



Modern Slavery Statement

Reporting period:
July 2020 – June 2021

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 in FY2021 included 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
Opteon US Holdings, Inc	USA
Opteon AMC, Inc (formerly Apex Appraisal Service, Inc)	USA
Opteon Appraisal, Inc (formerly Keystone Property Valuation, Inc)	USA
Ascent Software Group, LLC	USA

This statement 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 is the Group's second MSS and covers the reporting period of 1 July 2020 to 30 June 2021. During this period, the Group's principal continuing activity was providing property valuation and advisory services across Australia, New Zealand and the United States.

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 the U.S. Our key business areas include residential, commercial, industrial, agribusiness, retail, 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.

With the acquisition of 100% of U.S. based appraisal software firm Ascent Software Group in June 2021, the Group has continued its expansion into the software development space and is on track to diversify its offering by becoming a player in the SaaS (software as a service) market.

In addition to the Ascent acquisition, the Group also acquired the businesses of US appraisal firm The William Fall Group (**WFG**) and appraisal management company Valuation Partners (**VP**) on 1 July 2021. As a result of expansion activities and the Ascent, WFG and VP acquisitions, at 1 July 2021 the Group had 816 employees. 578 were based in Australia, 35 were based in New Zealand and 203 were based in the United States.

In addition to Opteon's Australian employee base, the Group has a network of 9 franchises in Australia. Our 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 93 locations and has over 725 inhouse valuers and over 12,000 contractor appraisers across Australia, New Zealand, and the U.S.

In the 2021 financial year, the Group's global consolidated revenue was \$141.5 million.

Supply Chain

The Group continues to source 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. Consistent with our practices in the previous reporting period, our supply chain remains predominantly composed of 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.

In the previous reporting period, the Group conducted an internal risk assessment based on the prevalence of modern slavery in certain regions and industries. Having regard to the location and nature of our suppliers, we determined the Group's risk of modern slavery practices to be low.

During this reporting period, we reviewed the previous period's risk assessment and updated our conclusions relating to potential modern slavery exposure in our supply chain as follows:

-) **Technology.** We continue to 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.

- J **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).
- J **Offshore software development partner.** During the reporting period, the Group onboarded a new offshore software development partner located in Vietnam. Significant due diligence was undertaken with respect to modern slavery and working conditions, with strict contractual obligations imposed pertaining to compliance with applicable human rights laws across both Vietnam and Australia given the higher prevalence of modern slavery in this region.
- J **Contractor appraisers and valuers.** The Group's U.S. appraisal management company (**AMC**) provides 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. Each appraiser operates independently of the Group and appraisal jobs are allocated via a series of automated processes via existing agreements. Given the nature and location of the work performed by these appraisers, the Group considers modern slavery risks to be very low in its downstream supply chain. From time-to-time in Australia and New Zealand, the Group also uses independent contractors for certain professional services. These contractors are considered low risk as these individuals are predominantly sole traders performing limited professional functions for Opteon with contracts requiring compliance with the Group's Supplier Code of Conduct.
- J **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 employs a dedicated Operations Manager to oversee the Group's functions. During the reporting period, the Group directly employed an Operations Manager located in Australia to oversee day-to-day operations of all personnel located in the Philippines and liaise with the BPO's Operations Manager. Weekly operational meetings are held, as well as monthly governance meetings to ensure appropriate mitigations are in place with respect to modern slavery practices and the safety of the BPO staff located in the Philippines. Our services agreement with the BPO requires compliance with all laws and industry standards including the payment of appropriate wages, the provision of a safe and hygienic working environment and compliant working hours and restrictions on the engagement of subcontractors to ensure these minimum standards are also met in relation to contractors. The BPO also provides warranties in relation to not engaging in slavery, trafficking or forced labour practices.
- J **Travel services.** This includes organising and booking our travel and accommodation requirements.
- J **Professional services.** This includes external training services, advertising partnerships, assorted auditing functions and consultants where there is limited visibility over the provider's supply chain.
- J **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 continue to take 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:

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

During the reporting period, we took the following steps to manage potential risks in the Group's supply chain:

- J conducted an internal review of the Group's U.S. supply chain with respect to modern slavery risks.
- J conducted a review of all New Zealand and Australian employees to ensure appropriate visas were in place.
- J commenced a review of our New Zealand supply chain which included further refining template supplier contracts to pass on modern slavery related obligations in downstream supply chains.
- J commenced a review and stakeholder consultation process with respect to our supplier management framework (**SMF**) following on from its implementation in 2020 to assess its effectiveness.
- J continued to roll out targeted education with respect to modern slavery for all employees across Australian and New Zealand which includes teams involved in the procurement of goods and/or services across the Group to improve and integrate modern slavery awareness in the procurement process.

Due Diligence Processes

We undertake due diligence on all new suppliers prior to onboarding which includes targeted modern slavery due diligence. We expect suppliers to respect and support the protection of human rights of workers, as well as individuals and communities affected by their activities. The Group also has a Supplier Code of Conduct which it expects suppliers to abide by.

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;

-) 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 various template services agreements which include warranties that the supplier in question will comply with (and ensure 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.

During the reporting period, we conducted a review of all New Zealand and Australian employees to ensure appropriate visas were in place. This further strengthened the Group’s oversight with respect to modern slavery risks by ensuring employees have the appropriate rights to work and are paid a reasonable wage for the work that they do.

The Group continues to operate 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 specifically on modern slavery to all 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.

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 remain committed to our 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 to our U.S. employees 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, 94.5% 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 continue to see an

increased understanding and awareness across the Group of our SMF and the need to undertake increased due diligence. We have also started the process of onboarding our U.S. team to ensure they are conscious of the need to incorporate modern slavery related oversight measures into procurement decisions.

- J **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 continue to engage externally to understand latest best practices and data with regards to modern slavery.
- J **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

We intend to take the following further remedial steps to combat slavery in our operations and supply chain:

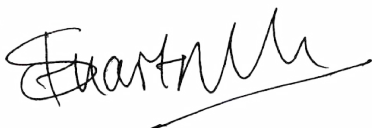
- J Implement any changes to our SMF incorporating stakeholder feedback following the review conducted during this reporting period.
- J Roll out new generic supplier terms to standardise the terms on which we engage small, less sophisticated vendors to ensure modern slavery compliance is a core requirement of providing services to the Group.
- J Conduct an audit of U.S. employees' working rights to ensure appropriate visas (where applicable) are in place.
- J Roll out our SMF to the U.S. business to further strengthen compliance and oversight with respect to modern slavery risks.
- J Roll out Modern Slavery training to our U.S. employees.

Covid-19 Pandemic

During the reporting period, Covid-19 did not materially impact the Group's processes with respect to supplier due diligence and risk assessments. Initial impacts were primarily addressed and managed during the FY19/20 reporting period, however we remain conscious of the need to engage with our suppliers to ensure they are incorporating human rights impacts into their responses to the virus.

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.

This statement was approved by Opteon's Board of Directors on 30 September 2021.



Stuart Nash

Chair of the Board of Directors – Opteon Group Holdings Limited

Date: 30 September 2021