



# AVID PROPERTY GROUP'S MODERN SLAVERY STATEMENT

## OUR COMMITMENT TO THE COMMUNITY

At AVID Property Group (AVID) we create communities that bring people together, to enhance their lives and the way they live. Our support for human rights and ethical labour practices is closely related to our core value of being authentic and our community-mindedness.

In 2021, AVID has further engaged with its supply chain to better understand the risks of modern slavery in our operations and supply chains. At this stage the actions we have taken to address those risks have been in promoting education of the supplier base, promoting the completion of the Modern Slavery Questionnaire and in amending our standard contracts to make compliance with Modern Slavery laws a part of doing business with AVID.

AVID's *Modern Slavery Statement* outlines our progress in identifying and addressing modern slavery risks in our supply chain.

AVID is part of a group convened by the Property Council of Australia which includes dozens of leading property and construction companies that have developed an online platform that assists in the evaluation of the supply chain against the requirements of the Modern Slavery legislation. The platform will streamline the reporting process and allow suppliers to easily share information with property and construction companies.

As a Group, we have also continued to engage with current suppliers to understand, educate and improve our supply chains, and establish relationships with new suppliers and business partners who can demonstrate fair, equitable and ethical practices.

AVID will continue to build on our work in preventing and addressing the risks of modern slavery within the property and construction industry. Whilst we are mindful of our legal obligations, our commitment to ethical labour practices is as much about doing the right thing and being a responsible member of the community.

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

The reporting entity is AVID Property Group Holdings Pty Ltd which operates the AVID Property Group of companies in Australia. AVID is an award-winning Australian real estate developer responsible for a diversified portfolio of residential communities in key growth precincts across Australia. Having delivered \$3.2 billion worth of projects over the past 14 years, AVID's current portfolio includes more than 8,000 residential blocks and a gross revenue pipeline of \$3.5 billion.

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With 36 projects across the eastern seaboard, AVID has a diverse mix of developments, including masterplanned communities, completed homes and apartments.

Led by highly experienced senior management, AVID delivers exceptional communities, valuable shareholder returns and wonderful environments for its customers. In October 2019, AVID purchased publicly listed residential property developer Villa World Limited, significantly increasing its operational footprint on the Eastern seaboard of Australia.

AVID has a corporate governance structure and hierarchy in place consisting of the Board, the CEO and the Executive Management Team, each of which plays an integral role in the oversight of AVID's governance and performance.

This corporate structure is formalised through the Committee Charters, Delegations of Authority, Code of Conduct and a comprehensive set of policies and procedures including a robust Operations Manual which form a fundamental part of AVID's risk management, control and governance system.

These policies and procedures remain under continuous review as the corporate governance environment evolves.

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





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

AVID has a risk management system and approach which 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) both of which are tailored to be appropriate for AVID and a number of other policies that seek to manage risks.

In 2021 the Modern Slavery Working Group identified a number of areas for focus. In order of priority, they are:

- Labour and labour hire throughout our supply chain.
- Short term or outsourced services, including services outsourced overseas.
- Materials and product risks including some of the materials used in developments.
- Electronics, such as computers and other equipment, and the components and materials within them.

During 2021, the business moved to ensure that all contracts entered into included clear requirements to comply with Modern Slavery laws. We also took steps to do email “blasts” to our builder subcontractor supply base to raise awareness of Modern Slavery laws and ways in which suppliers could further educate themselves about the laws and how to comply with them.

## 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 construction of built environments.

The current assessment of our modern slavery risk in this area of the business is low – but we will continue to monitor and consult with our supply chain on these issues each year to verify 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.

## 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

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continued to work with the Housing Industry Association of Australia to help educate the broader industry on the importance of the issue.

The current assessment of our modern slavery risk in the housing construction business is medium-low – this assessment is based on the understanding that our housing product contains a very wide range of materials sourced from many different suppliers.

## CORPORATE OPERATIONS

Where possible, we 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?

In 2020, the Board requested that the CEO form a Modern Slavery Working Group that is comprised of key members of the Executive Management Team and led by the General Counsel and Company Secretary. This Working Group meets regularly and continued to do so throughout 2021.

The Modern Slavery Working Group oversees and manages a process to ensure that the Company complies and continues to comply with Modern Slavery laws. The plan is summarised in the graphic below.

**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.
- Engaging with consultants to assist us in conducting and reviewing the survey 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.
- Taking steps to change our supplier set up process so that it includes a requirement to complete the annual Modern Slavery survey. In 2021, we have moved to upgrade this work alongside the establishment of a new "vendor café" supplier set up process that is scheduled to go live in June of 2022.
- We have rolled out amendments to our standard suite of supplier agreements and all such agreements now include binding undertakings around Modern Slavery compliance and a commitment to continuous improvement.

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

The Modern Slavery Working Group looks at the following metrics to assess risk:

- The rate of completion of the questionnaire by suppliers.
- The PCA platform 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 has been working with the Property Council of Australia and dozens of leading property and construction companies to develop and pilot an online platform that evaluates suppliers against the requirements of the Modern Slavery legislation. The platform 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 2021, 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 focus in 2022 will be on getting a more complete picture of any Modern Slavery risks and issues that may reside in our supply chain. As at the date of this statement, some 38% of suppliers approached have completed the Property Council of Australia's Modern Slavery Questionnaire. Whilst this response rate is ahead of the aggregated average response rate on the platform, it requires improvement. The length and detail of the questionnaire is the most likely barrier to completion by our supply chain, many of whom are SMEs.

AVID's main focus in the coming calendar year will be to incorporate the requirement to complete the Modern Slavery Questionnaire into our new "Vendor Café" supplier set up procedure, which is scheduled to go live in June 2022. We expect that this will result in a much better response rate as we will effectively make a completed questionnaire a requirement of doing business with AVID for all new supplier relationships.

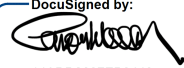
### HOW DO WE CONSULT WITH THE ENTITIES WE OWN AND CONTROL?

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.

During 2022, AVID will introduce online training for all its team members within the broader corporate group. This training will be compulsory to complete each year.

This Statement was approved by the Board of AVID Property Group Holdings Pty Ltd (ACN 608 054 833) on 8 December 2021.

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Cameron Holt  
Director and CEO  
AVID Property Group Holdings Pty Ltd

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