

	<h2>Modern Slavery Statement</h2>
<p>Reporting period: July 2021 – June 2022</p>	<p>Statement pursuant to s.14 of the <i>Modern Slavery Act 2018</i> (Cth)</p>

MODERN SLAVERY STATEMENT 1

ABOUT US..... 3

SUPPLY CHAIN 3

MODERN SLAVERY RISK ASSESSMENT AND ONGOING MANAGEMENT 5

ASSESSING EFFECTIVENESS OF THE GROUP’S PRACTICES 7

FURTHER STEPS AND REMEDIATION 7

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 public unlisted company incorporated in Australia and the parent company of the Opteon group of companies (**Group**) which in FY2022 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 third MSS and covers the reporting period of 1 July 2021 to 30 June 2022. 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 the Group'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 valuation, advisory and specialist property services in every market sector across Australia, New Zealand and the U.S.

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

The Group has recently diversified its business to also include software development and now offers SaaS (software as a service) to the property valuation market.

Opteon made several acquisitions in the relevant period, increasing its US market share as follows:

-) On 1 July 2021, Opteon acquired the business and assets of the William Fall Group Inc., Real Estate Valuation Partners, LLC, and Summit Valuation Solutions, LLC (collectively the William Fall Group). The William Fall Group operates across 50 states of the U.S. both as an appraisal management company and an appraisal firm.
-) On 1 September 2021, Opteon acquired U.S. based appraisal firm Valucentric, LLC.
-) On 1 July 2022, Opteon acquired the business and assets of Northeastern Appraisal Associates Residential, Inc (NEA).

In addition to the Group'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 at 1 July 2022, the Group had 1045 employees with 700+ local property experts, combined with a U.S. network of 12,000 contractor appraisers.

The Group has 23 offices throughout Australia and New Zealand and has a network that covers 98% of Australian postcodes, extensive coverage in New Zealand, and all 50 states in the U.S.

In the 2022 financial year, the Group's global consolidated revenue was \$197.5 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 previous reporting periods, 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.

Over the 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 is 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 in the following areas:

-) **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.
-) **Office cleaning and fit out.** The Group has low visibility over the supply chains of these services where such services are provided through the Group's direct suppliers (such as building management).
-) **Offshore software development partner.** The Group uses an offshore software development partner located in Vietnam. Significant due diligence was undertaken when the Group onboarded this partner with respect to modern slavery and working conditions, and there remain strict contractual obligations pertaining to compliance with applicable human rights laws across both Vietnam and Australia given the higher prevalence of modern slavery in this region.
-) **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 the Group with contracts requiring compliance with the Group's Supplier Code of Conduct.
-) **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 continued to directly employ a Relationship 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. Monthly operational meetings are held, as well as quarterly 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.
-) **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 Group 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 Refined our process for managing suppliers, further ensuring that procurement activities conform with the Group's ethical compliance and financial obligations.
- J Conducted an internal review of the Group's U.S. supply chain with respect to modern slavery risks. Our review in the period determined that the risk of modern slavery was very low.
- J Continued our practice of checking and ensuring appropriate visas are in place for all New Zealand and Australian employees.
- J Completed 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 Completed 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. As a result, some changes were made to streamline the process and ensure all stakeholders know and understand their role in managing supplier relationships and risks
- J Continued to roll out targeted education with respect to modern slavery for all employees across Australia 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 them as suppliers, 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.

In accordance with the Code, 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 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 from our suppliers to our various template services agreements, which include warranties that the supplier 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). All suppliers also receive a copy of our Supplier Code of Conduct.

Making it safe

The Group 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 of the Group's 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 continues to operate a whistleblower framework as well as an Employee Assistance Program which provides confidential and independent support to the Group's 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 the Group'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 and plan to roll out this training to our US employees in the 2023 financial year. 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 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. 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 preparing this Statement, 95% of employees across Australia and New Zealand have completed the training.
-) **Effective implementation of policies.** We have 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 commenced onboarding our U.S. team to ensure they are incorporating modern slavery related oversight measures into procurement decisions.
-) **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.
-) **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 and Remediation

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

-) Conduct an audit of U.S. employees' working rights to ensure appropriate visas (where applicable) are in place.
-) Roll out our SMF to the U.S. business to further strengthen compliance and oversight with respect to modern slavery risks.
-) 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 in the previous 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 24 November 2022.



Michael Renshaw

Chair of the Board of Directors – Opteon Group Holdings Limited

Date: 24 November 2022