



Modern Slavery Statement

Reporting period:
July 2019 – June 2020

Statement pursuant to s.14 of the *Modern Slavery Act 2018* (Cth)

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Introduction

This Modern Slavery Statement (**MSS**) is made on behalf of Opteon Group Holdings Limited (ACN 616 574 755) (**OGH** or **Opteon**). OGH is a publicly unlisted company incorporated in Australia and the parent company of the Opteon group of companies (**Group**) which includes the following principal subsidiaries:

Name of entity	Country of incorporation
Opteon Property Group Pty Ltd	Australia
Cubetec Pty Ltd	Australia
Opteon Franchising Pty Ltd	Australia
Opteon International Holdings Pty Ltd	Australia
Opteon Share Holdings Pty Ltd	Australia
Opteon Share Trust	Australia
Opteon NZ Holdings Limited	New Zealand
Opteon New Zealand Limited	New Zealand
Opteon Technologies Limited	New Zealand
Apex Appraisal Service, Inc ¹	USA
Opteon US Holdings, Inc	USA
Keystone Property Valuation, Inc ²	USA

¹ Acquired subject to earn-out period ending December 31, 2020. Entity not included for this MSS reporting period.

² Incorporated in February 2020 but not trading before June 2020 and consequently not captured in this MSS reporting period.

This is the Group's first statement on modern slavery, and it is made under the *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act**). This MSS was prepared by OGH in consultation with each of the Group entities through the sharing of relevant supplier information and financial reporting information.

This MSS covers the reporting period of 1 July 2019 to 30 June 2020. During this period, the Group's principal continuing activity was providing property valuation and advisory services across Australia and New Zealand. The USA domiciled entities and operations will be captured in the Group's next MSS covering the reporting period of 1 July 2020 – 30 June 2021.

The purpose of this MSS is to outline Opteon's approach to ensuring its business is conducted within a framework that minimises modern slavery risks in its operations and supply chain.

About Us

The Group provides advice and services for every property type, in every market sector across Australia, New Zealand and more recently, the U.S. Our key business areas include commercial, industrial, agribusiness, retail, residential, advisory, government services, tax depreciation and software solutions.

Our market-leading valuation management platforms, superior quality assurance systems for risk and compliance, and our people are what make Opteon a leader in property valuation and advisory services.

The Group has over 651 employees, 522 of whom are based in Australia. In Australia, Opteon also has a network of 9 franchises. The New Zealand and U.S. markets are serviced by a combination of both employees and independent contractors given the nature of those markets and regulatory environments. As a total network, the Group is located in more than 60 locations and has over 6,500 valuers and appraisers across Australia, New Zealand, and the U.S.

In the 2020 financial year, the Group's global consolidated revenue was \$118.7 million.

Structure and Supply Chain

Since 2017, Opteon has operated an integrated corporate business model following the amalgamation of 12 Australian member firms, as well as our New Zealand operations, and subsequent acquisitions in Australia of 7 our franchises and Omega Property Consultants.

In November 2019, OGH acquired US company Apex Appraisal Service, Inc. Apex is a real estate appraisal management company (**AMC**) providing valuation and consulting services in all 50 U.S. states.

An AMC is a federally regulated entity that administers networks of independent appraisers to fulfil real estate appraisal assignments (valuations) on behalf of mortgage lenders.

The Group sources goods and services from suppliers located primarily in low-risk countries and the nature of the goods and services procured are not typically the type that are at risk of slavery and human trafficking. Our employees are predominantly skilled professionals working in Australia, New Zealand and the U.S – countries which have been assessed by the Global Slavery Index as having lower prevalence of modern slavery. Consequently, our workforce does not perform roles which are at high risk or vulnerable to modern slavery.

Based on the prevalence of modern slavery in certain regions and industries and having regard to the location and nature of our suppliers, we determined the Group's risk of modern slavery practices to be low. The following areas of our supply chain are those with potential exposure to modern slavery risk:

-) **Technology.** We source IT hardware and software and print services that support our business.
-) **Office supplies and uniforms.** The Group sources stationery, furniture and Opteon-branded apparel from suppliers that may use offshore manufacturers. Given we do not have visibility over the locations of these offshore manufacturers, there is a risk of these being in countries reported by NGOs and international organisations to have a higher prevalence of modern slavery. In addition, the inputs and materials used by these offshore manufacturers may be sourced from suppliers located in countries with a high prevalence of modern slavery.
-) **Office cleaning and fit out.** The Group has low visibility over the supply chains of these services where such services are provided through Opteon's direct suppliers (such as building management).
-) **Professional services.** This includes external training services, consultants and contractors where there is limited visibility over the provider's supply chain.

-) **Offshore business process outsourcing (BPO) service partner.** The Group uses a BPO service provider with staff located in the Philippines for certain back office functions. The BPO is Australian owned and in the reporting period the Group had a directly employed manager who oversaw the day-to-day operations of all personnel located in the Philippines. We undertake regular due diligence to ensure appropriate mitigations are in place with respect to modern slavery practices and the safety of the BPO staff located in the Philippines. During the reporting period, the BPO contract was also updated to require adherence to Opteon's Supplier Code of Conduct.
-) **Travel services.** This includes organising and booking our travel and accommodation requirements.
-) **Franchise partners.** To provide coverage across metropolitan, rural and remote regions in every State and Territory within Australia, the Opteon network includes nine Australian franchises operating in regional locations.

Modern Slavery Risk Assessment and Ongoing Management

At Opteon, we respect and support human rights and are proud of the steps we have taken to combat modern slavery. We are committed to continuing our improvements of the Group's practices moving forward.

To support the ongoing management of modern slavery risks across our organisation, we have in place systems to:

-) Identify and assess potential risk areas in our supply chains.
-) Mitigate the risk of slavery occurring in our supply chains.
-) Monitor potential risk areas in our supply chains.
-) Protect whistleblowers.

During the reporting period, we conducted an internal review of the suppliers in our Australian and New Zealand supply chain with respect to modern slavery risks. To inform our assessment of potentially applicable modern slavery risks in our supply chain and operations, we referred to resources published by non-government organisations (**NGOs**) and international organisations such as the International Labour Organisation, Universal Declaration of Human Rights and the ten principles of the UN Global Compact.

As a result of the knowledge gained following the risk assessment, during the reporting period we took the following steps to manage potential risks (with a particular focus on the higher risk suppliers identified above):

-) Introduction of a new supplier management framework (**SMF**). The SMF categorises suppliers into four tiers based on a value/risk matrix and aims to manage the Group's contractual risks by ensuring that appropriate due diligence is undertaken before entering into contracts. This includes a specific requirement to carry out due diligence in relation to slavery and enforced labour with all potential new vendors.
-) Introduction of a new Supplier Code of Conduct. As part of the SMF, it is a requirement that all new suppliers agree to abide by this Code, with the Code forming part of our contracts with tier 1, 2 and 3 suppliers.

- J Implementation of a Human Rights Policy which, among other things, sets out our policy and approach on anti-slavery and human trafficking.
- J Implementation of a new Whistleblower Policy and framework. This allows staff to raise any concerns they may have about any individuals or organisations the Group interacts with, whether they be clients, suppliers, or others.
- J Creation of a standalone risk and compliance function to, amongst other things, oversee Group compliance with the SMF.
- J Roll out of modern slavery training across our Australian and New Zealand operations. We developed a dedicated training module which recognises the important role our people play in reducing the risk of modern slavery in the Group's supply chain activities.
- J Implementation of additional contractual and due diligence measures with our tier 1 suppliers to set expectations these suppliers are alert to potential risks and instances of modern slavery and work to prevent and address such risks. This included undertaking additional due diligence for some suppliers specifically with respect to modern slavery having reference to the new SMF.
- J Updating our template supplier contracts to include modern slavery specific provisions and a requirement to comply with our Human Rights Policy and Supplier Code of Conduct.

Due Diligence Processes

As part of our initiative to identify modern slavery and mitigate associated risks in our business and supply chain, we undertake due diligence on all new suppliers prior to onboarding and ensure new suppliers provide comprehensive information about their business, including a dedicated modern slavery assessment questionnaire.

We expect suppliers to respect and support the protection of human rights of workers, as well as individuals and communities affected by their activities. During the reporting period, the Group introduced a new Human Rights Policy which all suppliers moving forward are required to adhere to. Furthermore, we have undertaken an audit of our key suppliers and commenced the process of communicating the new Human Rights Policy to existing suppliers.

Suppliers to the Group must not support or engage in slavery or human trafficking in any part of its supply chain and must:

- J ensure there is no forced or bonded labour, and not use or in any way benefit from or contribute to modern slavery;
- J not use child labour;
- J allow freedom of association and collective bargaining for workers, allowing them to join or form trade unions;
- J commit to a workplace free from workplace bullying, harassment, victimisation, abuse and unlawful or inhumane treatment;
- J comply with applicable laws relating to wages and benefits (including minimum wages, overtime pay, and piece rates). Suppliers must not use deductions from wages as a disciplinary measure and must pay workers in a timely manner;
- J not require workers to exceed prevailing local work hours. Also, in line with International Labour Organisation (ILO) standards, workers must not be required to work more than 60 hours per week (including overtime), except in extraordinary business circumstances with their consent.

Template Services Agreement and Minimum Contractual Requirements

We continue to seek agreement to our template services agreement which includes warranties that the supplier in question will comply with (and ensure that its agents, subcontractors and employees comply with) all applicable laws, regulations and other similar instruments (including with respect to modern slavery).

Making it safe

Opteon is committed to creating a safe work environment for all employees through the development of a culture of ownership of Health, Safety and Wellbeing. "Make it Safe" is a core value for all Opteon employees, and we recognise there is a role for all of us all in ensuring our actions and behaviours do not harm or injure a person in the conduct of their work. The Group's People and Culture team has implemented systems and processes to ensure employees have the appropriate rights to work in Australia or New Zealand (as applicable) and are paid a reasonable wage for the work that they do.

Furthermore, we have established both a Whistleblower framework, as well as an Employee Assistance Program which provides confidential and independent support to Opteon employees if required.

Training

We understand that one of the most effective tools for mitigating the Group's modern slavery risks is building awareness of modern slavery threats through education. Training is therefore critical to operationalising Opteon's respect for human rights.

To ensure a high level of understanding of the risks of modern slavery in our supply chains and our business, we provide training to our staff specifically on modern slavery. During the reporting period, Opteon decided to provide training to all its Australian and New Zealand employees, not just those involved in functions most likely to encounter issues related to human rights. Amongst other things, the training stresses the Group's zero tolerance stance on slavery and human trafficking and reinforces the policies and procedures we have in place. We are proud of the completion rate we have achieved, with 99% of Australian and New Zealand employees having completed the training as at the date of writing.

Assessing Effectiveness of the Group's Practices

The Opteon Group recognises the importance of regularly assessing the effectiveness of the actions we are taking to combat modern slavery in our supply chain. We are committed to a program of continuous improvement to ensure our efforts to identify, assess and address modern slavery are effective. In order to measure our effectiveness in this area, we have committed to:

-)] **Training.** It is critical that our employees understand modern slavery risks and the importance of thinking about them in their day to day activities. Our comprehensive online training module has been widely adopted, and will be expanded over the next reporting period. We monitor the number of people who have completed internal training on modern slavery and continue to issue this training to new employees. As at the date of writing, 99% of employees across Australia and New Zealand have completed the training.
-)] **Effective implementation of policies.** We have worked hard to develop policies and frameworks which support the Group's commitment to combating modern slavery. We are already seeing an increased understanding and awareness across the Group of our SMF and the need to undertake increased due diligence. Our people are also now more confident in challenging suppliers who refuse to meet our minimum requirements.

-)] **Regularly reviewing our policies and practices.** We review our policies and processes with regards to modern slavery on a regular basis to ensure these remain fit for purpose and relevant to our operations and supply chain. We also engage externally to understand latest best practices and data with regards to modern slavery.
-)] **Capturing and recording all identified breaches.** We will capture any reported incidents of modern slavery within the Group as well as within our supply chain and prioritise investigation and remediation processes as appropriate.

Further Steps, Remediation and Covid-19

Following a review of the effectiveness of the steps we have taken to reduce the risk of slavery in our supply chains, we intend to take the following further remedial steps to combat slavery in our operations and supply chain:

-)] Review the Group's U.S. supply chain for modern slavery risks and apply both contractual and practical safeguards as required.
-)] Continue to raise awareness of modern slavery within our organisation. This will include running training sessions to further educate the business about the SMF to ensure those involved in procurement are aware of modern slavery risks.
-)] Roll out Modern Slavery training to our U.S. employees in due course.

Covid-19 Pandemic

The Covid-19 pandemic exacerbated human rights and modern slavery risks with the emergence of global labour force redundancies and dramatic changes to the scale of operations in many industries. 2020 also saw job security becoming increasingly remote.

Covid-19 has not materially impacted the Group's processes with respect to supplier due diligence and risk assessments, however we have been conscious of the need to engage with our suppliers to ensure they are incorporating human rights impacts into their responses to the virus.

We have worked closely with strategic suppliers whose provision of services was directly impacted to agree to service adjustments that are acceptable to all parties. As the situation develops, we continue to work with affected suppliers to agree on plans for the coordination and management of services, including appropriate changes to working operations to ensure our supply chains are operating in a safe environment.

As businesses around the world struggled to understand the impacts of the pandemic on their operations, engagement was sometimes challenging during this reporting period, but will be taken forward into the next reporting period.

This statement was approved by Opteon's Board of Directors on 23 March 2021.



Stuart Nash

Chair of the Board of Directors – Opteon Group Holdings Limited