

Modern Slavery and Human Trafficking Statement 2019 - 2020

Introduction

Palladium International Limited supports the Modern Slavery Act 2015 in all parts of its business services. We are committed to preventing the existence or prospect of modern slavery within our organisation and our supply chains through the continuous improvement of our own policies and improved engagement with our suppliers.

This statement seeks to illustrate that Palladium understands its responsibility to go beyond legal compliance and show how we are committed to proactively tackling modern slavery in our supply chains. Over the last 12 months we have consulted widely in order to obtain feedback on our approach to reducing modern slavery in our supply chains and how we reflect this commitment in our annual statement. Palladium's annual statement for 2019 was recognised as being within the top 60% of the UK government's 100 largest suppliers.¹ However, we want to show our commitment to continuous improvement and this year's statement provides a clear roadmap for what we aim to achieve in 2020. This year we:

- are bringing in organisational anti-slavery Key Performance Indicators (KPIs)
- will collect data to report on our progress in next year's statement;
- will track reporting mechanisms and our effective handling of these cases;
- will collect data on those suppliers we have worked with to develop their own policies on modern slavery.

This statement is made pursuant to section 54(1) of the UK's Modern Slavery Act 2015 and is Palladium's updated modern slavery and human trafficking statement for the calendar year starting 1st January 2020.

¹ Sancroft Tussell, *Eliminating Modern Slavery in Public Procurement* (2019) <https://sancroft.com/wp-content/uploads/2017/11/The-Sancroft-Tussell-Report-1.pdf>

Our structure, business and supply chains

Palladium International Limited is a private limited company registered in England. It is part of the Palladium group of companies which has corporate offices in the United States of America, United Arab Emirates, Nigeria, Indonesia and Australia, and a presence in more than 90 countries across the globe.

Our core business services include business consulting, programme and project management, impact investing and capacity building. We work across different sectors and we work with corporations, governments, foundations, investors and communities to formulate strategies and implement solutions that generate lasting social, environmental and financial benefits.

Currently Palladium International Ltd works with more than 400 organisations across 60 countries. Our supply chain consists of external businesses, self-employed consultants and business partner organisations located within the UK and overseas. Due to the nature of our work, we recognise 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.² Across our operations, we strive to ensure that all goods and services we supply to clients are free of modern slavery through diligent and regularly updated policies, guidelines and mechanisms to detect and prevent modern slavery.

Achievements in 2018

We developed and published our Modern Slavery Guidelines. 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. The Guidelines are applicable globally to all of Palladium's operations, staff and all representatives of the company. As well as outlining the duty to comply, these guidelines seek to educate readers on identifying and reporting modern slavery, with links to the Home Office website's 'Truth and Myth' section on modern slavery and human trafficking, as well as recommending links to leading anti-slavery organisations.

We strengthened our risk assessment policy to ensure that we assess the potential risk of modern slavery and human trafficking in our business development pipeline. This risk assessment is widely based – assessing country risk, industry or product risk as well as supply chain risk.

Palladium became a participant of the UN Global Compact on the 22nd 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.

We established reporting mechanisms outlined in Palladium's Investigation Standard Operating Procedures (SOPs) and have included the need to immediately report any suspected or alleged instances of Modern Slavery, Human Trafficking or violations of our Code of Conduct using the Company Whistle-blower Hotline: Email: tellus@thepalladiumgroup.com; Tel: + 44 20 3318 5468. The whistle-blower hotline is advertised in all offices from which Palladium does business.

In our 2018 statement we committed to improving our due diligence practices to help us to gather greater information about our supply chain and to build the capacity of our supply chain in this area.

² Of these 60 countries in which Palladium has a presence, 8 are countries which are not State Parties to the Protocol to Prevent, Suppress and Punish Trafficking In Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime, and 3 are ranked as Tier 3 - do not fully meet the Trafficking Victims Protection Act of 2000 (TVPA) minimum standards and are not making significant efforts to do so, US Department of State, *Trafficking in Persons Report* (2019).

Progress in 2019

Our Due Diligence Policy

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. In 2019 we strengthened our due diligence process by moving to an online system for all of our UK government funded work (which forms the largest part of our business). *Touchstone Review* allows us to track data from suppliers and ensures that all due diligence for every supplier is updated on a 6-12 monthly basis. We are also committed to carrying out spot-checks and 'deep dives' to gather further information about a supplier and their supply chains.

As part of the due diligence process Palladium 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. Where suppliers are not fully compliant, they are required to provide an action plan highlighting gaps in their process and corrective action they are taking. Gaps identified during the due diligence process are revisited after an agreed period (up to 6 months) and, where a supplier fails to fulfil an action plan, we will consider further measures or terminating our relationship.

Palladium asks questions specific to the supplier's modern slavery policies:

- Does the organisation have a policy, code or statement on modern slavery/human trafficking? If 'yes', please supply a copy of the policy or code and answer the following questions:
 - Does the organisation provide training to personnel on this issue? Please supply details of any training provided.
 - Does the organisation have a procedure for dealing with suspected cases of modern slavery or human trafficking issues? Please supply details.
 - If you have replied 'no' to any of the questions above, is the organisation planning to introduce such measures and is the organisation interested in Palladium providing some assistance and useful information?
- How does the organisation flow down its policy/code to its supply chain and what checks does the organisation undertake to check its suppliers in connection with these issues?
- Is the organisation required to issue a Modern Slavery Statement under the Modern Slavery Act 2015 (UK)? If yes, please supply the URL to the current statement.
- Have any of the current employees or contracted personnel of the organisation ever been investigated for, charged with, or convicted or otherwise implicated in incidents relating to Modern Slavery and Human Trafficking?
- Has your organisation dealt with any incidents related to modern slavery or human trafficking in the past? If any, did the investigations and consequences follow? When answering this question, please refer to the past 10 years of your organisation's history.
 - If you replied 'yes' please provide further information.

Building our business and delivering anti-trafficking programmes

In 2019, Palladium started delivering its first anti-slavery programme as the implementing partner for DFID's Stamping out Slavery in Nigeria (SoSiN) programme. SoSiN is a 4-year programme which aims to change or reduce the behaviours, attitudes, and social norms in Edo State that drive or enable human trafficking.

Learning from SoSiN will be shared across the organisation to strengthen and contextualise understanding of modern slavery.

Strengthening our Code of Conduct

Palladium updated and strengthened its Code of Conduct and launched our Sustainable Business Approach. This approach shows how Palladium brings together Diversity and Inclusion, Safeguarding and Environmental policies which, although distinct fields, have shared goals and commitments. We are committed to:

- ◉ Considering how our actions and behaviours impact on our people, communities, clients and the environment;
- ◉ Ensuring we do no harm to the communities we work with and the environments within which we operate;
- ◉ Going beyond compliance to ensure that sustainable and ethical considerations are incorporated into our project design and delivery.

Looking Forward

Palladium will continue to work to identify opportunities to eliminate modern slavery and human trafficking within our supply chain and business operations. Taking onboard the feedback we received through consultations conducted in 2019, we want to show our commitment to continuous improvement and this year's statement provides a clear roadmap for what we aim to achieve in 2020.

Organisational KPIs to measure our progress in tackling modern slavery

KPI: *Ensure that our UK employed permanent staff have taken our annual mandatory Code of Conduct Training (which covers human trafficking).*

Target: 80% of UK employed permanent staff undertake (and pass – there is a test as part of the training) Code of Conduct online training.

Description: In 2019 Palladium reviewed and strengthened its Code of Conduct and launched our Sustainable Business Approach. The updated Code of Conduct is clear on our zero tolerance for harassment or bullying of any sort within our business and our increased emphasis on safeguarding and human trafficking. Our mandatory annual training has been updated to mirror this.

KPI: *Whistle-blowing hotline and reporting mechanisms monitored for cases involving modern slavery and cases dealt with appropriately and efficiently.*

Target: 100% of cases recorded through reporting procedures handled appropriately and efficiently.

Description: Successful awareness raising training may lead to an increase in reported cases. Palladium is committed to responding to these reports efficiently and appropriately and will report back on figures in our next annual statement.

This statement under the Modern Slavery Act 2015 was approved by the Board of Directors of Palladium International Limited on 9 December 2019

Sinead Magill

Signed by:

Sinead Magill - Managing Partner and Director
Palladium International Limited