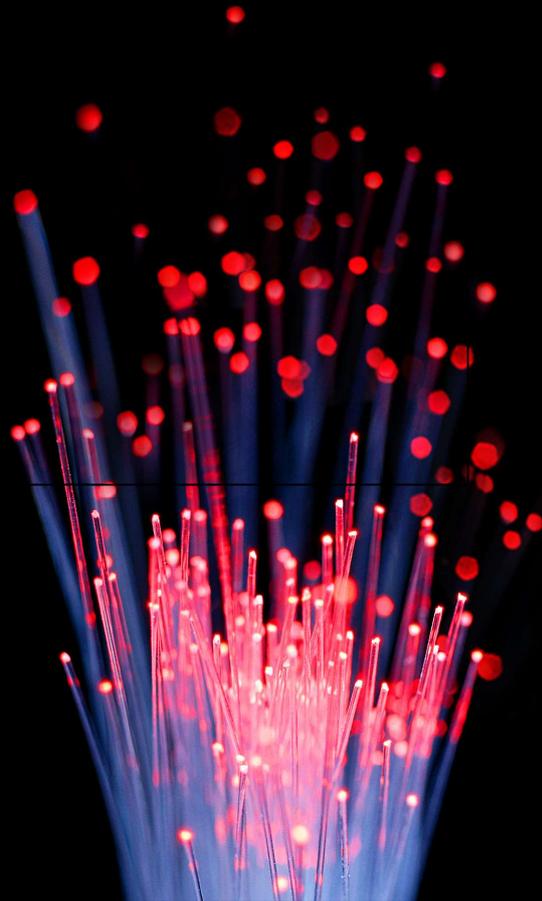


Modern Slavery Statement

Reporting Period: 1 July 2019-30 June 2020

Palladium Group Holdings Pty Ltd

Palladium International Pty Ltd



Modern Slavery Statement – for Financial Year ended 30 June 2020

Palladium Group Holdings Pty Ltd and Palladium International Pty Ltd

Introduction and Reporting Entities

This Modern Slavery Statement is published by Palladium Group Holdings Pty Ltd (ACN 140 654 075), on behalf of itself and its subsidiary Reporting Entity Palladium International Pty Ltd (ACN 010 020 201) in accordance with the *Modern Slavery Act 2018 (Cth)* (**Act**). Palladium Group Holdings Pty Ltd is an Australian registered company headquartered in Brisbane Australia and the ultimate holding company of the Palladium group of companies during the period covered by this Statement.

This Statement covers the activities of Palladium Group Holdings Pty Ltd's owned and controlled entities (collectively referred to in this Statement as **Palladium** or **Group**) for the financial year ended 30 June 2020. This is Palladium's first Modern Slavery Statement under the Act and sets out the actions Palladium has taken to assess and address modern slavery risks in its operations and supply chains.

A joint statement has been prepared because Palladium and its subsidiaries operate in the same sectors, and have shared suppliers, governance, policies and procedures, and management.

About Palladium: Our structure, business and supply chains

Palladium is a global impact firm, working to link social progress and commercial growth. Since 1968 Palladium has worked with corporations, governments, foundations, investors and communities to formulate strategies, build partnerships, and implement solutions that generate lasting social, environmental and financial benefits.

The Group operates with a global corporate leadership and functional team supporting regional business units in Asia Pacific (APAC), Europe Middle East Africa (EMEA) and the Americas. It has established regional business offices in Australia, India, Indonesia, Netherlands, Spain, United Kingdom, United States, and United Arab Emirates.

Our core business services include business strategy consulting, program and project management, impact investing and capacity building, as follows:

- **Strategy:** As the original creators of the Balanced Scorecard and Strategy Map methodology, Palladium has helped over 700 organizations, primarily corporate and government, to design and execute their strategy. Our Sustainable Development Goal-aligned evolution of these powerful tools can empower companies to drive towards positive business and societal outcomes.
- **Impact Investing:** Palladium deploys capital to address social issues while generating a financial return through innovative finance mechanisms, asset management, our capital advisory services, and impact funds.
- **Procurement & Logistics:** We help governments and businesses reach people and markets with supplies, garrison building, and on-ground logistics support in seemingly impossible environments, including post-disaster, post-conflict, and remote locations.
- **Program Management:** We implement large-scale, global social and economic change initiatives, bringing local knowledge, technical expertise, and time, scope, and cost management to our clients' most complex projects.

Our global practice areas in health; education; environment and natural resources; governance; growth and livelihoods; gender and social inclusion; informatics; and monitoring, evaluation and learning; form a solid technical in-house capacity to support our service delivery.

Palladium's extensive project management experience also provides access to a wider network of experts and tools utilised in supporting the projects that we manage.

We deliver evidence-based solutions with large-scale impact through more than 180 current projects with more than 2,500 employees operating in over 90 countries, and working with more than 10,000 organisations. Our supply chain consists of external businesses, self-employed consultants and Business Partner¹ organisations located within Australia and overseas.

Below is a sample of the key products and services (by spend) that were sourced in Australia and overseas during the reporting period:

- | | |
|--|---|
| <ul style="list-style-type: none"> ▪ Travel Services ▪ Office Rent ▪ Professional Consultancy Services ▪ Security Services | <ul style="list-style-type: none"> ▪ Insurances (general, travel, health) ▪ Education services ▪ IT services and equipment |
|--|---|

Assessing and Addressing Risks of Modern Slavery

Palladium is committed to the principle that all humans have the right to be free from violence, abuse, and exploitation of any kind. Further, we embrace and respect the cultural and social diversity of the countries in which we work and place great importance on operating with honesty and integrity. As such, Palladium does not tolerate, condone or accept human rights abuses within its business operations or supply chain.

Palladium understands its responsibility to go beyond legal compliance and is committed to proactively tackling modern slavery in its supply chains.

The nature of our work, particularly in developing, and post-conflict countries means Palladium recognises that some of our supply chains operate in high-risk environments for modern slavery including countries with high levels of poverty, a lack of awareness and understanding of human trafficking and modern slavery, and weak national systems to monitor and respond to human rights abuses including incidences of modern slavery.

Across our operations, we are working to build a supply chain that is free of modern slavery through diligently and regularly updated policies, guidelines, business processes, training and other mechanisms to detect and prevent modern slavery.

Palladium's subsidiaries in the United Kingdom have been publishing statements in accordance with the *Modern Slavery Act 2015 (UK)* since 2016. As part of that process Palladium has completed risk assessments for its EMEA region programs and activities, and completes an annual risk assessment for the UK government. The UK government assessment rates suppliers' approaches to modern slavery in 6 categories, governance, risk management, standard operating procedures, key performance indicators, due diligence and training. Palladium achieved an 81% performance score overall, with top scores in 4 out of the 6 categories, placing Palladium's approach to combating modern slavery within the top 20% of suppliers to the UK government who are required to comply with the UK Act.

Governance Framework

Overseen by our Chief Diversity Officer and Corporate Leadership Team, all Palladium activities operate under a Sustainable Business Framework with policies, guidelines, standard operating procedures, business processes and tools that cover Diversity and Inclusion, Safeguarding², and the Environment which, although distinct fields, have shared goals and commitments.

¹ Palladium's governance framework defines "Business Partner" as including any organisation providing goods or services to the Group, such as contractors, subcontractors, grantees, awardees, vendors, and landlords.

² Safeguarding is a term that means different things in different contexts in various parts of the world. At Palladium we define it as action taken by Palladium to protect the beneficiaries and communities we work with, our representatives and clients from harm.

Within this framework, Palladium's Codes of Conduct³ expressly prohibit the transportation, sale or otherwise trafficking⁴ of human beings for profit or otherwise. Regardless of the jurisdiction in which the organisation is registered or doing business, these activities are prohibited. In addition, Palladium representatives and Business Partners must not:

- Allow transactions with, and the provision of resources and support to, individuals and organisations associated with human trafficking.
- Procure any sex act on account of which anything of value is given or received (commercial sex act).
- Use forced labour in the performance of any work.

Our overarching governance structure also includes the following policies and guidelines relevant to Palladium's commitment to mitigate, and where possible, eradicate circumstances conducive to modern slavery:

Policies	Guidelines
<ul style="list-style-type: none"> ▪ Prevention of Sexual Exploitation Abuse and Harassment ▪ Safeguarding ▪ Whistleblower Protection ▪ Success at Work ▪ Due Diligence ▪ Transactions ▪ Ethical Contracting ▪ Family Sexual and Gender Based Violence ▪ Procurement Integrity ▪ Occupational Health and Safety 	<ul style="list-style-type: none"> ▪ Modern Slavery ▪ Child Protection ▪ Grants Management Programme ▪ Workplace Grievances ▪ Human Resources Management for Projects ▪ Procurement of Goods and Services ▪ Risk Management Framework ▪ Whistleblower Allegations ▪ Occupational Health and Safety ▪ Business Partner Duty of Care Management

The requirements of these policies and procedures are passed down to our Business Partners (suppliers, subcontractors, consultants) through a Business Partner Code of Conduct which must be acknowledged with every Palladium contracting agreement.

These governance documents are regularly reviewed and updated for currency and compliance.

Due Diligence

Palladium conducts Due Diligence on all parties with which it enters into business relationships. Our due diligence policy reflects the fact that many of our operating environments are high-risk for modern slavery and human trafficking.

As part of the due diligence process, Palladium requires all suppliers to agree to the Palladium Business Partner Code of Conduct and encourages all suppliers to have a modern slavery policy or guidelines within their business as well as a Code of Conduct. If it is a legal requirement in the country of operation for the supplier to have a policy, then these documents have to be produced prior to contracting. In addition, we are committed to capacity building across our supply chains and working with suppliers to develop modern slavery policies where none exist or to strengthen policies where necessary. Gaps

³ Palladium Group Code of Conduct Policy and Business Partner Code of Conduct Policy.

⁴ Trafficking is defined as the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, abduction, fraud, deception, the abuse of power or a position of vulnerability or the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation.

identified during the due diligence process are revisited after an agreed period and, where a supplier fails to fulfil an action plan, we will consider further measures or terminating our relationship.

Modern Slavery Guidelines

In 2018 Palladium developed and published Modern Slavery Guidelines for our EMEA business unit. The Guidelines are currently being amended to apply globally to all of Palladium's operations, staff and all representatives of the Group. These Guidelines provide further information and guidance on the implementation of our Code of Conduct Policy with regards to the prevention of all forms of modern slavery and human trafficking in the delivery of projects by, and in the business operations and supply chains, of Palladium. Specifically, representatives are obligated to report any previous prior relevant conduct of their own, as well as any allegations or suspicions of relevant activity of which they become aware. The guidelines provide direction on recruitment, business partner engagement, risk evaluation, incident management, and awareness training with a specific emphasis on modern slavery risks. The guidelines also seek to educate Palladium's representatives on identifying and reporting modern slavery, including links to the UK Home Office website's 'Truth and Myth' section on modern slavery and human trafficking, as well as recommending links to leading anti-slavery organisations.

Reporting

We have long established reporting mechanisms outlined in Palladium's investigation standard operating procedures. These include the requirement to immediately report any suspected or alleged instances of modern slavery, human trafficking or Code of Conduct non-compliance directly to management, or by using the Whistleblower Hotline: Email: tellus@thepalladiumgroup.com. The Whistleblower Hotline is advertised in all offices from which Palladium conducts business.

Other relevant initiatives

- **UNGC:** Palladium became a participant of the UN Global Compact on 22 January 2018. Palladium is committed to the UNGC initiative and its universal principles and we are building on this to embed these principles in our day-to-day operations and strategy for future growth.
- **SoTiN Program:** Palladium was the implementing partner for the UK's Foreign, Commonwealth and Development Office (FCDO) Stamping out Trafficking in Nigeria (SoTiN) program which commenced in 2018. SoTiN closed after 15 months due to the UK government's overseas development assistance (ODA) spending review. However, learning from SoTiN has and will continue to be shared across Palladium to strengthen and contextualise our understanding of modern slavery.
- **Business Development:** We have strengthened our risk assessment policy to ensure that we assess the potential risk of modern slavery and human trafficking in our business development pipeline. Risk assessment is widely based – assessing country risk, industry or product risk as well as supply chain risk.
- **Questionnaire:** Palladium is developing a detailed modern slavery questionnaire for use internally across the Group to interrogate company activities and supply chains; and identify and address gaps and areas for improvement.
- **Training:** We have developed an internal training package on the risk, effect, and methods of uncovering modern slavery, which will be extended across all of the Palladium business, and our Business Partners.
- **KPIs:** In 2020 our EMEA business set corporate Key Performance Indicators to train staff and raise corporate awareness of modern slavery; improve internal reporting mechanisms of incidents of modern slavery; and capacity build the supply chain to improve their modern slavery policies. We have made good progress against those KPI's, undertaking 2 widely attended awareness raising sessions and more extensive training for a targeted group of staff. We required all suppliers and contractors to pass a due diligence assessment and confirm their compliance with applicable legislation, or indicate their willingness to develop modern slavery policies where no legislation exists. We are continuing to monitor the results against these KPIs.

Assessing Effectiveness

Palladium assesses the effectiveness of its actions to deal with modern slavery risks by:

- Regularly reviewing its policies and processes to identify, assess and address modern slavery.
- Monitoring the number of personnel who have completed training on Codes of Conduct and modern slavery.
- Monitoring our progress against our established KPIs.
- Monitoring the modern slavery complaints received and resolved.

Next Steps

We are actively integrating our approach to addressing modern slavery in our programs, activities and corporate governance and continue to communicate our standards and expectations to our Business Partners.

We propose to roll out the modern slavery questionnaire and the training package across the Group over the course of 2021 and annually thereafter, in conjunction with Palladium's mandatory training on Child Protection, Diversity and Inclusion, Code of Conduct, Whistleblower Procedures and Prevention of Sexual Exploitation, Abuse and Harassment Palladium. This training will form part of mandatory onboarding requirements and ongoing learning and development for all staff and consultants, and will be available to Palladium Business Partners.

The assessment and mitigation of the risk of modern slavery will be incorporated into Palladium Risk Reporting and included in Palladium KPIs across the Group to promote the Palladium Value Proposition: to deploy our unique range of capabilities to formulate strategies, build partnerships, and implement projects that have a lasting social and economic impact anywhere in the world.

We know that precarious work in low-paid, unregulated labour sectors can create conditions for labour abuses to develop, sometimes leading to extreme exploitation and forced labour. In 2021 our EMEA business plans to look at those organisations who provide ancillary services to our projects. As part of our procurement processes, we will ask providers to disclose their hiring practices, and we will ensure that final procurement decisions will include a review of these responses, ensuring that staff security remains central to all decision making. We will thereafter look to roll this out across the Group.

We will also review our contracts with our supply chains to bolster our ability to legally enforce requirements relating to modern slavery risks.

Consultation

This statement has been compiled as a result of consultation and collaboration with representatives of Palladium's regional business units for APAC, EMEA and the Americas; and the Palladium's Corporate functional teams (including Diversity and Inclusion, Legal, Risk, ICT, Safety and Security, HR, and Finance), as well as the Chief Executive Officer. Prior to review and approval by the Board of Palladium, this statement was considered and reviewed by Palladium's General Counsel, Company Secretary, Chief Executive Officer, Chief Diversity Officer, and Regional Business Unit Leaders.

Approval

This statement was approved by the boards of Palladium Group Holdings Limited and Palladium International Pty Ltd on 21 April 2021.



Christopher Hirst
Chief Executive Officer, Palladium Group
Director, Palladium Group Holdings Pty Ltd and Palladium International Pty Ltd