

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 2020, AVID has taken important steps to identify and report on, the risks of modern slavery in our operations and supply chains and take actions to address those risks.

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

AVID is working closely with the Property Council of Australia and dozens of leading property and construction companies to develop and pilot an online platform that evaluates our 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 engaged 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 \$2.6 billion worth of projects over the past 13 years, AVID's current portfolio includes more than 14,300 residential blocks and a gross revenue pipeline of \$4.9 billion as at October 2020.

With 38 projects across the eastern seaboard, AVID has a diverse mix of developments, including masterplanned communities, completed homes and apartments.

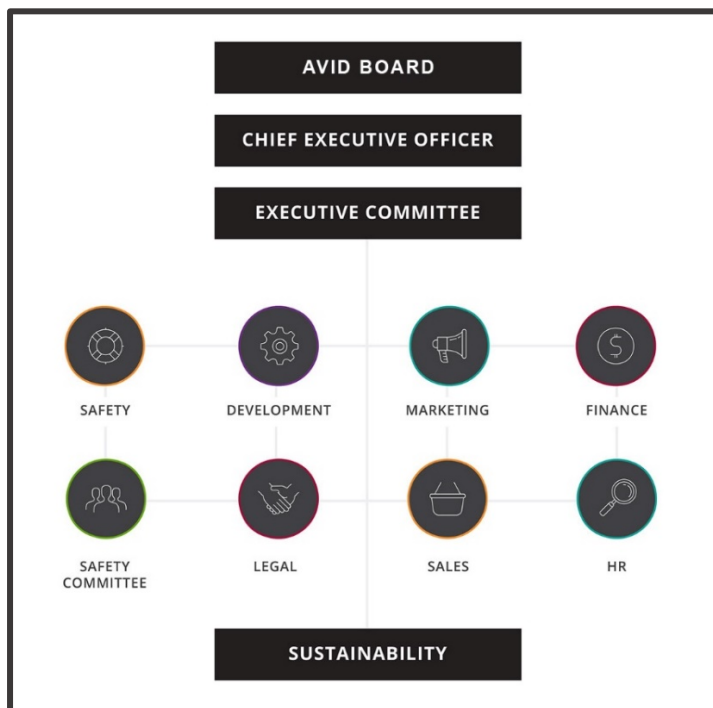
Led by highly experienced senior management, AVID deliver exceptional communities, valuable shareholder returns and wonderful environments for its customers. In October 2019, AVID purchased publicly listed residential property developer Villa World Limited, significantly increasing its operational footprint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

We bring
people
together.

The preliminary work on risk in our operations and supply chains has identified a number of areas for future 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.

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 are working 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?

The Board has 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.

The Modern Slavery Working Group has prepared a plan and a process to ensure that the Company complies and continues to comply 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 focused on managing and mitigating our Modern Slavery risk in the following ways:

- 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.
- Ensuring that our supplier set up process requires that the annual Modern Slavery survey has been completed by the relevant supplier.
- Ensuring that our standard supplier contracts include 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 first step the business has taken is for senior management to assess the modern slavery risks and risk levels in each business. Our risk assessment must be viewed as preliminary, as it is based on survey responses from approximately two thirds of our surveyed supply chain.

The risk assessment has been conducted with the aid of the data and responses collated through the Property Council of Australia's Modern Slavery Supplier Platform. The Platform has been a useful way of collating information about our supply chain and assessing the risks and the adequacy of actions against those risks in the supply chain.

HOW DO WE ENGAGE WITH OUR SUPPLY CHAIN?

We have engaged with our supply chain directly on the matter and will be using our supplier set up and contracting process to increase awareness and buttress these consultations.

AVID is also working with the Property Council of Australia and dozens of leading property and construction companies to develop and pilot an online platform that evaluates against the requirements of the Modern Slavery legislation. The platform will 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.

Data from November 2020 indicates that almost half (46%) of AVID suppliers that have undertaken the Supplier Platform assessment use sub-contracting or use third-party recruitment organisation, 7% manufacture products overseas or maintain foreign operations that contribute to their delivery. Importantly, 6% of suppliers surveyed are not sure or do not yet understand the basic facts around the issue of 'Modern Slavery', which indicates that awareness-raising and education need to be early areas of priority.

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.

This Statement was approved by the Board of Directors of AVID Property Group Holdings Pty Ltd (ACN 608 054 833) on 9 December 2020.



Cameron Holt
Chief Executive Officer and Director
AVID Property Group Holdings Pty Ltd