [NABERS ratings](#) (National Australian Built Environment Rating System), which include building energy efficiency (heating and cooling) as well as water usage.

NABERS rating			
			
Sydney	101 Miller St, North Sydney	5.0 ★	4.5 ★
Brisbane	747 Lytton Rd, Murarrie	4.5 ★	4.5 ★
Melbourne	850 Collins St, Docklands	4.5 ★	6.0 ★



# OUR TECHNOLOGY



Thinktank..

As an organisation we are committed to playing a positive role in the community that we operate in. We have fully transitioned to cloud computing to reduce our carbon emissions. Our key selection criteria for any core supplier of cloud services is their commitment to move towards a net zero future that extends beyond our own footprint. All technology suppliers have committed to either being carbon neutral or negative by 2030.



salesforce

Our core applications are built and hosted upon Salesforce's force.com platform. Salesforce has net zero emissions today across their full value chain and have achieved 100% renewable energy for their operations. Salesforce are a founding partner of 1t.org who have set a goal to support and mobilise the conservation, restoration and growth of 1 trillion trees by the end of 2030.



Microsoft

Microsoft has been carbon neutral across the world since 2012 and commits to being carbon negative by 2030.



**BRENNAN**  
People first - secure always

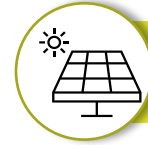
Brennan IT is our managed IT service provider who host our servers in their cloud environment. They are committed to a range of targets to protect the planet including 100% green energy by 2025.

# OUR CREDIT POLICY AND PRODUCTS



## Credit Approach

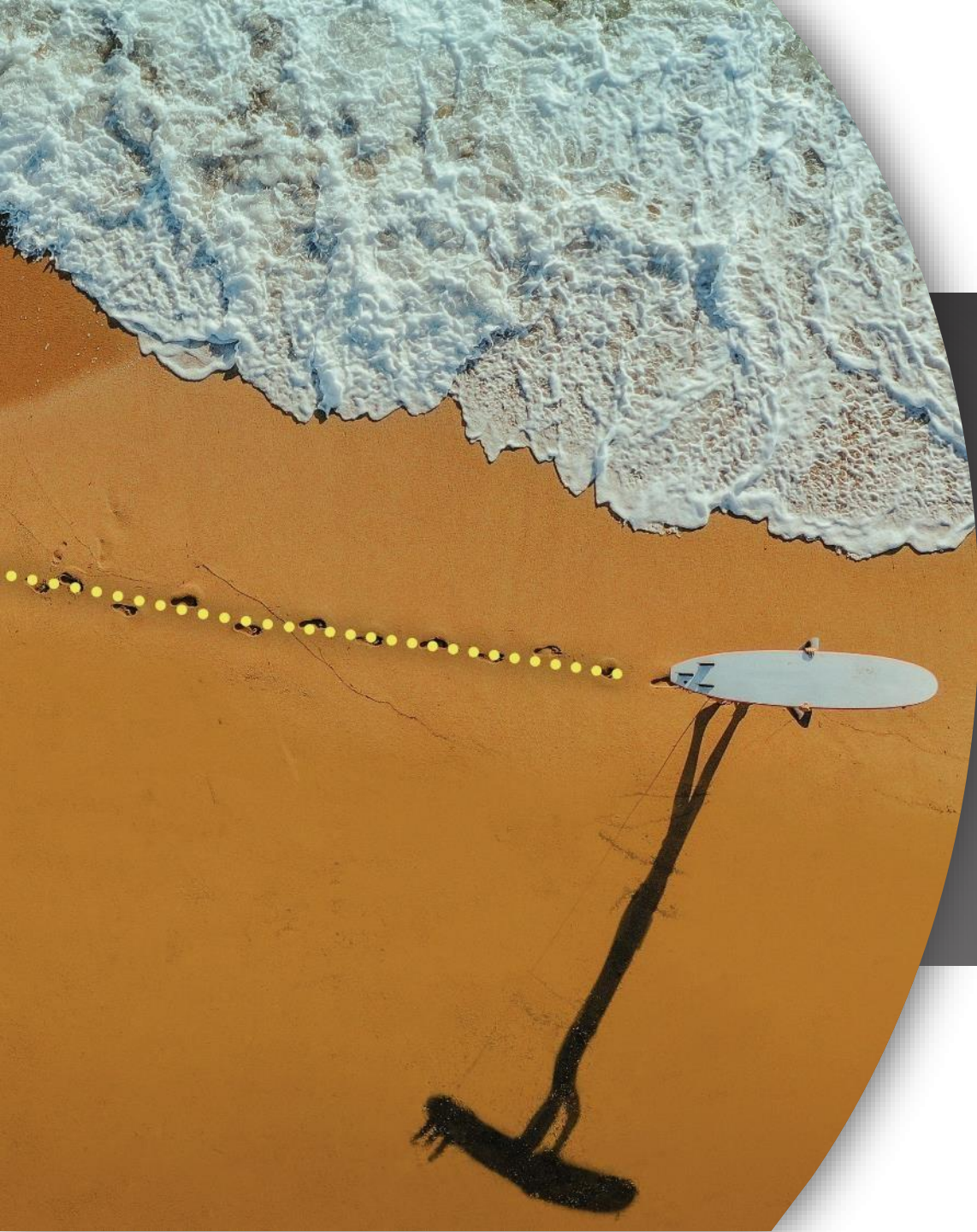
- Our credit policies and procedures are geared towards supporting industries and property types that have a low environmental impact.
- Thinktank does not accept securities which have the potential to cause ongoing environmental damage, such as fossil fuel mining and extraction industries, chemical plants, service stations or properties in heavy industrial areas.
- All property valuations are ordered, received and stored electronically, with Thinktank staff closely reviewing for any factors which may contribute to adverse environmental impacts.
- Environmental agency approvals (where required) are necessary before proceeding with any loan application.



## Green Products

- We are in the process of developing specific green mortgage products designed for homeowners to build (construction loans), improve and own environmentally sustainable homes that are assessed under the Nationwide House Energy Rating Scheme (NatHERS).
- In time, Thinktank plans on using sustainably-based mortgage products to issue certified 'green bonds' as part of our future RMBS issuance program.
- Thinktank will also update its systems and reporting so that green and/or sustainable loans are readily identifiable.





# Thinktank..

SECTION 2

Social



# OUR PEOPLE



## Diversity

Thinktank recognises and values the diversity of beliefs, experiences and backgrounds that our employees bring to the company. Our workplace is one where employees feel respected, valued and included. The principles of diversity, equity & inclusion (DEI) are central to our beliefs and we voluntarily participate in external salary benchmarking to ensure that our remuneration practices are fair and equitable. The company's DEI Committee (comprising staff outside senior management) is charged with monitoring our various diversity initiatives while regularly seeking and reviewing employee feedback to protect and promote a positive and engaging working environment at all times.



## Flexibility

By inherently understanding our employees have competing demands on their time, we offer a flexible work environment that aims to support a positive and healthy balance between work, family and life's other priorities. This includes:

- Work from home arrangements
- Additional flexible leave
- Paid parental leave
- Payment of superannuation for any period of unpaid parental leave up to 12 months



## Employee well-being and support

Fairness and transparency are our most important values at Thinktank, it is how we do business and how we look after our team. Our employees' well-being is critical to our business sustainability and we take active steps to ensure our employees feel supported and engaged, including offering the following programs:

- Employee development including study assistance support
- Employee Assistance Program
- Annual well-being allowance
- Health services such as free annual flu vaccinations
- Annual employee surveys to monitor our culture and provide an avenue for confidential employee feedback
- Family and domestic violence support, including paid leave and financial support for employees who need to relocate with a \$1000 pre-paid Visa card, a \$500 gift card for groceries as well as a pre-paid mobile phone.

# OUR CULTURE

- We conduct annual surveys to check that our employees are engaged and satisfied in their work, as well as ensure that our culture is aligned with our values.
- From recent surveys, 91% of our employees told us they would recommend Thinktank as a great place to work and 95% of our employees said they felt supported by the company and our leaders during the COVID pandemic.
- Our focus on our employee experience and well-being has resulted in high engagement levels, with over 30% of our new hires over the last year sourced through employee referrals.
- Our voluntary turnover remains below industry benchmarks.



# OUR CUSTOMERS



Responsible lending principals underly the way in which Thinktank approaches the provision of finance, whether NCCP regulated or not. We are fully resourced to meet a high level of compliance associated with our licences and legislative obligations. Internally, all policies are reviewed regularly and approved by our Executive Credit Committee and Board. Regular hindsight reviews of lending decisions are conducted, to ensure the highest standards are maintained.



Financial hardship assistance and support is a very important part of our support for borrowers and has been a point of continual focus since the commencement of the business. More recently, customer support has been provided during the COVID pandemic outbreak, major flood and bushfire events and yet when customers experience issues under any other circumstances, we offer assistance to achieve a sensible outcome in all cases.



We are committed to engaging with clients where a complaint occurs and look to resolve any matters in a professional and timely manner. We have strong internal complaint process and are members of external complaint body AFCA. We encourage our clients to get independent advice should they wish.



A high percentage of our customers are self-employed small businesses and their customer service experience is of primary importance to us. We try to make their lending journey as easy as possible, with clear processes and tailored products.

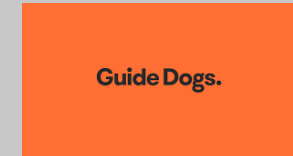


We are an Australian-based business and all customer service and support is managed solely by Thinktank employees with no outsourcing or operations located offshore.



# OUR COMMUNITY

Thinktank proudly supports a number of charities



- In 2008, Thinktank implemented a programme where \$100 from each loan originated is donated to charities nominated by staff giving rise to a strong sense of connection between these charities and our people.
- The full extent of damage to communities and our environment as a result of the flooding experienced in NSW and QLD in 2022 is likely to be severe, as was the Bushfires throughout the summer of 2019 and 2020. Thinktank made donations to The Salvation Army and Australian Red Cross as our way of giving back and contributing toward the assistance of the relief efforts and supporting those in need.
- Volunteer work is strongly encouraged at Thinktank with our people participating in 'Pass it on Clothing' that donates shoes and clothing to those homeless and in need, and weekend shifts at RSL Life Care.

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*Donations such as yours enable us to provide financial education training to women and their families across Asia and the Pacific, and enable them to invest in their livelihoods and their futures.*

**Good Return, 6<sup>th</sup> May 2022** ”

“

*It's always so lovely to speak to incredible people who represent philanthropic businesses such as Thinktank. Your kind contribution means that we will be able to help train more counsellors who will be able to connect with more children and young people across Australia. Currently a child or young person reaches out to Kids Helpline every 60 seconds, and at least 15 times a day a child is in immediate harm or danger. Please be aware that the service you are so kindly supporting changes and saves lives daily.*

**Kids Helpline, 21st April 2022** ”

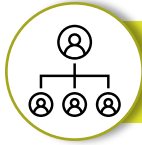


# Thinktank..

SECTION 3

Governance

# CORPORATE GOVERNANCE



## Governance Structure

- Thinktank is an unlisted company governed by the Corporations Act and operating under the control of its Board of Directors.
- The Board is currently made up of seven directors including:
  - ✓ Two independent directors including a non-executive independent Chair
  - ✓ The Chief Executive Officer
  - ✓ Four other non-executive Directors are nominee directors of major shareholders including two directors of an ASX listed company
- The Board operates subject to a Charter. In addition, the Board operates an Audit, Finance and Risk Committee and a Nominations and Remuneration Committee. Both are governed by separate Charter, meet regularly in line with that Charter, are made up of 3 non-executive Directors, and subject to regular performance review.



## Licensing

- Thinktank's operations are governed by the group's Australian Financial Services Licence and Australian Credit Licence, both of which are issued by, and subject to, the supervision of the Australian Securities & Investments Commission (ASIC).
- The group's operations are also subject to supervision by AUSTRAC with respect to Anti-Money Laundering / Terrorism Financing legislation.
- Annual compliance reports are required to be lodged in each of these three regulatory areas and detailed compliance manuals are in place to ensure the required operating standards are maintained at all times.
- Thinktank's Compliance Committee meets at least eleven times a year to review documented risk management obligations and formalise monthly, quarterly and annual reports and returns as required. These include dispute resolution and complaints management, as required by the various licences as well as the Australian Financial Complaints Authority (AFCA).



# ● RELEVANT POLICIES

Our ESG framework is supported by several policies which are reviewed at least annually by both senior management and the Board. Staff training is part of the initial staff induction process and then repeated regularly.

Disaster Recovery & Business Continuity Plan

Disciplinary Policy

Dispute Resolution Policy

Diversity, Equity and Inclusion Framework

Employee Referral Program

Equal Opportunity and Anti-Discrimination Policy

IT Policy

IT Strategic Plan

Privacy Policy and Credit Reporting Policy

Remuneration Policy

Risk Management Policy

Social Media Policy

Statement of Notifiable Matters

Whistleblower Protection Policy

Workplace Bullying Policy

Workplace Health and Safety (WHS)

**Thinktank..**