



MODERN
SLAVERY
STATEMENT

2022

ACKNOWLEDGEMENT OF COUNTRY

Pallion headquarters sits on the lands of the Gadigal people with sites on the lands of the Yuggera, Wajuk and Bunurong Boon Wurrung and Wurundjeri Woi Wurrung peoples.

We pay 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.

CONTENTS

| | |
|--|-----------|
| ABOUT PALLION'S MODERN SLAVERY STATEMENT | 3 |
| ABOUT PALLION | 4 |
| PALLION'S STRUCTURE, OPERATIONS, AND SUPPLY CHAINS | 5 |
| RISKS OF MODERN SLAVERY PRACTICES IN THE OPERATIONS AND SUPPLY CHAINS | 7 |
| ACTIONS TAKEN TO ASSESS & ADDRESS THESE RISKS | 8 |
| HOW PALLION ASSESSES THE EFFECTIVENESS OF ITS ACTIONS | 10 |
| THE PROCESS OF CONSULTATION | 11 |
| OTHER RELEVANT INFORMATION | 11 |

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 reporting year 2022.

The Statement forms part of our annual reporting suite which also includes our FY22 Considerate Precious Metals Report and FY22 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 efforts to maintain the robust framework and processes to facilitate minimising the risk of modern slavery in its operations and supply chain.

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



ANDREW COCHINEAS
CHIEF EXECUTIVE OFFICER

OUR COMMITMENT

Pallion is proud to report on our ongoing action to understand, identify and address the risk of modern slavery in our operations and supply chains for the 2022 reporting year.

Whilst Pallion has not identified any specific instances of modern slavery, Pallion occupies a unique space with visibility over a complete supply chain, and therefore Pallion has continued to review areas in our operations and supply chain where risk factors of modern slavery may exist and combine.

We have actively engaged with suppliers to improve modern slavery awareness through consultative discussions as well as contributing to Industry human rights risk awareness meetings.

Pallion is committed to effecting change in our own supply chains, those of our suppliers through ongoing discussions, collaboration with industry bodies and through the establishment of the *Modern Slavery Act 2018*.

This Statement was approved by the Board of Directors of Pallion on 9 December 2022.

FEEDBACK

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



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 320 people.

2022 REPORTING YEAR ACTIONS

- Supplier risk assessment processes now incorporate human rights and modern slavery datums.
- Modern slavery clauses embedded in contracts.
- All international suppliers either have been assessed or are in the process of being assessed for modern slavery risks.

BULLION

JEWELLERY



BULLION



DESIGN, CASTING & JEWELLERY PRODUCTION



REFINING & MINTING



FINDINGS & JEWELLERY PRODUCTION



VAULTING



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.

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.

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 values guide everything we do:





Responding to the risk of modern slavery in Pallion's supply chain is not a one-off annual check-box. It is a continuous structured approach managed by Pallion's numerous departments such as legal, governance, risk and compliance, finance, technology, human resources, work, health and safety, logistics, property and warehouse inventory.

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.

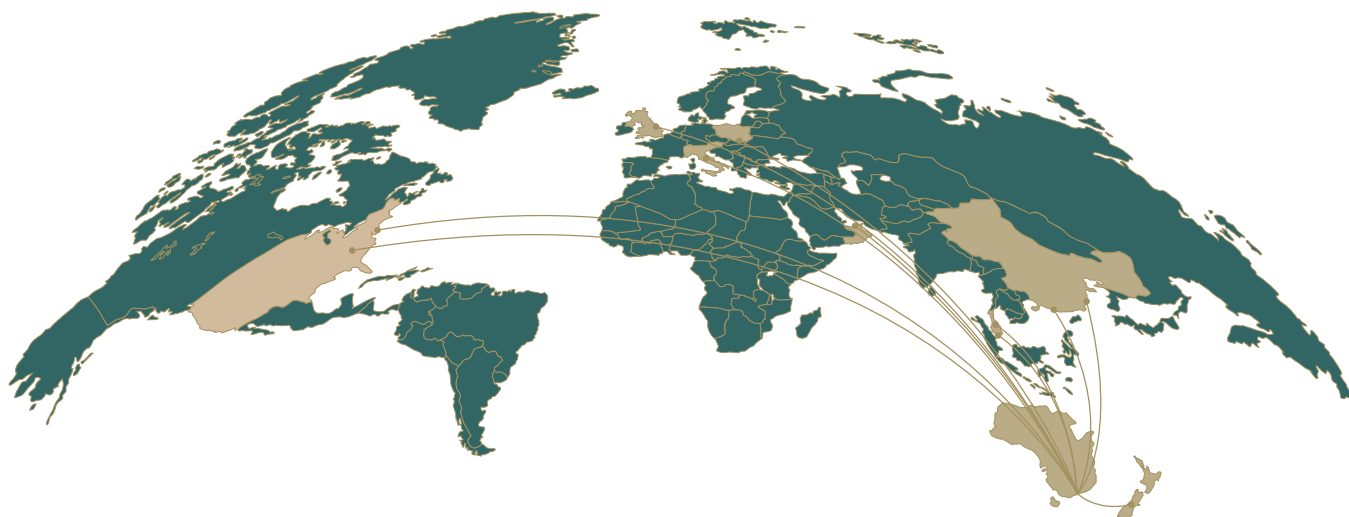
The majority of Pallion's goods and services that we procure are from suppliers and contractors based in Australia.

The major categories of procurement include:



Pallion's direct overseas supply chain includes offshore suppliers, the majority of which are in Asia with the others in Europe and the United Kingdom. Some of these are owned by Pallion that operate within the global Pallion network.

The Pallion Network



RISKS OF MODERN SLAVERY PRACTICES IN OPERATIONS AND SUPPLY CHAINS

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

Pallion has not identified any specific instances of modern slavery harm, however, we have identified potential areas in our operations and supply chain where it is perceived that modern slavery exists or has the potential to exist.

1. Offshore Vendors

Pallion has offshore vendors which operate in areas that have a higher risk of potential modern slavery practices based on their geographical location.

2. Overseas Operations

Pallion has operations in Hong Kong, mainland China, Italy and the United Kingdom. Due to the geographical location of these entities, there could also be a perception of a higher risk of modern slavery practices occurring due to their geographical location.

3. Hospitality Services

At times, Pallion relies on third-party labour hire. This risk can be heightened if the hospitality workers are from vulnerable backgrounds.

4. Pallion Branded Goods (Marketing Products)

Where appropriate due diligence is not completed on a vendor, there is potential for non-identification of poor labour practices. If marketing products are sourced from a vendor based in a geographical location identified as one that is high-risk for modern slavery practices, the risk is elevated.



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's 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.

1. Human Rights Commitment

Pallion's Supplier Code of Conduct has been updated and forms part of the suite of supply chain policies that covers human rights, ethical and environmental business practices and labour and employment practices.

Pallion's Code of Conduct is supported by the LBMA Responsible Gold and Silver Guidance's, the OECD Due Diligence Guidance for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas and the Responsible Jewellery Council Code of Practice. Pallion also endorses and works in accordance with the Australian Modern Slavery Act, Universal Declaration of Human Rights and other internationally recognised practice standards.

Pallion also has a Modern Slavery Policy. This Policy outlines standards for governance and reporting, and provides a mechanism to report concerns or incidents of modern slavery. The Policy underpins human rights considerations into Pallion's compliance framework, responsibilities of Pallion's employees in mitigating modern slavery risks, and responsibilities of implementing the Policy.

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 employed pursuant to employment and labour laws.

2. Human Rights Due Diligence

Pallion does not commence a relationship with a supplier where there is evidence, or a trustworthy allegation of modern slavery. Where Pallion identifies a modern slavery risk with a current supplier, we take steps to implement measures to mitigate, address, remediate and prevent modern slavery harm.

Pallion's comprehensive due diligence process screens suppliers on numerous risk identifiers. The risk assessment report is submitted to the Internal Compliance Committee for decision. The committee also serves as the escalation point to ensure decision-making is consistent and made by a collective rather than an individual.

3. Supply Chain Due Diligence

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.

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 Governance and Sustainability Committee ("GSC") is ultimately responsible to ensure adherence to our Supplier Code of Conduct. The GSC are actively involved in developing training modules and ways to engage with suppliers on modern slavery.

The focus for the 2023 reporting year is to undertake supplier due diligence and request the completion of Pallion's Modern Slavery Questionnaire for ad-hoc purchase vendors and hospitality providers.

To reduce modern slavery globally, and to be a advocate for change, Pallion believes transparency is key. Therefore, Pallion encourages our stakeholders in driving modern slavery accountability and change through reporting in line with the global GRI Standards. A commitment to the United Nations Sustainable Development Goals is also encouraged.

4. Reporting

This Modern Slavery Statement forms part of the suite of Reports that Pallion has published in 2022. The suite also includes:

- Pallion [Considerate Precious Metals Report](#); and
- ABC Refinery LBMA Multi-metal Combined Responsible Gold Guidance (RGG) and Responsible Silver Guidance (RSG) [Compliance Report](#).

The GSC continue to meet on a monthly basis with Pallion's Internal Compliance Committee to ensure Pallion's modern slavery due diligence efforts are reported, and actioned if required.



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.

Pallion's supply chains are evaluated and tested against the effectiveness of internal controls in adherence to the London Bullion Market Association ('LBMA') and the Responsible Jewellery Council ('RJC') mandatory requirements, including exposure to modern slavery risks.

These audits inform Pallion to continue to mature and establish long-term objectives in regards to modern slavery risks and show leadership, both internally and externally.

➤ Pallion's subsidiary ABC Refinery underwent its annual independent third-party audit to maintain its London Bullion Market Association ('LBMA') accreditation for gold and silver. This was conducted in the reporting year and submitted to 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. This audit contains minimum requirements that must be met regarding modern slavery due diligence in its operations and suppliers. ABC Refinery successfully passed audit with no non-conformance reported. The LBMA also reported that ABC Refinery is seen as 'best practice' in the Industry.

➤ Pallion's subsidiary Palloys underwent an independent third-party audit to maintain its accreditation to the Responsible Jewellery Council ('RJC'). This was conducted in the reporting year and submitted to the RJC. Palloys has maintained the peak industry body accreditation since 2019. This audit assessed modern slavery risks, human rights, labour rights, community involvement and development, consumer relations, fair operating practices and environmental practices and commitments. Palloys successfully passed audit with no non-conformances reported. Palloys accreditation was extended a further 3 years.

THE PROCESS OF CONSULTATION

Pallion is headquartered in Australia and communicates with our subsidiaries overseas to educate all employees on modern slavery. This also encompasses our human rights commitments.

In the reporting year, Pallion consulted with employees and suppliers in assisting in identifying potential areas where modern slavery may exist. Engagement with Industry accreditation bodies and government representatives have also formed part of our leadership role in our Industry.

Pallion will continue to consult with all stakeholders in the next reporting year.

OTHER RELEVANT 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;
- 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 marketing and ad-hoc suppliers;
- 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
- further developing mechanisms to assess the effectiveness of Pallion's modern slavery policies and actions taken including the assessment of remediation work.

pallion.com

