



**P E R R O N G R O U P**

Excellence in Business with Integrity

## **MODERN SLAVERY STATEMENT**

UNDER THE MODERN SLAVERY ACT 2018 (CTH)

**REPORTING PERIOD: 1 JULY 2019 – 30 JUNE 2020**

<b>REV No.</b>	<b>Date</b>	<b>Description of change</b>
V1	16.03.21	Board review and adoption

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## 1.0 INTRODUCTION

This inaugural Modern Slavery Statement (the 'Statement') sets out the roadmap for the Perron Group (the 'Group') to proactively address and remediate modern slavery risks that have been assessed in the reporting period as potentially arising in our supply chains and operations. Given the reality of modern slavery deep within the supply chains of global business operations, we recognise that such proactivity is an important part of our role as a good corporate citizen.

Our approach to addressing modern slavery is aligned with *The Perron Way* which expresses the Group's vision, as set out by its founder Mr Stan Perron. These are values exemplified by someone who, while achieving business success, demonstrated an unwavering commitment to integrity and ethical conduct, and to use his good fortune to benefit those in need.

The Perron Group's vision is *Excellence in Business with Integrity and Compassion for Others*.

The Group aims to achieve targeted and impactful modern slavery due diligence and remediation action in the current and upcoming reporting periods. To that end, our modern slavery action plan forms an important component of this Statement. It contains our firm commitment to implement and embed anti-slavery actions and to operationalise those commitments throughout the entire Group.

## 2.0 THE PERRON GROUP

The Perron Group consists of Perron Group Ltd and P.G. Holdings Ltd (the 'Holding Companies') and all entities controlled by the Holding Companies.

The Group includes the following entities that are 'reporting entities' for the purposes of the Modern Slavery Act 2018 (the 'Act').

- Perron Investments Pty Ltd (ABN 48 000 003 976)
- Eastpoint Pty Ltd (ABN 64 008 687 367)
- Prestige Toyota Trust (ABN 42 855 447 753)

## 3.0 STRUCTURE, OPERATIONS AND SUPPLY CHAINS

The Perron Group is a long established and well respected private investment group based in Western Australia.

The Group is structured under four main business units – investment property, land development, automotive distribution (incorporating Toyota vehicle and parts), and equities and infrastructure.

1. The Investment Property business unit comprises retail and commercial property located in various states and territories throughout Australia.
2. The Land Development business unit comprises residential land development projects located in Western Australia and Queensland.
3. The Group holds the rights to distribute Toyota motor vehicles and parts to the Western Australian Toyota Dealer network.
4. The Group invests in equities via a portfolio of diversified managed equity funds. The managed equity funds' invest in corporations located domestically and internationally, in accordance with their investment mandates.

The Group also invests in infrastructure assets, either directly or indirectly via unlisted infrastructure funds. The directly owned infrastructure investments are located within Australia, while the unlisted

infrastructure funds invest in assets located domestically and internationally, in accordance with their investment mandates.

Also included in our equities and infrastructure business unit is an iron ore royalty. The royalty is derived from iron ore mined by Rio Tinto from a designated area within the Pilbara region of Western Australia. The Group is not responsible for assessing modern slavery risk with regard to the royalty income stream.

Due to the diversity of business unit and diversity of investment ownership structures, the Group has made a distinction between those supply chains over which it has control, and those over which it has no control.

The Group has **direct control** of supply chains in the following circumstances:

- the property management supply chains of the investment property it owns 100%.
- the land development supply chains of the development projects it owns 100% and where the Group acts as development manager for co-owned developments.
- the corporate office and Toyota distribution overhead supply chains.

The Group has **no direct control** of supply chains in the following circumstances;

- the majority of the portfolio is co-owned with listed Real Estate Investment Trusts, with the co-owner providing the property management services. In these circumstances, the co-owner has control of the property management supply chains;
- some land development activity is undertaken with a joint venture development partner, with the development partner having the responsibility for the management of the development. In these circumstances, the development partner has control of the development supply chains.
- the Group has no direct control over investment property tenant supply chains under any ownership structure.
- Toyota Motor Corporation is the major supplier to the Toyota vehicle and parts distribution businesses. The Group has no direct control over the Toyota Motor Corporation supply chains.
- investments in managed equities and infrastructure result in the Group holding minority interests in the underlying companies invested in. Therefore the Group has no direct control over the investee company supply chains.

#### **4.0 RISK OF MODERN SLAVERY PRACTICES IN THE GROUP'S OPERATIONS AND SUPPLY CHAINS**

We engaged the services of a modern slavery consultant who used proprietary data-analysis technology to review the complete supplier landscape across all of the Group's diverse investment and business activities.

This technology has enabled the Group to identify and prioritise the highest risk supply chains and investments for further due diligence.

In summary, the initial assessment results indicated that the highest risk categories through which the Group could be directly or indirectly linked to potential risks of modern slavery are possible in the following operational and business supply chains and investments:

- land subdivision construction activities.
- building construction and maintenance activities.

- cleaning services.
- emerging markets managed equities portfolio.

Our due diligence focus has been (and continues to be) on those risks that the Group has more significant commercial influence over, consistent with the UN Guiding Principles on Business and Human Rights and Governmental Guidance.

## 5.0 ACTIONS TAKEN TO ASSESS AND ADDRESS THESE RISKS

In order to effectively address modern slavery risks as part of a commitment to good corporate citizenship, it is necessary to develop a detailed, medium-to-long term framework that goes well beyond a single reporting period.

We have developed an action plan for comprehensive due diligence and remediation of modern slavery issues. The aim is to have a meaningful impact, through those market and business forces that are most within our reach and control, such as increased direct supplier accountability and the application of industry-standard procurement practices where applicable.

Targeted remedial and due diligence actions are being undertaken with both an internal and external focus.<sup>1</sup>

Internally, the Group's Modern Slavery Working Group is in the process of implementing the following updates to the internal governance structure:

- a. development and implementation of a Supplier Code of Conduct that will outline our expectations with regard to addressing modern slavery;
- b. development and implementation of a Modern Slavery Policy that will be applicable to all employees and all those parties with whom the Group does business. This will provide a process for the reporting of actual or suspected instances of modern slavery;
- c. where possible, amend existing supplier contracts to incorporate express provisions addressing modern slavery risks and remediation; and
- d. development of modern slavery awareness training programs for procurement teams, managers and executives.

Externally, we are targeting identified suppliers with supply chains in high-risk or high-impact areas. This includes:

- e. actively collaborating with other entities (such as our property co-owners and major suppliers to our businesses) that are also mandatory reporting entities and are also committed to achieving effective modern slavery remediation;
- f. monitoring of alternative supplier and investment pathways via detailed supply chain mapping;

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<sup>1</sup> The Perron Group has continued to take steps to assess and address modern slavery risks throughout the COVID19 pandemic. Some of the activities described in this statement have taken place subsequent to the end of the first reporting period but prior to this Statement being published. This is because and as a result of the impact of COVID-19 some of the activities that had been planned, such as supplier and property management audits, have been delayed because of state border closures and various state government restrictions on movement.

- g. undertaking onsite external audit and due diligence activities at all shopping centres and land development projects wholly owned by us; and
- h. paper-based or 'desktop' external audits and due diligence activities of shopping centres and land development projects that we have a co-owner interest in.

## **6.0 TRACKING THE EFFECTIVENESS OF THESE ACTIONS**

The Group is in the early stages of modern slavery due diligence but is committed to ensuring that changes and actions taken to identify, assess and address risks of modern slavery are effective.

The effectiveness measures framework the Group is working towards implementing in FY21 includes:

- a. **Commitment and Governance:** continued and diverse representation within the Group's Modern Slavery Working Group, and working with business partners, co-owners and major suppliers.
- b. **Purchasing Practices:** implementation of supplier due diligence prior to engaging new suppliers, including implementing a Supplier Code of Conduct.
- c. **Reporting Mechanism:** implementation of a Modern Slavery Policy that provides a reporting mechanism so that employees and those with whom we do business can report breaches or concerns of modern slavery activity.
- d. **Remedy:** establishment and implementation of corrective action plans for grievances as set out in the Modern Slavery Policy.
- e. **Education:** implementation of employee education and training on modern slavery risks.

## **7.0 CONSULTATION PROCESS WITH GROUP ENTITIES**

We have engaged extensively with the entities that the Group owns and controls. This includes detailed and frequent communication of information on compliance with the Act, and the Perron Group's expectations of those entities to actively address modern slavery.

All Group entities have, and will continue, to work closely to assess and address the risks of modern slavery throughout the Group's diverse investments and business operations.

## **8.0 ADDITIONAL INFORMATION**

We have identified various potential impacts of the ongoing COVID-19 pandemic on the supply chains and operations of various aspects of our business operations.

At a domestic level, restrictions on non-essential physical onsite activities, state border closures, and a significant trend towards remote working arrangements have all created unprecedented challenges, including rendering on-site audit activities as part of our modern slavery due diligence largely impracticable.

The retail landscape in Australia looks set to be one of the major industry groups most significantly (and potentially adversely) impacted by the pandemic. Accordingly, we are closely monitoring the nexus between COVID-related impacts on the retail shopping environment with already identified areas of elevated modern slavery risk in shopping centres, such as in building construction, maintenance and cleaning supply chains.

**9.0 OUR COMMITMENT**

The Perron Group is committed to high standards of ethical conduct, as set out in *The Perron Way* and to promoting and supporting a culture of behaviour that is effective in reducing the incidence of modern slavery.

Recommended for approval by the Board and signed on the Board's behalf by the Chairman.



Approved by the Board of Perron Group Ltd and P.G Holdings Ltd  
Chairman

This 23<sup>rd</sup> day of March 2021