



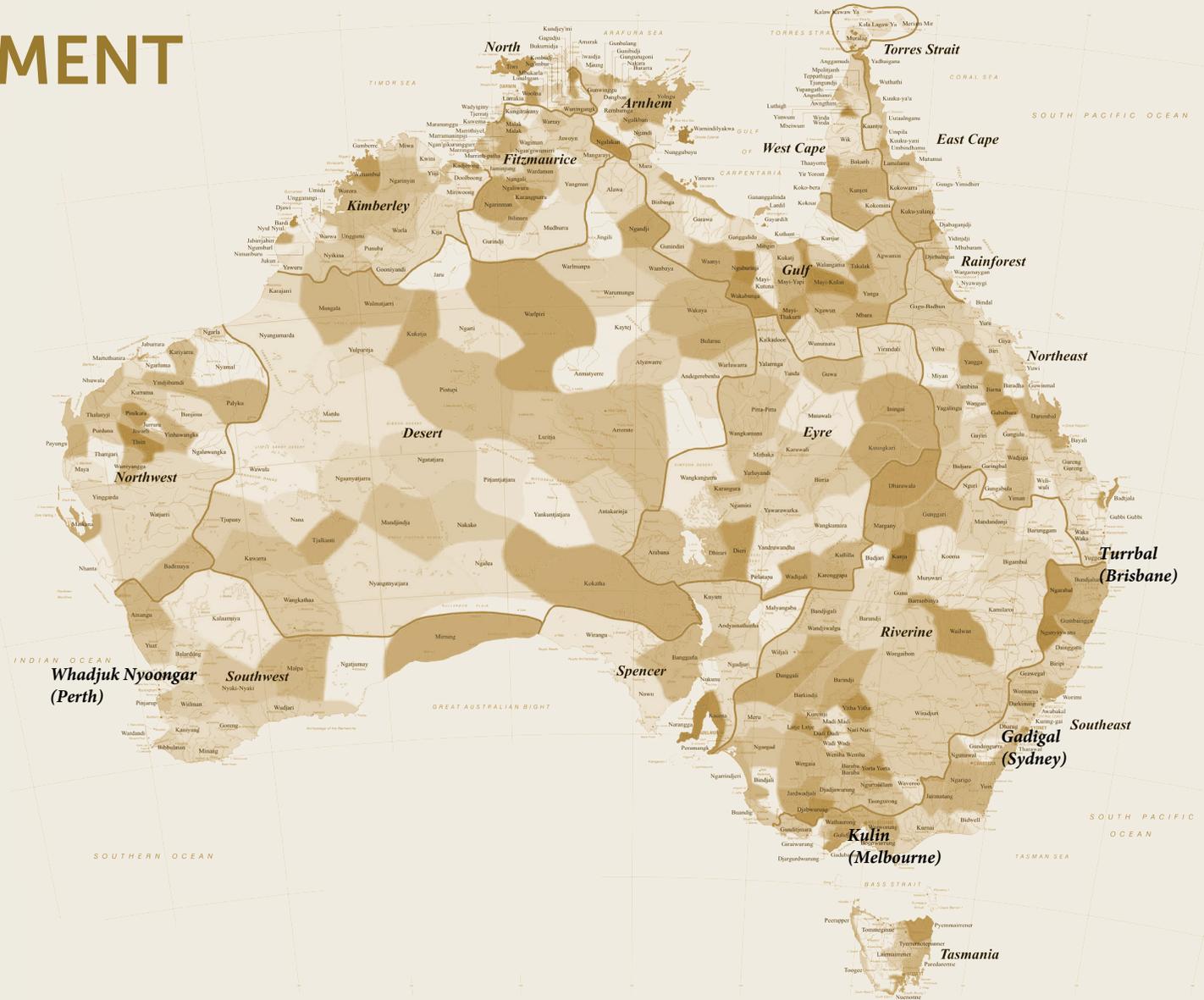
MODERN SLAVERY STATEMENT 2021



ACKNOWLEDGEMENT OF COUNTRY

Pallion headquarters sits on the lands of the Gadigal people with sites on the lands of the Kulin, Turrbal and Whadjuk Nyoongar peoples.

Pallion acknowledges the Traditional Custodians of country throughout Australia and pays respect to the Elders and communities of these lands, past, present and emerging, who for thousands of years have shared and exchanged knowledge across innumerable generations, for the benefit of all.



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ABOUT PALLION'S MODERN SLAVERY STATEMENT

The Pallion Board of Directors commits to and fully endorses the Modern Slavery Act 2018 (Cth)(Act). This joint Statement (Statement) has been prepared by Pallion and its subsidiaries to meet the requirements of the Australian Modern Slavery Act 2018 (Cth) for the financial year ending 30 June 2021 (FY21).

The Statement forms part of our annual reporting suite which also includes our FY21 Sustainability Report and FY21 ABC Refinery Compliance Report which are publicly available on our website at www.pallion.com

This Statement incorporating the UN Guiding Principles on Business and Human Rights, highlights Pallion's and its subsidiaries 2021 efforts to maintain the robust framework and processes to facilitate minimising the risk of modern slavery in its operations and supply chain.

As identified by the Act, slavery and human trafficking can occur in many forms including slavery, servitude, human trafficking, forced marriage, forced labour, debt bondage, child labour and deceptive recruiting for labour or services. Pallion recognises this and has developed a comprehensive approach to identify, assess, and address all possible practices of modern slavery and human exploitation in its operations and supply chains.

Pallion is an engaged member of the Global Reporting Initiative (GRI) and is positive about its strong risk identification and management processes to eradicate modern slavery and – just as importantly – a willingness to continually learn, question and improve.

OUR COMMITMENT

Pallion is committed to respecting human rights and taking meaningful action to address modern slavery. Pallion is also committed to operating responsibly and adhering to the highest ethical standards. As Pallion occupies a unique space with visibility over a complete supply chain, it commits to play an important role in the effort to eradicate modern slavery.

This Statement was approved by the Board of Directors of Pallion on 9 December 2021

FEEDBACK

We value all feedback. Please send your comments about our Statement to compliance@pallion.com



Andrew Cochineas
CEO

ABOUT PALLION

This is a joint statement covering Pallion Group Pty Ltd ABN 71 602 662 322 Registered office at 8 Meeks Road Marrickville NSW 2204 (the ultimate parent company in the Pallion Group) and its wholly owned subsidiaries including ABC Refinery (Australia) Pty Ltd ABN 86 621 121 079 Registered office at 12 Meeks Road Marrickville NSW 2204 and Australian Bullion Company (NSW) Pty Ltd ABN 82 002 858 602 Registered office at 8 Meeks Road Marrickville (together referred to as Pallion).

Founded in 1951 and headquartered in Sydney Australia, Pallion is the largest independent fully integrated precious metal and services group in Australasia. A privately owned group of companies, Pallion has facilities in Australia, mainland China, Hong Kong (SAR), the United Kingdom and continental Europe, supplying globally under 6 brands - ABC Bullion, ABC Refinery, Palloys, GoldenAge International, Custodian Vaults and W.J. Sanders.

Comprised of two core divisions, Bullion and Jewellery, Pallion entities process, manufacture and trade precious metals throughout the entire value chain providing the following goods and services: Bullion; Refining & Minting; Casting & Jewellery; Fabricated Metals & Findings; Gold & Silver Smithing; and Vaulting.

Pallion operates in global markets and employs over 260 people.

BULLION

| | |
|--|---|
|  BULLION |  |
|  REFINING & MINTING |  |
|  VAULTING |  |

JEWELLERY

| | |
|--|---|
|  DESIGN, CASTING & JEWELLERY PRODUCTION |  |
|  FINDINGS & JEWELLERY PRODUCTION |  |
|  GOLD & SILVER SMITHING |  |

PALLION'S STRUCTURE, OPERATIONS, AND SUPPLY CHAINS

Pallion maintains its headquarters in Sydney and is a privately owned group of companies with manufacturing facilities and offices in Brisbane, Melbourne, Perth and Sydney, as well as mainland China, Hong Kong (SAR), the United Kingdom and continental Europe.

As a wholly owned Pallion subsidiary, its refining entity ABC Refinery plays a fundamental role in Pallion's fully vertically integrated model of precious metal services. ABC Refinery is the only independent LBMA, SGE and COMEX accredited gold and silver refinery in Australia.

Pallion's operating model applies across subsidiary and supplier locations and undertakes a broad range of functions and activities in which reliance is placed on a broad and deep value supply chain. This vertical integration provides Pallion a transparent operational map facilitated by governance, management and leading technology.

The management of modern slavery risks in Pallion's operations is supported by numerous departments such as legal, governance, risk and compliance, finance, technology, human resources, work, health and safety and supply chain management including logistics, property and warehouse inventory.

GOVERNANCE FRAMEWORK



Pallion is unique in the precious metals space because of the complete vertical integration of its production model. Pallion prides itself on being able to trace the entire life cycle of its products, beginning with the responsible sourcing of primary refining inputs from conflict free areas, through to the processing of that material into precious metal investment products and jewellery components.

The Pallion supply chain also includes our suppliers of goods and services used in our operations such as: IT equipment; scientific equipment; personal protective equipment and clothing; catering; property services; and logistic contractors.

RISKS OF MODERN SLAVERY PRACTICES IN OPERATIONS AND SUPPLY CHAINS

Pallion has a responsibility as a leader in the precious metals space to take a robust approach to modern slavery risks and recognises it as a complex global issue.

Global industry suppliers operate in a high-risk sector and the COVID-19 pandemic has increased the risks of modern slavery for certain groups and individuals, particularly in remote areas where suppliers such as mining companies operate.

Pallion does not support short-term, temporary and/or low skilled labour in its international operations. All staff speak their local language, maintain residential security and are employment pursuant to employment and labour laws.

Pallion's due diligence policies and processes underpin the management of its modern slavery risks. Its supply chain is not complex or long and has limited intermediaries, thereby facilitating transparency.

Notwithstanding the foregoing, there is the potential for modern slavery to exist in Pallion's supply chain including through goods directly or indirectly procured offshore or goods or services procured through contractors (such as overseas suppliers of IT software, apparel and merchandise, laboratory and cleaning consumables and outsourcing to third-party providers). In practice this means identifying the risks, assessing the risks, responding to risks and ultimately using our influence to communicate with suppliers and business partners to collectively work on eradicating identified risks.



ACTIONS TAKEN TO ASSESS AND ADDRESS THESE RISKS

Pallion's modern slavery governance is underpinned by the Pallion Provenance™ program. This program sets out the high standards of behaviour expected of the organisation, employees and contractors.

Pallion Management facilitate implementation and conduct internal audits and reviews on adherence to this program. These findings are reported to the Pallion Board of Directors to enable evaluation of the overall effectiveness of our governance policies and to address and remediate any risks identified.

Fair treatment of suppliers and their representatives, without prejudice or bias, and open and fair competition are core principles of how Pallion manages its supply chain. Suppliers are evaluated on a weighted matrix of financial and non-financial criteria which include safety, sustainability, company culture and the ability to meet statutory requirements such as licenses, permits and relevant standards. Pallion's relevant stakeholders are summarised in the diagram to the right.



Pallion recognises the crucial role of working with its suppliers in addressing modern slavery to allow all to share information and best practice to overcome challenges. Pallion collaborates with its suppliers who complete pre-qualification forms and are requested to:

- sign and comply with its Code of Business Ethics and Conduct for Suppliers;
- complete and sign a Modern Slavery Questionnaire;
- complete and sign a Suppliers Due Diligence Questionnaire; and
- undergo in-depth risk assessment which includes evidence of compliance with legislation, industry principles, global standards, and supplier policy documentation.

The above steps provide a safeguard to ensure that Pallion onboards and works with suppliers who agree and operate to the same standard Pallion expects from itself. If a supplier or other entity is found to be in breach of the terms stipulated in their contract, including those specific to human rights requirements, Pallion suspends or terminates the relationship with that supplier.

In FY21 Pallion has taken the following additional actions to assess, address, eliminate and monitor the risk of modern slavery within our operations and supply chain:

- engaged a specialised ESG Lead to audit modern slavery risks in Pallion’s operations and supply chains;
- provided specific modern slavery training to all supply chain employees as outlined in its Modern Slavery Policy;
- organised independent audits of select international suppliers (due to the inability of Pallion to attend sites as a result of COVID-19 travel restrictions);
- identification of suppliers with a higher risk of modern slavery in their supply chains (no suppliers deemed as ‘high’ risk were onboarded in FY21);
- mandatory completion of a Modern Slavery Questionnaire by suppliers;
- Terms and Conditions updated to include compliance with the Act’s requirements; and
- monthly reporting to the Board of Directors by the Compliance and Risk Committee on modern slavery assessments, risks and industry and domestic/global updates.

Over 80% of Pallion’s procurement spend is from within Australia, with the largest proportion of that amount being sourced from primary unrefined metal suppliers. Our external supply chain is summarised in the following diagram:



Pallion maintains a rigorous human resources framework to eliminate the risk of modern slavery as set out below:

- Employment terms and conditions are governed by the National Employment Standards and relevant Modern Award. Employees are also subject to the conditions in the Pallion Standard Employment Agreement.
- Pallion employs and sponsors individuals on various visas who are remunerated in line with an Australian resident in the same role at Pallion.
- Pallion engages Migration Agents to ensure that all applications and visa information is correct, valid and the contract is in line with the requirements of the individual’s visa.

Pallion's Modern Slavery Policy outlines standards for governance and reporting, and provides a mechanism to report concerns or incidents of regarding modern slavery.

Pallion's Modern Slavery Policy underpins human rights considerations into Pallion's:

- compliance framework;
- employee responsibilities in mitigating modern slavery risks; and
- responsibilities of implementing the policy.

Pallion maintains positive relationships through the Board of Directors and the Compliance and Risk Committee with industry and governmental bodies to keep current with developments by engaging on a regular basis.

COVID-19 poses a greater risk for those who are already trapped in modern slavery. There is an increased risk of vulnerable workers becoming trapped and disruption of efforts underway in response to modern slavery. Pallion immediately implemented all necessary steps and engaged responsibility with its suppliers to ensure no change to its supply chains. Measures were introduced to protect employees, their families, and associated communities. These measures continue.

HOW PALLION ASSESSES THE EFFECTIVENESS OF ITS ACTIONS

Pallion's Provenance™ program includes annual audits on risks including those of modern slavery within our supply chains.

The audit is submitted annually to the peak international accreditation body, the London Bullion Market Association ('LBMA'), as a prerequisite to Pallion's subsidiary accreditation by the LBMA. The audit report is publicly available on both LBMA and Pallion websites. Pallion subsidiary ABC Refinery has maintained the peak industry body accreditation since 2015 and Palloys since 2019.

The Compliance and Risk Committee manages the annual due diligence supplier assessments including auditing any evidence of modern slavery in their supply chains and addressing actions to mitigate risks. The Committee is responsible for the modern slavery action plan and reports to the Board of Directors on its status including procurement, human resources and legal.

During 2021 Pallion continued to embed our modern slavery framework and principles as an important part of our ongoing mapping and risk process in numerous ways, such as:

- further understanding Pallion's modern slavery risks and incorporation of these into Pallion's overall strategy;
- all employees trained to effectively identify and report modern slavery risks;
- inclusion of modern slavery and human rights protections in our key policies, processes, and contracts; and
- having a greater understanding of Pallion's global reach which provides a platform for contribution to the industries we work within.

THE PROCESS OF CONSULTATION

Pallion subsidiaries collaborate across key areas including finance, human resources, procurement and sourcing, legal, risk and compliance, project management, senior management and the Board of Directors.

Pallion is committed to good governance practices. Operating ethically and with integrity is guided by our policies and procedures. Specifically, the following committees assist the Pallion Board to identify and address the risk of modern slavery in the Pallion operations and supply chain:

- Compliance & Risk Management Committee.
- ESG Committee.

Processes are in place to engage directly with 'on the ground' workers in operations and supply chains, who are visited daily by senior management. This ensures that all employees have access to senior management to discuss grievances and concerns, whilst also enabling senior management to support employees, especially if there are cultural and/or language barriers.

The advantage of Pallion's extensive visibility over its vertical supply chain ensures risks are identified and are mitigated accordingly.

FURTHER INFORMATION

Pallion is committed to further enhancing governance and management to mitigate any risk of modern slavery in operations and supply chains including:

- ongoing mapping of the complete Pallion value chain;
- continually reviewing and updating the modern slavery training module for Pallion employees and contractors;
- encouraging staff to Speak Out when concerned that an activity may be at risk of involving modern slavery (in line with Pallion's Policies and Procedures);
- undertaking annual audits of 'high' risk suppliers and taking action to resolve any issues identified;
- reviewing all suppliers and service providers as 'high' risk;
- collaborating with partners to mitigate any risk of modern slavery in their operations and supply chains;
- continuing to take an active role in industry collaboration and supporting government efforts in addressing modern slavery;
- ensuring Pallion's practices, policies and procedures are aligned with the evolving regulatory environment in our operational jurisdictions and updating Pallion Governance Standards; and
- further developing mechanisms to assess the effectiveness of Pallion's policies and actions taken including the assessment of remediation work.