

Modern Slavery Statement – for Financial Year ended 30 June 2022

Palladium Group Holdings Pty Ltd and Palladium International Pty Ltd

Introduction and Reporting Entities

This Modern Slavery Statement is published by Palladium Group Holdings Pty Ltd (ACN 140 654 075), on behalf of itself and its subsidiary Reporting Entity Palladium International Pty Ltd (ACN 010 020 201) in accordance with the *Modern Slavery Act 2018 (Cth)* (**Act**). Palladium Group Holdings Pty Ltd is an Australian registered company headquartered in Brisbane Australia and the ultimate holding company of the Palladium group of companies during the period covered by this Statement.

This Statement covers the activities of Palladium Group Holdings Pty Ltd's owned and controlled entities (collectively referred to in this Statement as **Palladium** or **Group**) for the financial year ended 30 June 2022.

A joint statement has been prepared because Palladium and its subsidiaries operate in the same sectors, and have shared suppliers, governance, policies and procedures, and management.

About Palladium: Our structure, operations, and supply chains

Palladium is a global impact firm, working to link social progress and commercial growth. Since 1968 Palladium has worked with corporations, governments, foundations, investors, and local communities to formulate strategies, build partnerships, and implement solutions that generate lasting social, environmental, and financial benefits.

The Group operates with a global corporate leadership and functional team supporting regional business units in Asia Pacific (APAC), Europe Middle East Africa (EMEA) and the Americas. It has established regional business offices in Australia, India, Indonesia, Spain, Netherlands United Kingdom, United States, United Arab Emirates, and Nigeria, and a presence in more than 90 countries across the globe.

Our core business services include business strategy consulting, program and project management, impact investing and capacity building, as follows:

- **Strategy:** As the original creators of the Balanced Scorecard and Strategy Map methodology, Palladium has helped over 700 organizations, primarily corporate and government, to design and execute their strategy. Our Sustainable Development Goal-aligned evolution of these powerful tools can empower companies to drive towards positive business and societal outcomes.
- **Impact Investing:** Palladium deploys capital to address social issues while generating a financial return through innovative finance mechanisms, asset management, our capital advisory services, and impact funds.
- **Procurement & Logistics:** We help governments and businesses reach people and markets with supplies, garrison building, and on-ground logistics support in seemingly impossible environments, including post-disaster, post-conflict, and remote locations.
- **Program Management:** We implement large-scale, global social and economic change initiatives, bringing local knowledge, technical expertise, and time, scope, and cost management to our clients' most complex projects.

Our global practice areas in health; education; environment and natural resources; governance; growth and livelihoods; infrastructure; gender and social inclusion; procurement; supply chain management; logistics informatics; data analytics and visualization; and monitoring, evaluation, and learning, form a solid technical in-house capacity to support our service delivery.

Palladium's extensive project and program management experience also provides access to a wider network of experts and tools utilised in supporting the projects and programs that we manage. As a Group, we deliver evidence-based solutions with large-scale impact through more than 180 current projects with more than 3,000 employees operating in over 90 countries and working with more than 10,000 organisations. Our supply chain consists of external businesses, self-employed consultants, and Business Partner¹ organisations around the world. Our supply chain consists of external businesses, self-employed consultants and business partner organisations located within Australia and overseas.

Below is a sample of the key products and services (by spend) that were sourced in Australia and overseas during the reporting period:

- | | |
|--------------------------------|--|
| • Travel Services | • Insurances (general, travel, health) |
| • Office Rent | • Education services |
| • Project Consultancy Services | • IT services and equipment |
| • Security Services | • Technical Assistance Services |

Assessing and Addressing Risks of Modern Slavery

Palladium is committed to the principle that all humans have the right to be free from violence, abuse, and exploitation of any kind. Further, we embrace and respect the cultural and social diversity of the countries in which we work and place great importance on operating with honesty and integrity. As such, Palladium does not tolerate, condone, or accept human rights abuses within its business operations or supply chain.

Palladium understands its responsibility to go beyond legal compliance and is committed to proactively tackling modern slavery in its supply chains.

The nature of our work, particularly in developing, fragile and conflict affected states means Palladium recognises that some of our supply chains operate in high-risk environments for modern slavery including countries with high levels of poverty, a lack of awareness and understanding of human trafficking and modern slavery, and weak national systems to monitor and respond to human rights abuses including incidences of modern slavery.

Across our operations, we are working to build a supply chain that is free of modern slavery through diligently and regularly updated policies, guidelines, business processes, training and other mechanisms to detect and prevent modern slavery.

Our annual statements seek to illustrate that Palladium understands its responsibility to go beyond legal compliance and how we are committed to proactively tackling modern slavery in our supply chains. In 2019 and 2020 we consulted with UK Government's Modern Slavery Unit in order to obtain feedback on our approach to reducing modern slavery in our supply chains. Palladium's annual statement for 2019 was recognised as being within the top 60% of the UK government's

¹ Palladium's governance framework defines "Business Partner" as including any organisation providing goods or services to the Group, such as contractors, subcontractors, grantees, awardees, vendors, and landlords.

100 largest suppliers.² We have scored highly in the UK Government’s annual Modern Slavery Assessments, and we will be conducting new assessments to look at possible areas for improvement.

Governance Framework

Overseen by our Chief Diversity Officer and Corporate Leadership Team, all Palladium activities operate under a Sustainable Business Framework with policies, guidelines, standard operating procedures, business processes and tools that cover Equity, Diversity and Inclusion, Safeguarding³, and the Environment which, although distinct fields, have shared goals and commitments. Within this framework, Palladium’s Codes of Conduct⁴ expressly prohibit the transportation, sale or otherwise trafficking⁵ of human beings for profit or otherwise. Regardless of the jurisdiction in which the organisation is registered or doing business, these activities are prohibited. In addition, Palladium representatives and Business Partners must not:

1. Allow transactions with, and the provision of resources and support to, individuals and organisations associated with human trafficking.
2. Procure any sex act on account of which anything of value is given or received (commercial sex act).
3. Use forced labour in the performance of any work.

Our overarching governance structure also includes the following policies and guidelines relevant to Palladium’s commitment to mitigate, and where possible, eradicate circumstances conducive to modern slavery:

Policies	Guidelines
<ul style="list-style-type: none"> • Code of Conduct • Business Partner Code of Conduct • Prevention of Sexual Exploitation Abuse and Harassment • Safeguarding • Whistleblower Protection • Success at Work • Due Diligence • Transactions • Ethical Contracting • Family Sexual and Gender Based Violence • Procurement Integrity • Occupational Health and Safety 	<ul style="list-style-type: none"> • Project Management Manual • Modern Slavery • Child Protection • Grants Management Programme • Workplace Grievances • Human Resources Management for Projects • Procurement of Goods and Services • Risk Management Framework • Whistleblower Allegations • Occupational Health and Safety • Business Partner Duty of Care Management

² Sancroft Tussell, Eliminating Modern Slavery in Public Procurement (2019) <https://sancroft.com/wp-content/uploads/2017/11/The-Sancroft-Tussell-Report-1.pdf>

³ Safeguarding is a term that means different things in different contexts in various parts of the world. At Palladium we define it as the preventative action we take globally to protect the communities with which we work, all of our people, and clients from harm.

⁴ Palladium Group Code of Conduct Policy and Business Partner Code of Conduct Policy.

⁵ Trafficking is defined as the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, abduction, fraud, deception, the abuse of power or a position of vulnerability or the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation.

The requirements of these policies and procedures are passed down to our Business Partners (suppliers, subcontractors, consultants) through a Business Partner Code of Conduct which must be acknowledged with every Palladium contracting agreement.

These governance documents are regularly reviewed and updated for currency and compliance.

Due Diligence

Palladium conducts Due Diligence on all parties with which it enters into business relationships. Our due diligence policy reflects the fact that many of our operating environments are high-risk for modern slavery and human trafficking.

As part of the due diligence process, Palladium requires all Business Partners to agree to the Palladium Business Partner Code of Conduct and encourages all suppliers to have a modern slavery policy or guidelines within their business as well as a Code of Conduct. If it is a legal requirement in the country of operation for the supplier to have a policy, then these documents must be produced prior to contracting. In addition, we are committed to capacity building across our supply chains and working with suppliers to develop modern slavery policies where none exist or to strengthen policies where necessary. Gaps identified during the due diligence process are revisited after an agreed period and, where a supplier fails to fulfil an action plan, we will consider further measures or terminating our relationship.

Modern Slavery Guidelines

In 2018 we developed and published our Modern Slavery Guidelines. The Guidelines are applicable globally to all of Palladium's operations, employees, and all representatives of the company. These Guidelines provide further information and guidance on the implementation of our Code of Conduct Policy with regards to the prevention of all forms of modern slavery and human trafficking in the delivery of projects by, and in the business operations and supply chains, of Palladium.

Specifically, representatives are obligated to report any previous prior relevant conduct of their own, as well as any allegations or suspicions of relevant activity of which they become aware. The guidelines provide direction on recruitment, business partner engagement, risk evaluation, incident management, and awareness training with a specific emphasis on modern slavery risks. The guidelines also seek to educate Palladium's representatives on identifying and reporting modern slavery, including links to the UK Home Office website's 'Truth and Myth' section on modern slavery and human trafficking, as well as recommending links to leading anti-slavery organisations.

Reporting

We have long established reporting mechanisms outlined in Palladium's investigation standard operating procedures. These include the requirement to immediately report any suspected or alleged instances of modern slavery, human trafficking or Code of Conduct non-compliance directly to management, or by using our Whistleblower Hotline.

We have toll free hotline numbers for different jurisdictions in the world, a Whistleblower email address tellus@thepalladiumgroup.com, and the option to report allegations through our PO BOX or Protected Disclosure Officers. The Whistleblower Hotline is advertised in all offices from which Palladium conducts business and is available to be used by our own people, as well as clients, contractors, suppliers, people in the communities we serve, and anyone else who encounters us.

Other Relevant Initiatives

- **UK Modern Slavery Working Group (MSWG) Membership.** In 2022 Palladium became a member of the UN Global Compact Network UK Modern Slavery Working Group (MSWG).

- **Stamping out Trafficking in Nigeria Program:** Palladium was the implementing partner for the UK's Foreign, Commonwealth and Development Office (FCDO) Stamping out Trafficking in Nigeria (SoTiN) program which commenced in 2018. SoTiN closed after 15 months due to the UK government's overseas development assistance (ODA) spending review. However, learnings from SoTiN have and will continue to be shared across Palladium to strengthen and contextualise our understanding of modern slavery.
- **Business Development:** We have strengthened our risk assessment policy to ensure that we assess the potential risk of modern slavery and human trafficking in our business development pipeline. Risk assessment is widely based – assessing country risk, industry, or product risk as well as supply chain risk.
- **Training:** We undertake an internal training package on the risk, effect, and methods of uncovering modern slavery, for use within Palladium and our Business Partners.
- **KPIs:** In 2020 we set corporate Key Performance Indicators to train employees and raise corporate awareness of modern slavery; improve internal reporting mechanisms of incidents of modern slavery; and capacity build our supply chain to improve their modern slavery policies. In 2022 we sought to increase the ambition of these KPIs

- **KPI 1:** Training and capacity building of employees about modern slavery issues and increasing awareness.

Target: 80% of UK employed permanent employees attend online training, completing a test before and afterwards to record whether their understanding of the issues and awareness has increased.⁶

Achievement to Date: We conducted 3 awareness raising sessions attended by over 59% (50 people) of our corporate employees and 50 project employees within the Europe, Middle East and Africa region during our Safeguarding Awareness Fortnight. The awareness raising sessions provided employees with facts about the global prevalence of modern slavery, explained terminology, informed employees about corporate modern slavery guidelines and our safeguarding policy and Code of Conduct. It also gave employees instructions about how to report incidences of modern slavery and shared resources for wider reading.

During 2021 we designed a training pack and tested it with Palladium's UK Partnering for Accelerated Climate Transitions (UK PACT)⁷ programme funded by the UK Department for Business, Energy, and Industrial Strategy (BEIS). We piloted the training with programme teams and 26 grantee organisations in Columbia, Mexico, South Africa, Malaysia, Indonesia, and Kenya. The training included country specific case studies to contextualise the prevalence of modern slavery within that country. Trainees overwhelmingly reported that it was a really useful resource that has been easily used to make employees aware of the issues.

- **KPI 2:** Whistle-blowing hotline and reporting mechanisms monitored for cases involving modern slavery and cases dealt with appropriately and efficiently.

Target: 100% of cases recorded through reporting procedures handled appropriately and efficiently.

⁶ As of December 2021, this stands at 85 staff employed as permanent UK staff

⁷ <https://www.ukpact.co.uk/> UK PACT website Palladium International Ltd delivers the Country Programmes Challenge Fund, funding 83 projects across 7 countries.

Achievement to Date: No incidents were reported. We will continue monitor the data and report on this KPI.

- **KPI 3:** Capacity building our major suppliers to develop modern slavery policies.

Target: 80% of Tier 1 suppliers,⁸ without a modern slavery policy or guidelines develop these documents within the first year of being contracted by Palladium.

Achievement to Date: All suppliers and contractors are required to pass our due diligence assessment before being contracted. In 2021 we supported 15 grantees and 3 subcontractors to develop and refine modern slavery policies and guidelines. As part of the due diligence assessment at the beginning of the supplier/contractor contracting process and during the contract term, we ask suppliers/contractors to confirm their compliance with the Act. We share a link to our policies as standard during the contracting process when suppliers are asked to accept compliance with our Business Partner Code of Conduct.

Assessing Effectiveness

Palladium assesses the effectiveness of its actions to deal with modern slavery risks by:

- Regularly reviewing our policies and processes to identify, assess and address modern slavery.
- Monitoring the number of personnel who have completed training on Codes of Conduct and modern slavery.
- Monitoring our progress against our established KPIs.
- Monitoring the modern slavery complaints received and resolved.

Next Steps

In FY2022/2023 we will continue to take a risk-based approach when reviewing all the points in our supply chain where it possibly intersects with modern slavery, and we want to build on our 2021 ambition.

We know that employees are better able to protect themselves against abuses such as poor working conditions and low pay when they are aware of their rights. Through our work in the field of international development, Palladium delivers job creation programming to educate communities about fair wages and employment rights internationally and in Australia. As part of our contracting with suppliers we confirm each organisation's commitment to our Business Partner Code of Conduct. This includes our expectations for upholding and protecting the rights of employees. In FY2022/2023 will continue to carry out spot-checks and gather further information about suppliers and their supply chains.

We are confident that our employment practices protect employees against poor working conditions. We know that precarious work in low-paid, unregulated labour sectors can create conditions for labour abuses to develop, sometimes leading to extreme exploitation and forced labour. We know that these vulnerabilities have been exacerbated by the impact of COVID-19 and the surrounding restrictions. In 2021 we made a commitment to look at those organisations who provide ancillary services to our projects. We will work to review our procurement processes,

⁸ Tier 1 Suppliers are those organisations who are direct supply partners for Palladium for the UK Government's Foreign, Commonwealth and Development Office (FCDO) contracts.

we will ask providers to disclose their hiring practices, and we will ensure that final procurement decisions consider these responses, ensuring that employees security remains central to all decision making.

We will continue to collect data and report against the KPIs we set in 2020.

Consultation

This statement has been compiled as a result of consultation and collaboration with representatives of Palladium's regional business units for Asia Pacific, Europe, Middle East and Africa and the Americas; Palladium's Chief Diversity Officer, the Americas Regional Equity, Diversity & Inclusion Lead, the Asia Pacific Regional Safeguarding Lead, and the APAC Contracts and Compliance team. Prior to review and approval by the Board of Palladium, this statement was considered and reviewed by Palladium's Chief Executive Officer, and an APAC Regional Business Unit Leader.

Approval

This statement was approved by the boards of Palladium Group Holdings Limited and Palladium International Pty Ltd on 2 February 2023.



Chris Hirst
Chief Executive Officer, Palladium Group
Director, Palladium Group Holdings Pty Ltd and Palladium International Pty Ltd