

# AVID PROPERTY GROUP'S MODERN SLAVERY STATEMENT

## OUR COMMITMENT TO THE COMMUNITY

At AVID Property Group (AVID) we are driven to create thriving communities in Australia's key growth markets by committing to product innovation, sustainability, affordability and lifestyle. Our support for human rights and ethical labour practices is closely related to our core value of being authentic and our community-mindedness.

In 2022, AVID has continued to build on our work in addressing and preventing potential risks of modern slavery within our supply chain. We have achieved this by implementing and developing policies, ongoing risk assessment and education across relevant areas of our business and the key suppliers we engaged with.

AVID has continued its relationship with the Property Council of Australia (PCA) and consultancy Informed 365 Pty Ltd to utilise the online supplier portal for review and reporting purposes across the property and construction industry.

## AVID PROPERTY GROUP AND ITS STRUCTURE, OPERATIONS AND SUPPLY CHAINS

The reporting entity is AVID Property Group Holdings Pty Ltd (ACN 608 054 833) which operates and manages the AVID Property Group of companies in Australia. Since 2016 AVID has been backed by global private equity business Proprium Capital Partners. Proprium's commitment underpins AVID's energetic investment growth and strategy. As a dynamic and diversified residential community developer, the Group has a current portfolio of 38 projects in near-city and sought-after regional locations in Victoria, New South Wales and Queensland. With 45,000 homes already delivered to market and a revenue pipeline of \$4.9 billion, our holdings encompass broadacre land projects, masterplanned communities, completed house and land packages and apartments.

AVID is committed to high standards of corporate governance and ethical conduct. Our Board of Directors, Executive Committee and Management Team include some of Australia's most experienced and innovative leaders across property development and asset management, each of which plays an integral role in the oversight of AVID's governance and performance.

The Board and its Committees have strong and regular oversight of organisational and financial performance. Ethical behaviours and compliance are reflected in a range of policies that are regularly reviewed by the Board or its Committees as the corporate governance environment evolves.

**Graphic 1: AVID's Corporate Governance Structure**



Our key policies relevant to modern slavery are:-

- Anti-Slavery Policy;
- Anti-Bribery and Anti-Corruption Policy
- Whistleblower Policy
- Suspicious Matters Reporting Policy
- Risk Management Policy and Framework
- Code of Conduct Policy
- Grievance Handling Policy

### **WHAT ARE THE RISKS OF MODERN SLAVERY PRACTICES IN OUR OPERATIONS AND SUPPLY CHAINS?**

We acknowledge that modern slavery in the context of business is a complex global problem. Some of the key risks in the property and construction industry can include a reliance on agency and sub-contracted labour, a high concentration of migrant labour, pressure on costs and time schedules and a lack of visibility over multi-layered supply chains.

The effects of COVID-19 continue to impact supply chains globally in 2022. The property and construction industry continues to experience logistics disruptions, increased freight costs, building and production delays, depleted inventory levels and labour shortages which can all contribute to the potential of modern slavery risks in our supply chains.

AVID's risk management system is guided by ISO 31000 Risk Management – Principles and Guidelines, the global standard for risk management and the Australian Securities Exchange's Corporate Governance Principles (specifically principle 7) seeks to identify and mitigate these risks.

In the 2022 reporting period, AVID focussed on the potential risk of short term labour hire in our operations and supply chain. We conducted an in depth review of our key civil contractors in Queensland, New South Wales and Victoria to ascertain their compliance with modern slavery laws. Our key contractors provided relevant information such as employment agreements, recruitment policies and detailed labour hire practices and procedures. We found that 80% of the suppliers we engaged with had the following practices in place, and importantly provided evidence of their various policies in these areas:

- Direct recruitment
- Recruitment through agencies
- Use of certified labour hire companies
- Written employment contracts that comply with all applicable legal requirements
- Formal processes of selection hiring and verification

In addition we reviewed our top 50 suppliers across the areas of construction, media and technology on the PCA platform to determine their compliance in the area of labour hire. An encouraging 80% of these suppliers provided documented evidence of policies and procedures to combat any risks associated with employment of short-term labour hire.

We are confident that the suppliers reviewed represent a low risk of modern slavery in AVID's supply chain and operations.

## RESIDENTIAL PROPERTY DEVELOPMENT

Delivery of residential property developments is outsourced to construction partners who are amongst the most expert and reputable names in the construction industry. The nature of our activities in this area of the business focusses more on the development of master planned communities than on the construction of built environments.

Our current assessment of our modern slavery risk in this area of the business continues to be low. However, we will endeavour to monitor and consult with our supply chain on these issues each year to verify and update this assessment.

As head contractors, our subcontractors are usually selected through a competitive process and formally appointed with an agreement. The nature of our residential property development business is such that our subcontractors source their services and materials locally in Australia. The use of labour hire companies by our supply chain continues to be the main risk in this part of the business. As noted elsewhere in this report, this issue is actively managed by AVID.

## HOUSING CONSTRUCTION

Through our Villaworld Homes housing business, we construct residential homes in a range of developments on the eastern seaboard of Australia. The housing business utilises a

wide range of trades that include smaller businesses. Whilst there are challenges in getting information to verify smaller suppliers' approach to modern slavery issues, we have also continued to work with the Housing Industry Association of Australia to help educate the broader industry on the importance of the issue. We continue to send targeted emails to our supplier base to raise awareness in this part of our supply chain, that is dominated by smaller businesses. Where possible we procure Australian made/Australian owned building products and source local trade and manufacturers close to the location of our development sites.

The current assessment of our modern slavery risk in the housing construction business is medium-low – this more watchful assessment arises because housing product contains a very wide range of materials sourced from many different suppliers and the labour used skews towards a large cohort of local small businesses.

### **CORPORATE OPERATIONS**

We endeavour to source goods and services from a wide network of Australian suppliers to support our corporate operations. This includes promotional goods, information, communication and technology products and services, professional and financial services.

The current assessment of our modern slavery risk in this area is low.

### **WHAT ACTIONS HAVE WE TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS?**

AVID maintains a range of controls and due diligence checks to manage modern slavery risks in our supply chain. In the 2022 reporting period AVID's specific actions included:

- regular meetings of our Modern Slavery Working Group, every four months.
- direct engagement with our key civil contractors to determine their compliance with modern slavery laws in the area of short-term labour hire.
- direct supplier communications requesting updated PCA questionnaire responses via the PCA portal.
- Data analysis review of our top 50 suppliers by spend which showed that in terms of location, 100% were Australian based companies.
- However, we do recognise that some of our indirect goods and services may come from other parts of the world that are more exposed and vulnerable to the risks of modern slavery. We have made efforts to require our direct suppliers to notify us of any potential or actual modern slavery breaches within their own supply chains.
- revised vendor establishment processes to integrate the PCA questionnaire into our broader supplier-management and new supplier processes.

- collaboration with the PCA/Informed 365 Modern Slavery Working Group on a monthly basis to share knowledge and improve capabilities across the online supplier portal.
- targeted communications to our suppliers to raise awareness and education of modern slavery issues.
- employee awareness campaign through mandatory online training modern slavery modules for all AVID staff.

**Graphic 2: Modern Slavery Compliance Cycle**



## HOW DO WE MANAGE AND MITIGATE MODERN SLAVERY RISK?

The Modern Slavery Working Group has continued to focus on managing and mitigating our Modern Slavery risk by:

- engaging with our suppliers on modern slavery issues, both on the PCA portal and directly.
- engaging with consultants to assist us in conducting and reviewing supplier answers to the PCA questionnaire and to identify necessary actions.
- ensuring that senior management are setting the right tone for the business and raising awareness with our team members and business partners on AVID's approach to modern slavery issues.
- integrating changes to our supplier onboarding process to provide a link to complete the PCA questionnaire.
- including binding undertakings around modern slavery compliance in our standard suite of supplier agreements and all such agreements.

## HOW DO WE ASSESS THE EFFECTIVENESS OF ACTIONS BEING TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS?

AVID's Modern Slavery Working Group is the responsible Committee for modern slavery compliance. The Working Group looks at the following matters to assess risk:

- the rate of completion of the PCA questionnaire by suppliers. Supplier responsiveness to the modern slavery questionnaire increased in the 2022 reporting period to approximately 43.7 percent, slightly higher than the industry average of 34.5%.
- the PCA portal highlights suppliers that might represent a higher risk, such that their responses are given greater scrutiny by AVID.
- the extent to which AVID is implementing the actions agreed by the Modern Slavery Working Group.

## HOW DO WE ENGAGE WITH OUR SUPPLY CHAIN?

AVID continues to work with the Property Council of Australia and dozens of leading property and construction companies to use the PCA online portal to evaluate suppliers against the requirements of the modern slavery legislation. The portal is designed to streamline the reporting process and allow suppliers to easily share information with property companies. The platform is itself a form of training and awareness-raising for the industry in general.

We encourage our suppliers to raise their awareness of modern slavery issues – for example, by registering for the complimentary Supply Chain Sustainability School where there are hundreds of complimentary training resources in a wide range of media. During the course of 2022, we engaged our building supplier base on the availability of this training via emails to the supplier base in the residential building business where we engage many SMEs as subcontractors.

Our key priorities in 2023 will be to focus on the following areas:

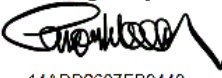
- build strong relationships with existing and new suppliers
- raise awareness of modern slavery issues through targeted communications
- encourage completion of the annual PCA questionnaire
- include modern slavery provisions in new contracts
- implement additional due diligence screening measures for new suppliers

## HOW DO WE ENGAGE WITH THE ENTITIES WE OWN AND CONTROL?

The operations and supply chains of AVID are overseen and managed by the AVID Property Group Australia Pty Limited Board. This governance model operates so that there is no need for formal consultation between group companies, as the lines of accountability for compliance with laws, including modern slavery laws, is clear. The CEO and Executive Management team are accountable to the Board for the day-to-day management of all issues in relation to the operations and supply chains of the business.

Modern slavery compliance is currently part of the responsibilities of the Risk Audit Committee, which is accountable for the Group's process for monitoring compliance with laws, regulations and the business' code of conduct.

This Statement was approved by the Board of AVID Property Group Holdings Pty Ltd (ACN 608 054 833) on 8 December 2022.

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Cameron Holt

Director and CEO

AVID Property Group Holdings Pty Ltd