



MODERN  
SLAVERY  
STATEMENT

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2023

## ACKNOWLEDGEMENT OF COUNTRY

PALLION WISHES TO ACKNOWLEDGE  
THE TRADITIONAL CUSTODIANS OF  
COUNTRY THROUGHOUT AUSTRALIA.

WE RECOGNISE THEIR STRENGTH AND  
RESILIENCE AND PAY OUR RESPECTS TO  
THEIR ELDERS PAST AND PRESENT.

PALLION EXTENDS THAT RESPECT  
TO ALL ABORIGINAL AND TORRES  
STRAIT ISLANDER PEOPLE AND  
RECOGNISES THEIR RICH CULTURES  
AND THEIR CONTINUING CONNECTION  
TO LAND AND WATERS.

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## 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 2023.

This statement, aligned with the UN Guiding Principles on Business and Human Rights, underscores Pallion's commitment, along with its subsidiaries, to uphold a resilient framework and implement processes aimed at reducing the risk of modern slavery in both its operations and supply chain in 2023.

The Statement forms part of our annual reporting suite which also includes our FY23 Considerate Precious Metals Report and the FY23 ABC Refinery Compliance Report that are publicly available at [www.pallion.com](http://www.pallion.com).



**ANDREW COCHINEAS**  
CHIEF EXECUTIVE OFFICER

### FEEDBACK

We value all feedback. Please send your comments about our Statement to [compliance@pallion.com](mailto:compliance@pallion.com)

### OUR COMMITMENT

At Pallion our commitment to human rights is articulated in our Human Rights Policy, which governs our interactions with customers, employees, business partners, and individuals across every tier of our supply chain. We uphold internationally recognised human rights principles as outlined in the United Nations International Bill of Human Rights and the ILO's Declaration on Fundamental Principles and Rights at Work. Guided by the UN Guiding Principles on Business and Human Rights (UNGPs), we employ a diligent approach that involves conducting comprehensive due diligence to identify potential modern slavery risks and proactively working to mitigate them.

This report provides an update on our continuous efforts to identify, prevent, and mitigate the risk of modern slavery within our operations and supply chains for the reporting year 2023. While no specific instances of modern slavery have been identified, Pallion, positioned uniquely with comprehensive visibility across our entire supply chain, continues to review potential modern slavery risk factors.

Pallion commits to continuing our engagement with our suppliers to enhance awareness of modern slavery. Pallion is dedicated to instigating positive change not only within our own supply chains but also within those of our suppliers. This commitment is realised through ongoing dialogue, collaborative efforts with industry bodies, and our adherence to the Modern Slavery Act 2018.

This statement was officially approved by the Board of Directors of Pallion on December 14, 2023.

## 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 370 people.

### 2023 REPORTING YEAR ACTIONS

- Independent audit of ABC Refinery supply chain pursuant to LBMA Responsible Sourcing Programme and Pallion's own policies.
- ABC Bullion precious metals supply chain review.
- Palloys precious metals supply chain review.
- WJ Sanders and Company precious metals supply chain review.
- Due diligence refresh on our top 20 suppliers including assessing their human rights commitments and associated actions.

### BULLION



BULLION



REFINING & MINTING



VAULTING



### JEWELLERY



DESIGN, CASTING & JEWELLERY PRODUCTION



FINDINGS & JEWELLERY PRODUCTION



GOLD & SILVER SMITHING



# 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. 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.

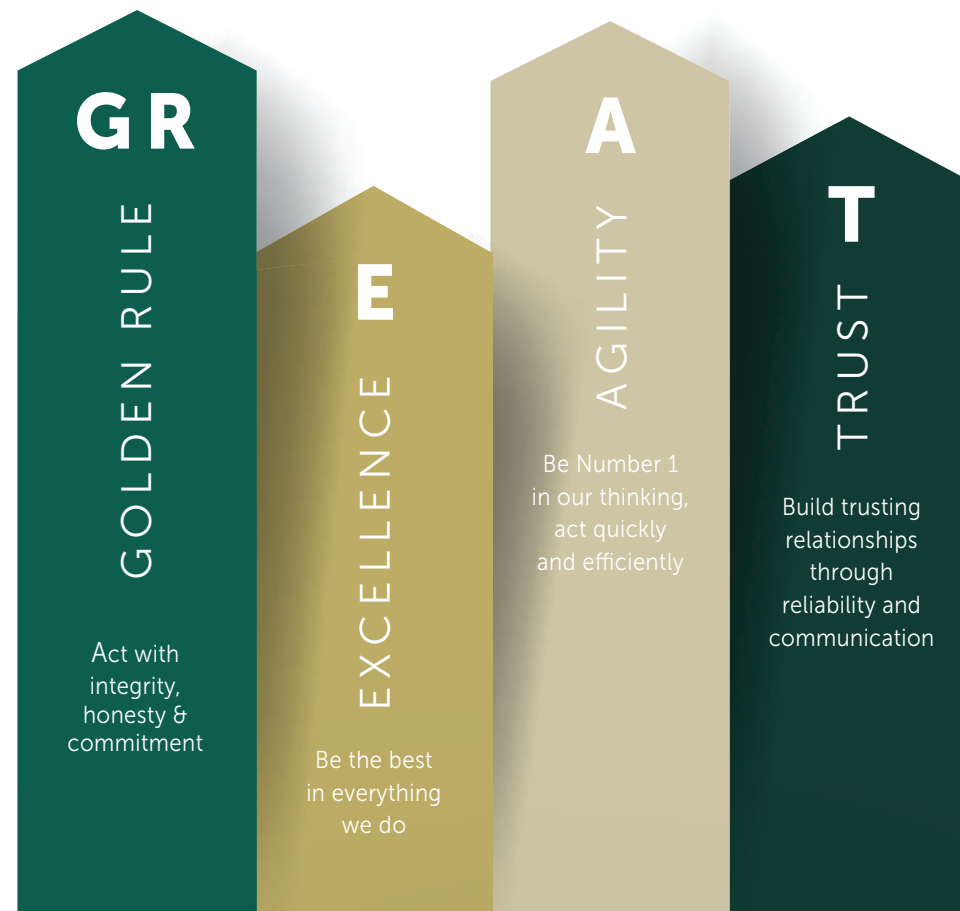
Responding to the risk of modern slavery is a continuous structured approach managed by Pallion's legal, governance, risk and compliance, finance,

technology, human resources, work, health and safety, logistics, property and warehouse inventory departments.

Pallion is unique in the precious metals space because of the complete vertical integration of its production model and prides itself on being able to trace the entire life cycle of its products. This begins 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.

## PALLION'S VALUES GUIDE EVERYTHING WE DO



## THE MAJOR CATEGORIES OF PROCUREMENT



## UNIQUE IN EVERY ELEMENT

Pallion stands out in the precious metals sector as a result of its complete vertical integration model. We take pride in our ability to trace the entire life cycle of our products. An assurance that begins with the responsible sourcing of primary refining inputs from conflict-free areas through to the processing stages, culminating in the creation of precious metal investment products and jewellery components.

## CARE IN EVERY LINK OF THE CHAIN

What sets Pallion apart is our genuine care for every link in the supply chain. From the sourcing of conflict-free materials to the meticulous crafting of our products, we ensure that care is embedded in every step. We consider this not just a process but a responsibility to our stakeholders, our customers and our shared global community.

## AUSTRALIAN BASED, GLOBAL COMMITMENT

The majority of the goods and services we procure at Pallion come from suppliers and contractors based in Australia. This deliberate choice is a testament to our commitment to supporting local businesses while maintaining rigorous ethical standards. It's not just about where we operate; it's about ensuring our operations contribute positively to the communities we engage with.

## RISKS OF MODERN SLAVERY PRACTICES IN OPERATIONS AND SUPPLY CHAINS

At Pallion, we understand that addressing the risk of modern slavery in our supply chain is not merely a compliance checkbox—it is a continuous and thoughtful endeavour. Our approach is managed collectively by various departments, including legal, governance, risk and compliance, finance, technology, human resources, work health and safety, logistics, property, and warehouse inventory.

As identified by the Act, various forms of slavery and human trafficking, such as slavery, servitude, forced marriage, forced labour, debt bondage, child labour, and deceptive recruiting for labour or services, can manifest. In accordance with the Act, Pallion acknowledges these potential risks and has formulated a comprehensive approach to systematically identify, assess, and address all conceivable instances of modern slavery and human exploitation within its operations and supply chains.

In the reporting period, Pallion has not detected any explicit occurrences of harm related to modern slavery. Nonetheless, we have pinpointed areas within our operations and supply chain where there is a perception of the presence or potential existence of modern slavery.

### Complex multi-tiered supply chains

Pallion engages with offshore vendors situated in regions identified to have an increased risk of potential modern slavery practices due to their complex multi-tiered supply chains.

The heightened threat of modern slavery arises in intricate, multi-layered, and opaque supply chains that extend across diverse countries. These conditions constrain the visibility into working conditions across the entire value chain.

### Country of procurement

Pallion operates in many regions, including Hong Kong, mainland China, Italy, and the United Kingdom. However, procurement is from many other countries such as Germany and The Netherlands.

Certain regions exhibit a prevalence of modern slavery, frequently linked to variations in labour standards, inadequate supervision, deficient enforcement mechanisms, migration patterns, and socio-economic factors, including poverty.

### Types of products and services

Certain types of goods and services pose an elevated risk of modern slavery when characterised by low profit margins that are produced within an unregulated manufacturing framework reliant on inadequately trained and low-wage workers.

Goods such as electronics and furniture present a high risk of modern slavery for Pallion.

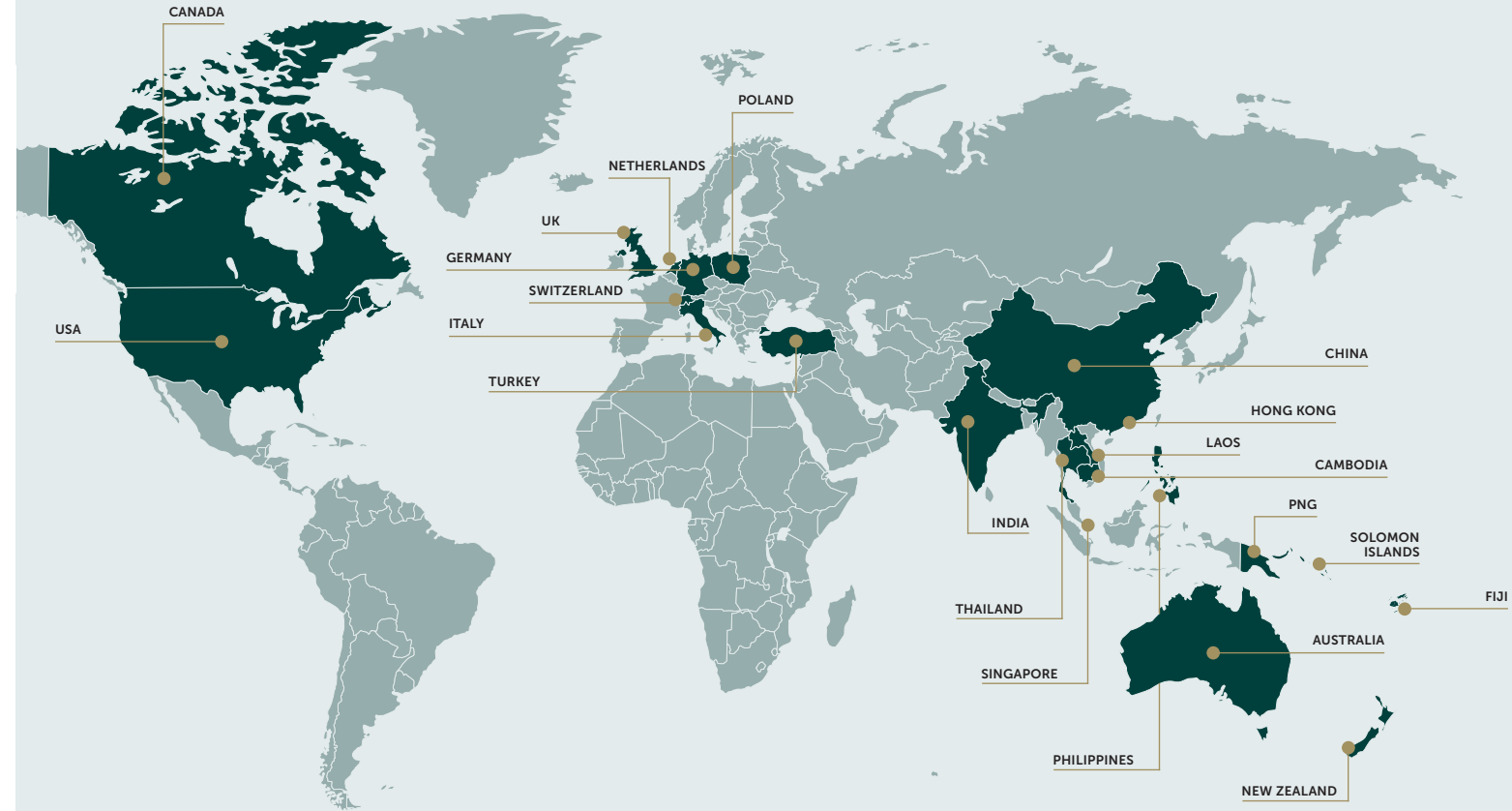
### Labour

Heightened modern slavery risks may be evident in scenarios involving third-party labour hire entities, often contracted to deliver security or cleaning services.

Pallion employs cleaners on a contractual basis. These contractors are employed pursuant to Australian labour laws.

## IDENTIFYING RISK

The majority share (93.15%) of Pallion’s supply network originates within Australia, yet it also involves direct collaboration with international suppliers, predominantly situated in Asia, alongside additional suppliers based in Europe and the United Kingdom. Notably, within the extensive Pallion Group network, certain suppliers are company-owned.



## SUPPLY LOCATIONS

Pallion procures from the countries displayed in the above map and utilises the following data to assess the risk profile of our suppliers:

Global Slavery Index (GSI)

Walk Free Foundation

Ethical Trading Initiative (ETI)

International Labour Organisation

Refinitiv and Equifax software

Heidelberg Conflict Index Rating

Human Freedom Index

UNICEF Labour Index

OECD Country risk rating

Trafficking in Persons Report (US Dept of State).



## ACTIONS TAKEN TO ASSESS AND ADDRESS THESE RISKS

Pallion’s proactive efforts to identify and mitigate modern slavery risks within our operations and supply chain are anchored in the Pallion Provenance™ Program. This initiative establishes the elevated standards of conduct anticipated from the organisation, our employees, contractors, and suppliers.

### Human Rights Commitment

The Pallion Supplier Code of Conduct is an integral component of our comprehensive suite of supply chain policies. These policies encompass a wide range of critical areas, including human rights, ethical and environmental business practices, and labour and employment practices.

Our Code of Conduct is fortified by adherence to industry-specific standards such as the LBMA Responsible Gold and Silver Guidance, the OECD Due Diligence Guidance, and the Responsible Jewellery Council Code of Practice. Pallion is further committed to upholding the Australian Modern Slavery Act, the Universal Declaration of Human Rights, and other internationally recognised practice standards.

The Pallion Modern Slavery Policy serves as a framework for governance and reporting, offering a mechanism to report concerns or incidents related to modern slavery. It deeply embeds human rights considerations into Pallion’s compliance framework, delineates the responsibilities of our employees in mitigating modern slavery risks, and establishes the protocols for implementing the policy.

Pallion upholds a firm stance against short-term, temporary, and/or low-skilled labour in its international operations, ensuring that all staff are proficient in their local language, maintain residential security, and are employed in accordance with relevant employment and labour laws.

### Human Rights Due Diligence

Pallion places utmost importance in addressing modern slavery risks within its procurement supply chain, with a specific focus on enhancing transparency in supply chain processes.

During the reporting period, ABC Refinery’s due diligence procedures and processes underwent an independent audit, aligning with the London Bullion Market Association Responsible Sourcing Program. ABC Refinery successfully passed the audit with no non-conformances identified. The compliance report is accessible for viewing at [www.abcrefinery.com](http://www.abcrefinery.com).

Simultaneously, the ABC Bullion, Palloys and WJ Sanders precious metals supply chains were reviewed for modern slavery risks. Pallion reports that no modern slavery risks were identified.

### Supplier on-boarding

Pallion enforces pre-qualification criteria for supplier onboarding, guided by the Pallion Responsible Sourcing Policy, which is actively managed and implemented by Pallion’s Governance and Sustainability Committee.

The assessment of new suppliers is conducted using a risk-based approach, requiring all suppliers to complete a comprehensive modern slavery questionnaire. Through discussions with the supplier, this process solidifies the framework for Pallion’s Provenance™ Program and reinforces our strategic commitment to ethical sourcing, effectively mitigating potential risks associated with modern slavery.

### Ongoing monitoring

Pallion’s commitment goes beyond risk identification, involving proactive engagement with suppliers, raising awareness and implementing strategies. Through ongoing monitoring, collaboration, and adherence to ethical guidelines, we ensure that our procurement processes align with our commitment to human rights.

Our ongoing supplier monitoring is conducted at varying frequencies, ranging from daily to annually.

Throughout the reporting period, modern slavery monitoring efforts encompassed site-based audits, engagement with suppliers through meetings and shared-information sessions, and supplementary questionnaires.

In the event of an alert being raised, the matter is promptly elevated to senior management and the compliance division. After thorough discussion, and if required, a remediation plan is collaboratively developed in consultation with the supplier.

Pallion reports that no alerts were raised during the reporting period.

### Training

In our commitment to combat modern slavery risks, Pallion places a strong emphasis on training and capacity building initiatives aimed at fostering awareness and resilience within our organisation.

Throughout the reporting period, our comprehensive training programs have been instrumental in equipping our employees with the knowledge and skills necessary to identify, understand, and address modern slavery risks. These initiatives go beyond mere compliance, seeking to instill a culture of vigilance, responsibility, and ethical conduct.

By investing in training and capacity building, Pallion creates a workforce that is not only well-versed in modern slavery risks but is also empowered to actively contribute to the eradication of modern slavery.

### Collaboration and Engagement

Pallion places paramount importance on engaging with our suppliers to effectively address and mitigate modern slavery risks. We believe that fostering transparent and open communication channels is crucial in building a resilient framework against modern slavery.

We work collaboratively with our suppliers to ensure a shared understanding of ethical standards, human rights considerations, and the importance of eradicating modern slavery. This ongoing dialogue extends beyond compliance, emphasising the active involvement of suppliers in our collective commitment to responsible business practices.

Pallion provides necessary support, resources, and training to enhance awareness and capabilities among our suppliers that promotes ethical conduct and ultimately works towards the elimination of modern slavery.

### Reporting

This Modern Slavery Statement forms part of the suite of Reports that Pallion has published in 2023. 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 Governance and Sustainability Committee continue to ensure Pallion’s modern slavery due diligence efforts are discussed and policies and procedures are updated if required.

## HOW PALLION ASSESSES THE EFFECTIVENESS OF ITS ACTIONS

Pallion's Provenance™ Program includes an annual evaluation to gauge the efficacy of our initiatives.

This process aims to verify the optimal functioning of the Pallion Provenance™ Program in actively promoting workers' rights and mitigating modern slavery risks.

Pallion assesses and examines the efficiency of internal controls within our supply chains, aligning with the stringent requirements of the London Bullion Market Association (LBMA) and the Responsible Jewellery Council (RJC), which include a comprehensive audit of modern slavery risks.

These audits play a crucial role for Pallion, steering our continuous development and the setting of objectives pertaining to modern slavery risks.

Further data and metrics on the precious metal supply chains have been extracted for Pallion subsidiaries, ABC Bullion, Palloys and WJ Sanders. These metrics provide additional insight to better assess the effectiveness of actions taken.

### Ongoing monitoring and implementation

Pallion risk management strategies are continually examined and reassessed. These are discussed at the Governance and Sustainability Committee meetings where human rights are a permanent agenda item.

Over the course of the year, the Committee discussed:

HUMAN RIGHTS RECOMMENDATIONS	IMPLEMENTATION STATUS
A public human rights commitment	Modern Slavery Statement: Completed 2021; 2022; 2023.
Supplier Contracts	Included modern slavery clauses into all supplier contracts: Completed 2023.
Risk Assessment sources	Risk assessment data platforms expanded: Completed 2023.
Risk Assessment country profile	Updated risk assessment of each supplier country: Completed 2023.
Supplier screening and audits	Visited the top 5 supplier facilities: Completed 2023.

### Independent reviews

Pallion conducts assessments of its approach to modern slavery risk management to pinpoint areas for enhancement.

During the reporting year, Pallion's subsidiary, ABC Refinery, engaged leading auditor William Buck to audit ABC Refinery's supply chain and associated due diligence procedures and policies, to uphold its London Bullion Market Association (LBMA) accreditation for gold and silver.

ABC Refinery has consistently maintained this industry accreditation since 2015, and the audit includes a review of the risk assessment of each supplier. The audit also includes a review of risk of the methodology employed.

ABC Refinery successfully passed the audit with no reported non-conformances. The LBMA recognises ABC Refinery as 'best practice' within the industry. The audit report is publicly accessible on both LBMA and Pallion websites.

## FUTURE FOCUS AREAS

Our primary focus for 2024 includes:

### TRAINING, EDUCATION, AND ENGAGEMENT

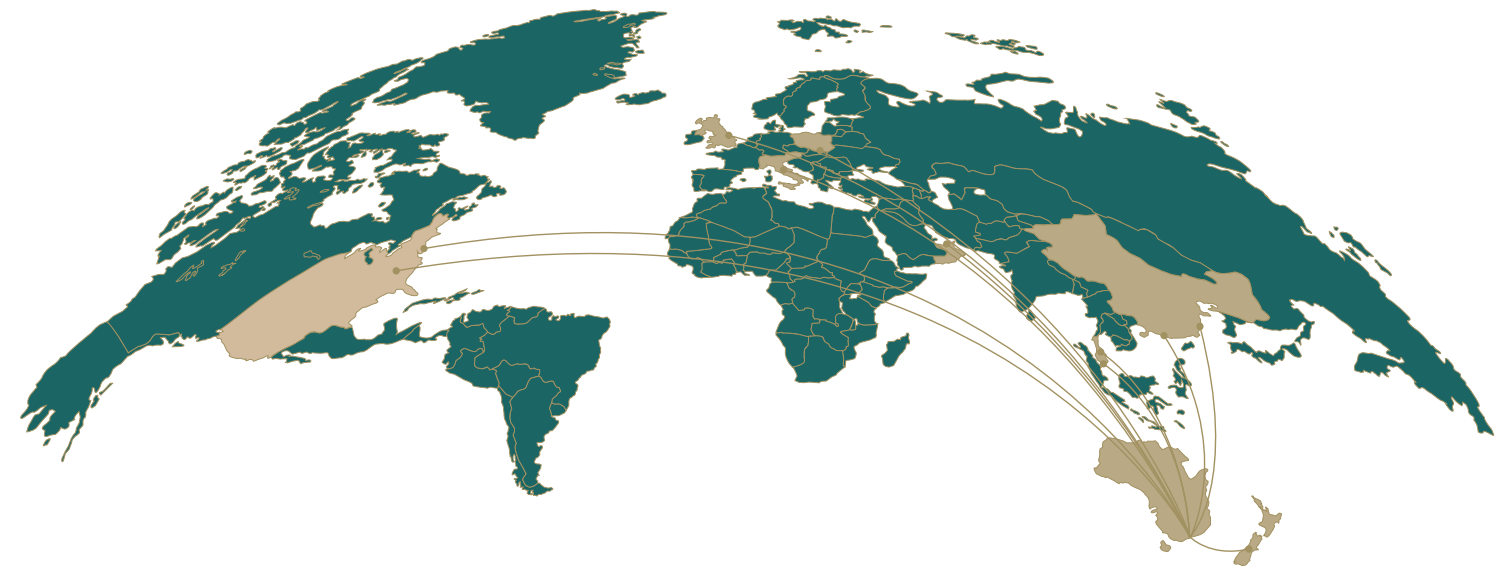
Elevate awareness surrounding modern slavery by enhancing training modules for our employees and fostering deeper engagement with our suppliers to collaboratively address this issue.

### SUPPLIER DUE DILIGENCE

Initiate a comprehensive due diligence review of our top 10 suppliers, ensuring a thorough examination of their human rights practices.

### PALLION PROVENANCE™ PROGRAM

Consider additional accreditations and certifications to further enhance the credibility and effectiveness of the Pallion Provenance™ Program.



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