



Modern Slavery Statement

Reporting Period: 1 January 2021 to 31 December 2021

PICA
PROPERTY & FINANCIAL SERVICES

Introduction

This statement is made pursuant to section 14 of the *Modern Slavery Act 2018* (Cth) for the period commencing 1 January 2021 to 31 December 2021 (“Reporting Period”).

This statement is made on behalf of Prudential Investment Company of Australia Pty Limited (“PICA”) ACN 004 266 817 and its related entities all of whom are wholly owned subsidiary companies of PICA (collectively the “PICA Group”). Each subsidiary trading proprietary limited company entity is shown diagrammatically further below on this page 2.

PICA Group welcomes the opportunity to provide this statement. We are committed to identifying, assessing and reducing the potential risk of serious and exploitative modern slavery practices in the management of our business operations and supply chains.

This modern slavery statement outlines the work we commenced and undertook during the Reporting Period which build upon the work commenced in the prior reporting period in addressing the potential of modern slavery risks penetrating our business operations and supply chains.

Our structure

From strata and facilities management to debt recovery and legal services, PICA Group is a family network of property management businesses.

PICA Group is a unique network of industry specialist businesses with a strong locally-focused branch network. We are a unique company that has specialists in each area of the property services market and extensive experience to offer our clients.

Our PICA Group family is powered by knowledge, experience and resources



Our operations

With more than 11,500 buildings containing well over 200,000 lots under management in Australia, we have grown from managing Australia's first strata-titled property to becoming the industry leader in community living management.

As a market leader, we offer a comprehensive range of services through a family network of businesses. From strata and facilities management to debt recovery, legal, and developer services, we strive to enhance Australia's community living. Regardless of property type, whether it is residential, commercial or mixed-use, we care for one of our client's most valuable assets – their investment and their homes.

At PICA Group, we understand that community living is about more than homes, investments, and property. Successful community living is about caring for people too.

From our management services through to our technology platforms, we continually strive to enhance community living and increase liveability by supporting people and their buildings.

Our full-service model provides our clients with a range of products and services covering all areas of property management which we deliver personally and/or via our extensive and carefully selected contractor and supplier database.

Our supply chains

PICA Group procures goods and services to facilitate delivery of our broad range of property services to our clients. These goods and services are almost exclusively sourced from within Australia and in some rare cases from overseas.

During the Reporting Period, PICA Group issued over 90,000 work order requests to our preferred suppliers and contractors with all of those contractors being based in Australia.

Our key supplier chain categories which represent PICA Group's major expense categories are:



Professional services



Information Technology (hardware and software)



Human resources



Contractor services



Premises



Travel and accommodation

Identifying PICA Group modern slavery risks

Following assessment of our Australian business operations and supply chains and having regard to the regulated nature of the provision of property management services in Australia, PICA Group believes the risk of serious and exploitative modern slavery practices existing within our business operations and supply chains to be very low given virtually all of PICA Group's procurement of goods and services is sourced within Australia.

This considered opinion is supported by the findings in the 2018 Global Slavery Index Australia which records Australia as having a low risk rating, see: <https://www.globalslaveryindex.org/2018/data/maps/#prevalence>

This considered assessment is further supported by the fact that as at the date of this statement (inclusive of our earlier statement), PICA Group has not found, nor have we been made aware of, any incidents of and/or potential risk of, modern slavery practices forming part of our business operations and/or supply chains. PICA Group is proud of this outcome but acknowledges continued and ongoing effort is required to ensure that this pleasing result continues to be achieved.

We have categorised the potential for modern slavery risks penetrating our business operations and/or supply chains into the following categories:

- Our people and workforce
- Our contractor service arrangements
- Our suppliers of suppliers

Actions taken to assess and address our modern slavery risks

During 1 January 2020 to 31 December 2020 (“the Initial Reporting Period”) PICA Group outlined our considered assessment of the actions we intended to take to assess and address the potential for modern slavery risks to penetrate our business and supply chains. We can confirm that we have made good progress in this regard which is reflected by our findings during the Reporting Period of no incidents of modern slavery practices penetrating our business operations and/or supply chains. PICA Group is committed to further continue develop and refine our practices with the aim of eliminating modern slavery risks as far as is possible.

During the Reporting Period PICA Group continued to concentrate on our key initiatives and actions to assess and address our assessed modern slavery risks relating to the following key areas:

- procurement and supplier due diligence;
- corporate governance and policy review; and
- employment terms and conditions.

Each of these is discussed separately below.

Procurement and supplier due diligence

PICA Group routinely throughout each and every year performs systematic reviews of our procurement and supplier engagement processes in order to ensure that we are procuring quality contractor and supplier services for ourselves and our clients.

During the Initial Reporting Period PICA Group advised that we reviewed:

- our entire, integrated end to end process for procurement and supplier engagement of our selected and vetted contractors and suppliers (“Preferred Contractors”) who form part of our preferred contractor database housed within our dedicated “Community Select” technology platforms;
- our key compliance document requirements and confirmations which must be provided and maintained by our selected Preferred Contractors in order for them to remain part of our preferred contractor database; and
- our entire system and process of engagement of our Preferred Contractors on behalf of our clients through our quote request, work order and contract performance and administration.

During the Reporting Period, PICA Group continued to further review and refine the above work streams as part of continual enhancement of our technology platforms.

This root and branch whole of process review involving extensive and ongoing collaboration with all of our Preferred Contractors has culminated in an improved technology platform which commenced operation in June 2021.

This improved technology platform has been proven to date to ensure continuous and automated compliance with all relevant legislative requirements which necessarily incorporates consideration of modern slavery risks.

With specific relevance to minimising the risk of modern slavery practices, all Preferred Contractors appointed to our preferred contractor and supplier database must agree to, and maintain adherence with, our “Contractor Code of Conduct” which:

- details our commitment to responsible procurement practices and our expectation that all Preferred Contractors and suppliers operate in a manner that is consistent with PICA Group’s values and all relevant legislative requirements; and
- expressly requires all Preferred Contractors to prevent unethical practices within their business operations including ensuring appropriate and adequate compensation is paid to their employees and subcontractors.

PICA Group’s Contractor Code of Conduct is incorporated into the terms and conditions of each and every quote and/or work order request issued to a Preferred Contractor for each engagement thereby ensuring mandated positive acknowledgement of the requirement to honour PICA Group’s Contractor Code of Conduct.

As already stated, given the risk of modern slavery practices arising in PICA Group’s supply chain is reasonably considered to be very low, the above practices further assist minimising this already low potential risk.

PICA Group considers it relevant to note that its supply chain (like most if not all other organisations) includes multiple layers or tiers. Given these layers or tiers within our supply chains, PICA Group reasonably considers it is only able to meaningfully control our immediate suppliers and Preferred Contractors.

That said, PICA Group acknowledges and accepts its responsibility to ensure that as far as it is reasonably capable of doing, it will strive to influence our immediate suppliers and Preferred Contractors by whatever means commercially and lawfully open to PICA Group to prevent the potential for modern slavery practices penetrating our immediate suppliers and Preferred Contractors own supply chains.

Corporate governance and policy review

PICA Group’s board and the PICA Audit, Risk & Remuneration Committee (“**PARRC**”) has responsibility for establishing a framework for risk management across PICA Group.

The PARRC assists the PICA Group Board in its responsibilities in relation to:

- assessing the effectiveness of PICA Group’s overall risk management framework; and
- supporting a responsible, proactive and risk aware approach to PICA Group decision making.

The PARRC meets quarterly each year and reviews a wide range of matters relating to financial and non-financial risks which by definition includes the potential risks of modern slavery practices.

In supporting the PARRC, PICA Group has implemented numerous policies which actively promote PICA Group’s responsible, proactive and risk aware approach to its business operations which relevantly include but are not limited to the following:

- Code of Conduct Policy;
- Expenditure Policy;
- Compliance Policy;
- Conflicts of Interest Policy;
- Recruitment and Selection Policy;
- Equal Employment Opportunity;
- Learning & Development Policy;
- Respect and Dignity at Work Policy;
- Gifts & Benefits Policy;
- Quality Policy;
- Fraud Policy;
- Risk Management Policy;

- Systems Acquisition, Development and Maintenance Policy;
- IT Supplier Security Policy;
- Customer Complaint Management Policy;
- Travel Policy; and
- Whistle-blower Policy.

All of the above policies are reviewed on a regular basis. For example, our Conflict of Interest Policy was most recently reviewed in March 2021.

Our Conflict of Interest Policy emphasises the following core principles including:

- respect for the law;
- respect for persons;
- ethical behaviour and integrity;
- due care and diligence; and
- economy and efficiency.

Relevantly, this policy makes clear that PICA Group recognises the importance of both complying with the law but also maintaining the highest possible ethical standards which transcend compliance with the law and by which our actions are and should rightfully be judged.

PICA Group's most recently revised and adopted policy is our Systems Acquisition, Development and Maintenance Policy ("SADM Policy") which was prepared during the Reporting Period and is expected to be reviewed on an annual basis.

Briefly put, PICA Group's SADM Policy details a consistent and effective approach to the acquisition, development and maintenance of application systems to ensure the protection of information for integrity and confidentiality, compliance with legislation, application of control measures to minimise security risks, complements our robust Supplier Management Security Policy and ensures compliance with all other PICA Group policies. The procurement process for these services greatly assists ensure all engaged suppliers are able to satisfy our requirements generally including minimising modern slavery risks.

PICA Group encourages and supports the reporting of any improper conduct encountered in relation to PICA Group business operations through our Whistle Blower Policy. The Whistle Blower Policy details how any employee can report any known or suspected breach of our ethical standards, including failure to comply with any legal obligation, unfair or unethical dealing with a customer, supplier or agent of the PICA Group, corrupt conduct and human rights abuses. It guarantees that any issue can be raised in confidence and provides employees with internal and external disclosure avenues.

The Whistle Blower Policy is supported by our "Whistle Blower Awareness for the Private Sector" mandatory e-learning module which is a compulsory training module for all PICA Group employees. This module is reviewed and updated on a regular basis.

All of the above policies are accessible via Microsoft Teams – PICA Group Team for all staff and are supported by e-learning modules in Anti-Discrimination and Equal Employment Opportunity. Policies are read and acknowledged to be understood by every PICA Group employee each year as part of our continuous training and learning modules administered by our dedicated learning management system.

PICA Group considers its well established risk management frameworks and policies discussed above provide PICA Group with appropriate remediation mechanisms in the unlikely event of any modern slavery practices ever being uncovered.

In addition to the already comprehensive, well established risk management frameworks and policies discussed above, during the Reporting Period PICA Group prepared for the creation and implementation of an additional risk management function, namely the National Regulatory Compliance and Risk Management Function (“NRCRM”).

The NRCRM Committee is chaired by the PICA Group General Counsel whose committee members are all senior business leaders within PICA Group who collectively represent the diverse business operations of PICA Group.

These NRCRM Committee members meet quarterly to discuss and resolve emerging business operational risks which necessarily includes consideration of the potential for modern slavery risks penetrating our business operations and supply chains.

PICA Group believes the creation of the NRCRM function will only further strengthen and improve PICA Group’s already well designed and carefully considered corporate governance and risk management framework.

Employment terms and conditions

PICA Group operations are currently exclusively based in Australia.

We employ approximately 720 employees and have over 5,000 locally based contractors and suppliers appointed to our preferred contractor and supplier database who we engage primarily on behalf of our property owner clients to provide them with a wide variety of property related services.

PICA Group applies the highest possible standards in the recruitment and employment of our people.

Wherever we are, we operate in accordance with our “PICA Group Values”, namely:

- Say it straight;
- Seek first to understand, then be understood;
- Be the solution you seek;
- Relationships matter; and
- In it together.

These values guide our employees in the way they work and interact with colleagues, clients, and the broader community. They describe our culture, the way we work and what we stand for.

We genuinely value our people and promote a culture of respect for the individual which flows through to the manner in which our people perform their respective roles and responsibilities for our clients which necessarily includes our people’s interactions with our supply chains.

In relation to our recruitment and employment of our people, we:

- ensure that all of our legal and ethical obligations relating to the recruitment and on-boarding processes for our people are strictly complied with;
- conduct appropriate due diligence on all prospective employees which includes a rigorous selection process incorporating a number of background checks; and
- proactively promote a respectful behaviour in the workplace supported by a reporting mechanism through our Respect and Dignity at Work Policy which is further supported by our mandatory e-learning training program.

These deliberate and considered processes afford PICA Group the confidence that our employment processes minimise the risk of the prevalence of modern slavery practices forming part of our business operations.

We routinely review our recruitment procedures. During the Reporting Period we completed a full review and updated our employment contract terms and conditions with the support and guidance of our external employment law services provider to ensure that these arrangements do not give rise to any breach of any of our legal obligations.

Measuring the effectiveness of our actions

PICA Group acknowledges and accepts that it is responsible for continuous improvement of its policies and processes including with respect to our processes and actions taken to combat the potential risk of modern slavery practices within our business operations and supply chains.

Measuring our effectiveness during the Reporting Period has relied upon:

- faithful adherence to, and continual improvement of our internal systems and processes discussed in this statement; and
- the fact that no modern slavery incidents have been identified.

During the Initial Reporting Period, PICA Group discussed its intentions to measure its effectiveness by:

- continuing to regularly review our overall approach to combatting modern slavery practices;
- continuing to regularly review our systems and processes associated with procurement of our Preferred Contractors and suppliers and their provisions of goods and services to PICA Group and our clients;
- monitoring and regularly engaging with our Preferred Contractors and suppliers as part of our existing quality control processes to ensure that our Contractor Code of Conduct terms and conditions are adhered to. We intend to continue to implement monitoring of our Preferred Contractors and suppliers beyond our initial assessments, vetting and engagement processes by way of impromptu on-site monitoring and customer experience reviews to assist identify any opportunities for further improvement and compliance with our Contractor Code of Conduct by our Preferred Contractors and suppliers;
- incorporating appropriate and express terms and conditions into our Contractor Code of Conduct that all Preferred Contractors and suppliers implement appropriate labour policies across their organisations including an appropriate commitment to try to eliminate as far as is within their control, all forms of modern slavery practices from their supply chains. We intend to persuade (and wherever possible require) all Preferred Contractors and suppliers to confirm they have read, understood and agree to comply with these proposed additional express terms and conditions as part of our Preferred Contractor onboarding processes; and
- senior management review of complaint registers identifying allegations relating to any incidence of modern slavery practices and actioning of timely and effective responses to any such complaints or notifications,

PICA Group has made good advances with the items above and saw many benefits as a result. PICA Group intends to continue measuring its effectiveness as outlined above, in subsequent reporting periods.

Our future priorities

PICA Group is determined to continue to identify and address the potential risks associated with modern slavery practices penetrating our business operation and supply chains.

In subsequent reporting periods, we intend to continue to review and look to further improve:

- all PICA Group policies having relevance to assisting minimise the potential risk of modern slavery practices occurring within our business operations and supply chains; and
- all training programs to assist deliver a more targeted modern slavery training package for key personnel holding procurement responsibilities and continue to spread awareness of the potential for modern slavery practices to penetrate our business and supply chains.

PICA Group has made good progress in the development of a remediation process to be actioned in the unlikely event that PICA Group becomes aware of any modern slavery incident occurring in relation to its business operations and/or supply chains. In the next reporting period PICA Group will endeavour to further refine the remediation process. PICA Group is pleased to report that the remediation process has not needed to be actioned during the Reporting Period.

In future reporting periods, PICA Group intends to continue to perform internal audits of adherence to our relevant policies and procedures put in the place by PICA Group to combat the potential for modern slavery practices penetrating our business and supply chains.

Other relevant information

As we mentioned in the Initial Reporting Period, our research indicated the prevalence of modern slavery practices in the cleaning services sector as being one which is potentially a high risk category for the potential for modern slavery.

As PICA Group routinely procures cleaning contractor services on its own behalf and on behalf of our clients, we are conscious and alert to the potential risks for modern slavery and have carefully considered our procurement practices in light of this identified potential risk.

Encouragingly, during the Reporting Period there have been no incidents of modern slavery practices uncovered or reported to PICA Group. Despite there being no incidents of modern slavery practices, PICA Group has, and will continue to apply targeted attention to the potential risk of modern slavery practices penetrating our business operations and/or supply chains relating to the contract cleaning sector.

Accordingly, during future reporting periods PICA Group intends to continue performing additional due diligence on its Preferred Contractors and suppliers who provide PICA Group and its clients with contract cleaning services.

This due diligence will incorporate:

- careful and thorough consideration of quoting practices; and
- additional and ongoing collaboration touchpoints during services delivery by all of our cleaning contractor services providers,

so that we proactively and effectively monitor the delivery of these types of services in a way that assists further minimise any potential for modern slavery practices penetrating our cleaning contractor services supply chains.

Conclusion, consultation and approvals

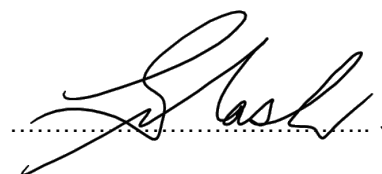
Our modern slavery statement was prepared by an assembled team of PICA Group representatives from our Audit & Risk, People & Culture and Procurement functions and was reviewed by Group General Counsel.

This modern slavery statement for PICA Group was approved by the board of the Prudential Investment Company of Australia Pty Limited ACN 004 266 817 as the parent company entity on 27 June 2022.

For questions relating to this statement, please contact:

Ms Wee-Lyn Chen
Head of Risk & Compliance
Telephone: (02) 8216 3113
wee-lyn.chen@picagroup.com.au

Greg Nash
Chairman
Prudential Investment Company of Australia Pty Limited
27 June 2022



Wayne Walker
Managing Director & Group Chief Executive Officer
Prudential Investment Company of Australia Pty Limited
27 June 2022

