



P E R R O N G R O U P

Excellence in Business with Integrity

MODERN SLAVERY STATEMENT

UNDER THE MODERN SLAVERY ACT 2018 (CTH)

REPORTING PERIOD: 1 JULY 2020 – 30 JUNE 2021

REV No.	Date	Description of change
V1	16.03.21	2020 Statement adopted
V2	14.12.21	2021 Statement adopted

CONTENTS

1.0	INTRODUCTION.....	3
2.0	THE PERRON GROUP.....	3
3.0	STRUCTURE, OPERATIONS AND SUPPLY CHAINS	3
4.0	RISK OF MODERN SLAVERY PRACTICES IN THE GROUP'S OPERATIONS AND SUPPLY CHAINS.....	4
5.0	ACTIONS TAKEN TO ASSESS AND ADDRESS THESE RISKS.....	5
6.0	TRACKING THE EFFECTIVENESS OF THESE ACTIONS	6
7.0	CONSULTATION PROCESS WITH GROUP ENTITIES	7
8.0	ADDITIONAL INFORMATION	7
9.0	OUR COMMITMENT.....	8

1.0 INTRODUCTION

The Perron Group (the 'Group') approach to addressing modern slavery is aligned with *The Perron Way* which expresses the Group's vision, as set out by its founder Mr Stan Perron. These are values exemplified by someone who, while achieving business success, demonstrated an unwavering commitment to integrity and ethical conduct, and to use his good fortune to benefit those in need.

The Perron Group's vision is *Excellence in Business with Integrity and Compassion for Others*.

This 2020/21 Modern Slavery Statement (the 'Statement') is made pursuant to the requirements of the Modern Slavery Act 2018 (Cth) (the 'Act').

No actual or suspected incidents of modern slavery were identified in our supply chains or operations during 2020/21.

We have assessed our overall modern slavery risk profile as not significantly changing between the 2019/20 and 2020/21 reporting periods. This is due to the consistent nature of our day-to-day operations and associated supply chains.

2.0 THE PERRON GROUP

The Perron Group structure remains unchanged from the 2019/20 reporting period. The Group consists of Perron Group Ltd and P.G. Holdings Ltd (the 'Holding Companies') and all entities controlled by the Holding Companies.

The Group includes the following entities that are 'reporting entities' for the purposes of the Modern Slavery Act 2018 (the 'Act'):

- Perron Investments Pty Ltd (ABN 48 000 003 976)
- Eastpoint Pty Ltd (ABN 64 008 687 367)
- Prestige Toyota Trust (ABN 42 855 447 753)

3.0 STRUCTURE, OPERATIONS AND SUPPLY CHAINS

The Perron Group is a long established and well respected private investment group based in Western Australia.

The Group's operations have not changed between the 2019/20 and 2020/21 reporting periods. As detailed in our first Statement, the Group is structured under four main business units – investment property, land development, automotive distribution (incorporating Toyota vehicle and parts), and equities and infrastructure.

1. The Investment Property business unit comprises retail and commercial property located in various states and territories throughout Australia.
2. The Land Development business unit comprises residential land development projects located in Western Australia and Queensland.
3. The Group holds the rights to distribute Toyota motor vehicles and parts to the Western Australian Toyota Dealer network.
4. The Group invests in equities via a portfolio of diversified managed equity funds. The managed equity funds' invest in corporations located domestically and internationally, in accordance with their investment mandates.

The Group also invests in infrastructure assets, either directly or indirectly via unlisted infrastructure funds. The directly owned infrastructure investments are located within Australia, while the unlisted infrastructure funds invest in assets located domestically and internationally, in accordance with their investment mandates.

Also included in our equities and infrastructure business unit is an iron ore royalty. The royalty is derived from iron ore mined by Rio Tinto from a designated area within the Pilbara region of Western Australia. The Group is not responsible for assessing modern slavery risk with regard to the royalty income stream.

Due to the diversity of business unit and diversity of investment ownership structures, the Group has made a distinction between those supply chains over which it has control, and those over which it has no control.

The Group has **direct control** of supply chains in the following circumstances:

- the property management supply chains of the investment property it owns 100%.
- the land development supply chains of the development projects it owns 100% and where the Group acts as development manager for co-owned developments.
- the corporate office and Toyota distribution overhead supply chains.

The Group has **no direct control** of supply chains in the following circumstances:

- the majority of the portfolio is co-owned with listed Real Estate Investment Trusts, with the co-owner providing the property management services. In these circumstances, the co-owner has control of the property management supply chains. The co-owners are mandatory reporting entities under the Act.
- the Group has no direct control over investment property tenant supply chains under any ownership structure.
- some land development activity is undertaken with a joint venture development partner, with the development partner having the responsibility for the management of the development. In these circumstances, the development partner has control of the development supply chains. The joint venture development partner is itself a mandatory reporting entity under the Act.
- Toyota Motor Corporation is the major supplier to the Toyota vehicle and parts distribution businesses. The Group has no direct control over the Toyota Motor Corporation supply chains. Toyota Motor Corporation is itself a mandatory reporting entity under the Act.
- investments in managed equities and infrastructure result in the Group holding minority interests in the underlying companies invested in. Therefore the Group has no direct control over the investee company supply chains.

4.0 RISK OF MODERN SLAVERY PRACTICES IN THE GROUP'S OPERATIONS AND SUPPLY CHAINS

There were no actual or suspected occurrences of modern slavery reported within the organisation for the reporting period.

The Group has continued its engagement with its modern slavery consultant who again used proprietary data-analysis technology to review the complete direct supplier landscape across all of the Group's diverse investment and business activities.

This technology has enabled the Group to identify and prioritise the highest risk supply chains and investments for further due diligence.

In summary, the assessment results indicated that the highest risk categories through which the Group could be directly or indirectly linked to potential risks of modern slavery are possible in the following operational and business supply chains and investments:

- land subdivision construction activities.
- building construction and maintenance activities.
- cleaning services.
- business services and market research.
- emerging markets managed equities portfolio.

Apart from the *business services and market research* category, the other supply chain and operational categories are consistent from the prior year.

The identification of the *business services and market research* category in this reporting period is attributable to an increase in relative supplier spend amounts. It is not a result of any major change in the nature of our operations and respective supply chains, and has not been assessed as materially elevating the Group's overall modern slavery risk profile.

Supply chain tier analysis undertaken by the Group clearly indicates that any elevated risk does not exist with our direct suppliers and contractors. In all business and investment areas of the Group, the risk of modern slavery is most heightened at, and beyond, the second tier of all supply chains.

The Group welcomes the increasing international scrutiny and mainstream media attention in relation to state-sanctioned forced labour and other modern slavery practices against the Uyghur people in the autonomous Xinjiang region of China. We acknowledge the extent to which a wide array of global supply chains have been affected by Uyghur forced labour, including connections that have been identified with electronics, vehicle, and apparel manufacturing.

As part of our due diligence activities for this reporting period, the Group's direct suppliers were reviewed against the list of 83 companies that are named in the Australian Strategic Policy Institute's 2020 Report: *'Uyghurs for sale: 'Re-education', forced labour and surveillance beyond Xinjiang'* as allegedly benefiting from Uyghur forced labour in a direct or downstream manner. None of our direct suppliers were named in the Report. We plan to continue to review potential linkages between new suppliers and the state-sanctioned exploitation of the Uyghurs and other minority people groups in China.

5.0 ACTIONS TAKEN TO ASSESS AND ADDRESS THESE RISKS

The following measures have been undertaken during the reporting period, building upon the foundation of our modern slavery action plan as developed during the inaugural reporting period.

Due Diligence – Direct Supplier / Contractor

We have amended key supplier contracts to the 100% owned investment property portfolio to incorporate modern slavery related provisions. The provisions require the supplier to take reasonably practicable and proportional steps to assess whether modern slavery is occurring in its supply chains, including the supply chains of its subcontractors. The Group is also incorporating modern slavery provisions into select management agreements where possible.

Education and Training

External subject matter experts were engaged to provide our staff with specialised modern slavery training modules, including best practices for engaging with suppliers on modern slavery issues.

Modern slavery risk awareness training, developed by the provider of the Group's on-line training platform, has been provided to relevant staff.

Desktop Audit of co-owned investments or investments managed by others

A comprehensive desktop audit has been carried out with each of the co-owners with which the Group has joint ownership interest in shopping centres and land development projects.

Modern slavery risk was assessed by industry, geography of operation and other key considerations. The modern slavery risk mitigation framework adopted by each co-owner was also evaluated.

- The following is a summary of some key insights from this analysis:
 - all shopping centre co-owners are mandatory reporting entities under the Act. This significantly enhances the Group's oversight in relation to shopping centre-related supply chains, applicable internal governance frameworks, and efforts to engage with the suppliers that are beyond our direct control.
 - only one of our land development co-owners is a reporting entity under the Act.
 - co-owners that are reporting entities have a far more comprehensive understanding of modern slavery issues relating to their supply chains. They also feature more robust risk mitigation frameworks, including extensive policy frameworks with grievance and remedial components. In many instances, the reporting entities reported an industry 'best practice' approach to modern slavery.
 - cross-divisional and executive-level oversight of the entity's overall modern slavery response is another marked feature of our co-owners that are reporting entities under the Act.
 - several of our co-owners describe supply chain linkages to high-risk geographies, such as India, Pakistan, China, the Philippines, and Malaysia. However, such linkages are located at the deeper tiers of the relevant supply chains.

Subject to ongoing COVID-19 restrictions, in the next reporting period we plan to build upon the due diligence from the desktop audit by undertaking onsite external audits of shopping centres and land development projects.

Industry Collaboration

The Group has continued its communications and engagement with shopping centre co-owners in an effort to take a more collaborative approach to due diligence on those co-owned centres during the next reporting period.

6.0 TRACKING THE EFFECTIVENESS OF THESE ACTIONS

The Group has continued its modern slavery due diligence over the reporting period and remains committed to ensuring that changes and actions taken to identify, assess and address risks of modern slavery are effective.

The effectiveness measures framework the Group is working towards in 2021/22 includes:

Due Diligence

- Investment Property and Land Development Supplier / Contractor Engagement
 - Undertaking a review of the direct suppliers / contractors within the 'at risk' industries identified in section 4 of this Statement with regard to their modern slavery compliance activities.
 - Carry out on-site audits where necessary of our shopping centres and land development projects suppliers / contractors.

- Corporate Office and Toyota distribution overhead supply chains
Review the 'at risk' suppliers / contractors and where necessary issue a supplier self-assessment questionnaire and follow up responses.
- Industry Collaboration
Maintain communication and collaboration with our business and investment partners on modern slavery issues.
- Workplace Compliance
Annual review of the Group's workplace compliance practices (e.g. ensuring no under payments of salaries or wages).

Remediation

Regular review of the level of uptake and use (or non-use) of the Whistleblower facility – including ongoing consideration of whether this is due to genuine absence of issues or a need to review the accessibility of risk mitigation measures (including awareness training) to areas where they are most required.

Education and Training

Implementation and refreshing of targeted employee education and training on modern slavery awareness and risk.

7.0 CONSULTATION PROCESS WITH GROUP ENTITIES

We have engaged extensively with the entities that the Group owns and controls. This includes detailed and frequent communication of information on compliance with the Act, and the Perron Group's expectations of those entities to actively address modern slavery.

Appropriate consultation with all of the Group's owned and controlled entities has occurred throughout the reporting period, and in the preparation of this Statement. This consultation is enabled through the participation of a modern slavery representative from Toyota WA, Autoparts and Property business units.

All Group entities have, and will continue, to work closely to assess and address the risks of modern slavery throughout the Group's diverse investments and business operations.

8.0 ADDITIONAL INFORMATION

We have identified various potential impacts of the ongoing COVID-19 pandemic on the supply chains and operations of various aspects of our business operations.

The COVID-19 pandemic has continued to present challenges for the Group in undertaking certain due diligence measures. Most notably, it has not been practicable to carry out on-site audits of our shopping centres and land development projects due to border and movement restrictions, and other related capacity issues.

9.0 OUR COMMITMENT

The Perron Group is committed to high standards of ethical conduct, as set out in *The Perron Way* and to promoting and supporting a culture of behaviour that is effective in reducing the incidence of modern slavery.

Recommended for approval by the Board and signed on the Board's behalf by the Chairman.



Approved by the Board of Perron Group Ltd and P.G Holdings Ltd
Chairman

This 15th day of December 2021