

MODERN SLAVERY STATEMENT
2021

Pearl Corporation of Australia
ABN 33 009 623 081

INTRODUCTION

This second Modern Slavery Statement is made by Pearl Corporation of Australia Pty Ltd .

Pearl Corporation of Australia Pty Ltd, established in 1984, is the ultimate holding company of what is known as and called the Paspaley Group of companies. In this statement 'Paspaley' refers to Pearl Corporation of Australia Pty Ltd either in its own right or, depending on the business operation or activity referenced, acting through a relevant subsidiary.

This statement outlines the approach adopted and steps taken by Paspaley to minimise the risk of modern slavery occurring in its businesses and supply chains during the financial year ending June 2021.

Paspaley is committed to operating responsibly and establishing and adhering to ethical codes of conduct and standards. It will not tolerate slavery or human trafficking in its businesses.

PASPALEY BUSINESS STRUCTURE, OPERATIONS, AND SUPPLY CHAIN

Paspaley is a family-owned Australian company headquartered in Darwin, Northern Territory. Paspaley is the controlling entity of a diverse group of companies and associated businesses which employ over 800 staff, principally in Australia.

Its foundation business, pearling, was established by the family in 1935. Paspaley Pearling Company Pty Ltd (ABN 67 009 591 708) ('PPCo') was incorporated in 1953 PPCo is now the principal operating company of many of Paspaley's businesses, including pearling, and is primarily responsible for the day-to-day implementation and management of Paspaley Group policies.

Paspaley has become one of the world's most important producers of South Sea cultured pearls and mother of pearl. Its pearl production is undertaken wholly in Australia with other participants as part of a joint venture, and through its own subsidiaries. With other participants as part of a joint venture, Paspaley is also engaged in the international wholesaling of pearls and mother of pearl. Paspaley is Australia's most prominent pearl retailer.

In addition to pearling, Paspaley, through its various subsidiaries, owns and manages property interests and engages in a variety of enterprises of which the most significant are property development and management, ship repair and engineering, agriculture, winemaking and aviation.

Paspaley's operations are primarily conducted in Australia but also involve activity overseas and involve key supply chains in, depending on the business activity, Asia, Europe and the USA.

Its key operations and associated supply chains are as follows:

AREA	MAIN OPERATION	SUPPLY CHAIN
<p>AUSTRALIAN SOUTH SEA PEARLS AND MOTHER OF PEARL</p>	<p>PASPALEY</p> <ul style="list-style-type: none"> • Paspaley is an Australian retailer of fine pearl jewellery. • Paspaley has boutiques across Australia in Sydney, Melbourne, Perth, Darwin, Brisbane and Broome. 	<ul style="list-style-type: none"> • The design of fine jewellery is generally conducted by Paspaley employees in Australia. • Products used for the manufacturing of jewellery, including precious metals, chains, diamonds, and other precious stones, are generally acquired from overseas suppliers. • Products used for the packaging of jewellery, are acquired in Australia and from overseas. • Contractors and subcontractors are used to deliver services such as advertising.
<p>PASPALEY PEARLING COMPANY</p>	<ul style="list-style-type: none"> • The main operations of Paspaley Pearling Company with respect to pearling are: <ul style="list-style-type: none"> • The production of Australian South Sea Pearls and mother of pearl. This takes place in Australia. • The distribution and wholesale of Australian South Sea Pearls, mother of pearl and mother of pearl products. • The production business is operated through wholly owned subsidiaries and joint ventures with partners in Australia and Japan. • Wholesale sales of Australian South Sea Pearls are largely conducted in Australia but also in dedicated markets overseas (e.g. via auctions). • The wholesale of mother of pearl products is generally undertaken pursuant to specific agreement with buyers. 	<ul style="list-style-type: none"> • Pearl production requires a maritime fleet and aquaculture equipment including ships and vessels fuels, parts, aquaculture equipment and consumables. • Aquaculture equipment is sourced in Australia and overseas. • The manufacture of mother of pearl products has been undertaken by contractors in various countries in Asia.

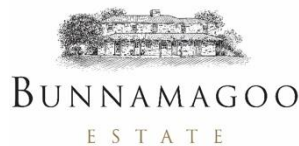
PROPERTY



- Paspaley Properties manages properties in Australia and the USA owned by Paspaley.
 - Key Australian properties include:
 - The Charles Darwin Centre, Darwin
 - 2 Martin Place Sydney
 - Paspaley Plaza, Broome
 - Key USA properties include:
 - Industrial warehouse, 2000 Port Centre Parkway, VA
 - 80-82 Wall Street New York, NY (during FYE 2021, under renovation).
- Other rental properties in Colorado, USA are separately managed within Paspaley.

- The suppliers for properties in Australia are generally located in Australia.
- The suppliers for properties located in the USA are generally located in that country.
- Depending on the specific requirements, suppliers, will be engaged for management, maintenance including repair and replacement, cleaning, and the provision of hospitality and catering equipment.
- In the case of a development or renovation, suppliers will be engaged for the full suite of services such projects demand e.g., design, construction, fit out of furnishing and equipment

PASTORAL AND WINE



- Paspaley is engaged in the production of crops, wool, lamb, and beef, on its various rural properties in New South Wales and Northern Territory, Australia.
- Paspaley is also engaged in viticulture and winemaking in New South Wales, Australia.




- For the purposes of its pastoral enterprises, Paspaley requires agricultural material such as farm machinery, fuel and fertilisers. These are predominantly sourced from within Australia.
- Farm contractors and subcontractors who deliver services e.g. harvesting.
- Winery products such as bottling, packaging and hospitality are predominantly sourced from suppliers in Australia.
- Agents and contractors are engaged to assist with the distribution and sale of wine products. These agents and contractors can be based in Australia or overseas.

SHIP REPAIR AND ENGINEERING



- Pearl Marine Engineering is a marine support, ship repair, engineering and maintenance facility based in Darwin, Australia.

- The material this business requires, including machinery, equipment and tools, paints, replacement parts, and consumables, is predominantly sourced from suppliers in Australia.
- Contractors and subcontractors who deliver services such as electrical and refrigeration expertise.

AVIATION		
 <p>PEARL FLIGHT CENTRE PERTH FLIGHT CENTRE</p>	<ul style="list-style-type: none"> The Flight Centres are Fixed Base Operators located in Darwin and Perth, Australia. They provide services to both international and domestic operators, handling and assisting in the dispatch of aircraft, passengers and cargo to airports around Australia and internationally. 	<ul style="list-style-type: none"> The external services these aviation businesses require are in the nature of aircraft and equipment maintenance and modification.
 <p>PEARL AVIATION AUSTRALIA</p>	<ul style="list-style-type: none"> Pearl Aviation provides aircraft maintenance to Paspaley aviation operations and third-party customers, and is based in Darwin, Northern Territory, Australia 	<ul style="list-style-type: none"> These services are generally supplied by qualified and specialist service providers in Australia or, as appropriate, overseas. Operating consumables such as fuels and lubricants are generally sourced, as required, in the location where an aeroplane is operating.
 <p>AEROPEARL — A DIVISION OF PASPALEY AVIATION —</p>	<ul style="list-style-type: none"> AeroPearl provides flight inspection services in Australia and Singapore and, as and when contracted, to other airports in the Asia Pacific. AeroPearl is an incorporated joint venture with AeroData AG, a German company. AeroPearl is based in Brisbane, Australia. 	

RISK OF MODERN SLAVERY

Paspaley has policies and procedures in place to promote and regulate ethical and legal compliance, good governance and corporate conduct. These contribute to and reinforce our commitment to prevent and minimise the risk of modern slavery.

Paspaley has adopted a risk-based approach to modern slavery due diligence.

The majority of Paspaley’s businesses operate in Australia and source their goods and services, to the extent these are acquired externally, from Australian based suppliers. Paspaley’s current assessment is that these businesses have no or extremely low risk of modern slavery practices.

Paspaley’s assessment is that the higher risk of such practices is in its overseas supply chains, in particular:

- manufacturing activity undertaken on behalf of Paspaley in certain geographic regions in Asia.
- activity relating to the supply of precious stones and metals.

Although Paspaley is not specifically aware of any such practices, its approach is, and for the foreseeable future will likely be, to focus on the identified potential supply chain risk ‘hotspots’ in its supply chain.

ACTIONS TO MITIGATE THE RISK OF MODERN SLAVERY

During the financial year ending June 2021 Paspaley through its principal operating company, undertook or oversaw the implementation of certain key actions both to mitigate the risk of modern slavery in its supply chains and enhance processes to assess and monitor the effectiveness of its conduct.

- It established an entirely new manufacturing facility for mother of pearl products manufacture operating in Asia with high standards for sustainability, employee safety and employment conditions. Paspaley has established third party independent auditing of that operation.
- It improved the awareness within its various operations of the risks of modern slavery, particularly amongst its key operations management.
- It undertook an internal review of the potential risks of modern slavery practices occurring in its operations and supply chains using a risk management framework and risk indicators suggested by the Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities. The framework considered various risk factors, including industry and sector, type of products and services, and geographic locations.

ASSESSING THE EFFECTIVENESS OF ACTIONS TO ADDRESS MODERN SLAVERY RISK

Paspaley's general approach to assessing the effectiveness of its actions to address risk of modern slavery practices in its operations and supply chains has been to rely upon and utilise several key tools, including its personal grievance policy, audit and third-party accreditation, and through continuous engagement with key stakeholders including suppliers.

Paspaley believes that to date this has been broadly effective in identifying any areas of concern.

As a result of the ongoing travel restrictions occasioned by the COVID-19 pandemic, Paspaley has not been able to directly inspect key facilities of its supply chain and relied instead on general reporting.

CONSULTATION WITHIN PASPALEY

Although the Paspaley Group involves a diversified group of companies and businesses, its Australian operations are generally managed within a single and common policy which allows for a uniform and collective approach to assessing and managing the risks of modern slavery. Paspaley's senior management consults with each of the Group businesses to ensure a collaborative and common basis for managing compliance and governance.

OUR FUTURE COMMITMENTS

Over the next year Paspaley's focus areas will be to:

- improve the awareness within its various operations and supply chains of the risks of modern slavery,
- as circumstances, including COVID -19 travel restrictions allow, Paspaley will inspect key overseas facilities of its supply chain and operations,

- continue to develop, enhance and implement its modern slavery risk framework in order to allow it to better identify and prioritise modern slavery risks in its business groups and their respective supply chains.

Paspaley is committed to ensuring modern slavery does not occur in its operations and to the continuous development and improvement of mechanisms to mitigate the risk of modern slavery in its supply chains.

This statement was approved by the Board of Pearl Corporation of Australia Pty Ltd.

James Paspaley
Executive Director