



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 2021 – 30 JUNE 2022

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1.0 INTRODUCTION

The Perron Group (the 'Group') 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*.

This 2021/22 Modern Slavery Statement (the 'Statement') is made pursuant to the requirements of the Modern Slavery Act 2018 (Cth) (the 'Act'). This third Statement builds on the foundation of our prior efforts to assess and address modern slavery risks in our business.

No actual or suspected incidents of modern slavery were identified in our supply chains or operations during 2021/22.

We have assessed our overall modern slavery risk profile as not significantly changing between the 2020/21 and 2021/22 reporting periods. This is due to the consistent nature of our day-to-day operations and associated supply chains.

2.0 THE PERRON GROUP

The Perron Group structure remains unchanged from the 2020/21 reporting period. The 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 employs approximately 145 permanent and 70 casual employees.

The Group's operations remain unchanged from the 2021/21 reporting period. As detailed in our prior Statements, 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 and private equity 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 through direct equity ownership, 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 direct control, and those over which it has no direct 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 investment property 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. The co-owners are mandatory reporting entities under the Act.
- the Group has no direct control over investment property tenant supply chains under any ownership structure.
- a land development project is co-owned with a joint venture development partner, with the development partner having the responsibility for the management of the development. In this instance, the development partner has control of the development supply chain.
- Toyota Motor Corporation is the major supplier to the Toyota vehicle and parts distribution business units. The Group has no direct control over the Toyota Motor Corporation supply chains. Toyota Motor Corporation is itself a mandatory reporting entity under the Act.
- investments in managed equities, private equity 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

There were no actual or suspected occurrences of modern slavery reported within the organisation for the reporting period.

The Group has continued its engagement with its modern slavery consultant who again used proprietary data-analysis technology to review the complete direct 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 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.
- business services and market research.
- emerging markets managed equities portfolio.

The supply chain and operational categories are consistent from the prior year.

Supply chain tier analysis undertaken by the Group clearly indicates that any elevated risk does not exist with our direct suppliers and contractors. In all business and investment areas of the Group, the risk of modern slavery is most heightened at, and beyond, the second tier of all supply chains.

As part of our due diligence activities for this reporting period, the Group's direct suppliers were again reviewed against the list of 83 companies that are named in the Australian Strategic Policy Institute's 2020 Report: *'Uyghurs for sale: 'Re-education', forced labour and surveillance beyond Xinjiang'* as allegedly benefiting from Uyghur forced labour in a direct or downstream manner. None of our direct suppliers were named in the Report. We plan to continue to review potential linkages between new suppliers and the state-sanctioned exploitation of the Uyghurs and other minority people groups in China.

5.0 ACTIONS TAKEN TO ASSESS AND ADDRESS THESE RISKS

The following measures have been undertaken during the reporting period, building upon the foundation of our modern slavery action plan.

Due Diligence – Direct Supplier / Contractor

Due diligence remains focussed on the suppliers and contractors operating within the 'at risk' industries identified at section 4 of this Statement. The modern slavery due diligence platform developed by the Property Council of Australia is used for managing this due diligence activity.

Key supplier contracts to the 100% owned investment property portfolio incorporate modern slavery related provisions. The provisions require the supplier to take reasonably practicable and proportional steps to assess whether modern slavery is occurring in its supply chains, including the supply chains of its subcontractors.

Education and Training

Modern slavery risk awareness training, developed by the provider of the Group's on-line training platform, has been provided to staff involved in purchasing and procurement, and accounting functions.

Desktop Audit of co-owned investments or investments managed by others

A comprehensive desktop audit was carried out with each of the co-owners with which the Group has joint ownership interest in shopping centres and land development projects. The audit was completed in April 2022.

The audit involved undertaking an assessment of the co-owners and property management entities' modern slavery risk assessment and due diligence frameworks. These entities are mandatory reporting entities under the Act. This significantly enhances the Group's oversight in relation to shopping centre related supply chains, applicable internal governance frameworks, and efforts to engage with the suppliers that are beyond our direct control.

The key finding from the audit is the comparative underperformance of one entity in this cohort. Further targeted engagement will be undertaken with this entity.

In the next reporting period we plan to build upon the due diligence obtained from the desktop audit by undertaking onsite external audits of shopping centres and land development projects.

Industry Collaboration

The Group has continued its communications and engagement with shopping centre co-owners in an effort to take a more collaborative approach to due diligence on those co-owned centres during the next reporting period.

The Group is also a subscriber to the Property Council of Australia's modern slavery due diligence platform.

6.0 TRACKING THE EFFECTIVENESS OF THESE ACTIONS

The Group has continued its modern slavery due diligence over the reporting period and remains 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 in 2022/23 includes:

Due Diligence

- Investment Property and Land Development Supplier / Contractor Engagement
Due diligence review of new direct suppliers / contractors within the 'at risk' industries identified in section 4 of this Statement with regard to their modern slavery compliance activities.

Carry out on-site audits where necessary of our shopping centres and land development projects suppliers / contractors.
- Corporate Office and Toyota distribution overhead supply chains
Due diligence review of the 'at risk' suppliers / contractors and where necessary issue a supplier self-assessment questionnaire and follow up responses.
- Industry Collaboration
Maintain communication and collaboration with our business and investment partners on modern slavery issues.
- Workplace Compliance
Annual review of the Group's workplace compliance practices (e.g. ensuring no under payments of salaries or wages).

Remediation

Regular review of the level of uptake and use (or non-use) of the Whistleblower facility – including ongoing consideration of whether this is due to genuine absence of issues or a need to review the accessibility of risk mitigation measures (including awareness training) to areas where they are most required.

Education and Training

Implementation and refreshing of targeted employee education and training on modern slavery awareness and risk.

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.

Appropriate consultation with all of the Group's owned and controlled entities has occurred throughout the reporting period, and in the preparation of this Statement. This consultation is enabled through the participation of a modern slavery representative from Toyota WA, Autoparts and Property business units.

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 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 14 day of December 2022