

Avast Modern Slavery Transparency Statement for the financial year 2020

Introduction

This statement on slavery and human trafficking is published on behalf of Avast plc and its wholly owned subsidiaries Avast Software s.r.o., AVG Technologies UK Limited, AVG Technologies AU Pty Limited, Piriform Software Limited (trading as CCleaner) and Privax Limited (trading as HideMyAss) (together, “**Avast**”) pursuant to section 54(1) of the UK Modern Slavery Act 2015 and section 13 of the Australian Modern Slavery Act 2018. References to “we”, “us”, “our”, and “Avast” are to all of these companies. This statement applies to the financial year ending 31 December 2020.

Modern slavery encompasses slavery, servitude, human trafficking and forced labour. Avast is committed to preventing slavery and human trafficking in our business and our supply chain. This statement sets out the steps that Avast has taken, and is continuing to take, to ensure that modern slavery or human trafficking is not taking place within our business or supply chain.

The impact of Covid

2020 has been unparalleled in terms of challenges and change for us all. As the pandemic unfolded Avast moved quickly to support our suppliers, employees and the communities in which we operate.

In light of disruption to supply chains and the global impact and pressures of the pandemic on all aspects of life, it is widely recognised that the vulnerability of individuals to modern slavery and human trafficking has increased. As a result it has never been more important to maintain our vigilance and commitment to ensure that modern slavery or human trafficking is not taking place within our business or supply chain.

A) Our structure, business and supply chains

Avast is a global leader in consumer cybersecurity with 400+ million users of our products worldwide. Avast combines artificial intelligence with human ingenuity to create the world’s largest cybersecurity network protecting people and businesses from attacks online.

Avast offers products under the Avast and AVG brands that protect people from cybersecurity and privacy risks on the internet and the evolving IoT threat landscape. Avast also offers products which allow users to optimise their devices and online experience. Avast believes that every online user deserves a safe online experience and therefore provides its core antivirus products, Avast Free Antivirus and AVG Antivirus Free, for free, while offering additional security features in premium product versions. Avast’s portfolio also includes VPN, anti-track and device optimization solutions.

In 2018, Avast plc became a publicly listed company on the London Stock Exchange and was admitted to the FTSE 100 index in June 2020. We have 1,944 employees in 26 offices in 16 countries (Australia, Czech Republic, Germany, Hong Kong, Ireland, Italy, Japan, Netherlands, Romania, Russian Federation, Serbia, Slovakia, Switzerland, Taiwan, United Kingdom and the United States). When outsourced workers and contractors are taken into account, the number of people working with Avast is in excess of 2,000. More information about our company structure, subsidiaries and the locations where we operate can be found in our Annual Report available at: <https://investors.avast.com/investors/results-reports-and-presentations/#page=1>.

We recognise that as a global company we have a large supply chain which operates across many markets and geographies. Our supply chain includes our business partners, third party suppliers, manufacturers, resellers and distributors (“supply chain”). However, as a technology company focusing on the development of software, Avast operates in an industry where the risk of modern slavery and human trafficking is generally considered to be low. Additionally, Avast does not have an extensive range of suppliers where modern slavery or human trafficking has been identified as a material risk and has supply chains based in low risk countries where modern forms of slavery are less prevalent. Notwithstanding this, Avast is keen to raise awareness within the group around modern slavery and human trafficking to ensure that risks are appropriately identified and mitigated.

B) Our policies in relation to modern slavery

We have various internal and external policies to ensure that we conduct our business in an ethical and transparent manner and to ensure that we can identify and mitigate the risk of slavery or human trafficking taking place within our business or supply chain.

Policy	Summary
Avast Supplier Guidelines	<p>The Avast Supplier Guidelines set out the social, ethical and environmental standards and expectations for our supply chain. These guidelines encapsulate the principles which we abide by and uphold. We expect our partners, suppliers and contractors to uphold the standards along with the laws, rules and regulations of the countries in which they operate. By abiding by the guidelines, our suppliers take responsibility for whomever they subcontract with to ensure that all of our supply chain is covered.</p> <p>The guidelines are based on international standards including the United Nations Guiding Principles on Business and Human Rights (UNGP), the Ethical Trading Initiative Base Code (ETI), the Responsible Business Alliance Code of Conduct (RBA), the Universal Declaration of Human Rights (UDHR) and International Labour Organization Declaration on Fundamental Principles and Rights at Work (ILO Declaration).</p> <p>We expect our suppliers to take reasonable steps to monitor their business and supply chains to ensure compliance with all applicable laws and regulations.</p>
Modern Slavery Policy	We have an internal modern slavery policy which states our commitment to respect human rights in all our operations and business dealings and is designed to ensure that Avast complies with the applicable laws in the jurisdictions in which Avast operates, and with relevant international standards.
Code of Conduct	We have a Code of Conduct which lays out the principles all our staff must follow and sets the foundation for how we work together, treat our customers and operate responsibly within a set of diverse markets and constraints. In particular, it outlines our business ethics as well as how to select and work with our suppliers.
Grievance Procedure	We have a Grievance Procedure in place which outlines the process for raising a grievance within Avast. All Avast employees can use the process to raise concerns and problems with Avast management. This includes concerns about modern slavery and human trafficking. The guidelines aim to ensure the fair and consistent treatment of employees worldwide irrespective of the issue raised.
Recruitment Policy	Avast adopts international standards in its recruitment of staff, including the Employer Pays Principle and requires its business partners to adhere to labour, health, safety and employment laws in the countries in which they operate, and to ensure that they have or put in place measures to prevent and address modern slavery.
Sanctions and Anti-Money Laundering Policy	The profits that accrue from modern slavery need laundering. Our Sanctions and Anti-Money Laundering Policy is designed to ensure that Avast has risk-based policies, procedures and internal controls in place to detect and prevent the use of Avast to facilitate money laundering, terrorist financing and other illegal activities.

Whistleblowing Policy	We encourage all of our employees, customers and other business partners to report any concerns related to the activities or the supply chains of Avast. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. Our whistleblowing procedure is designed to make it easy for employees to make disclosures, without fear of retaliation.
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C) Due diligence

We conduct due diligence to identify and assess the risk of modern slavery in our business and supply chain and remediate it where required. In addition, we audit our procurement processes, policies, risk assessment capabilities, prevention and enforcement mechanisms.

We have recently reviewed our list of active suppliers and categorized them according to their potential risk of modern slavery and human trafficking taking into consideration their geography, the industry in which they operate and the category of goods and services being provided. Whilst this risk-based approach and categorization guides the level of due diligence we conduct on our suppliers, we are focused on ensuring that no modern slavery or human trafficking is taking place at any level within our business or supply chain.

As part of our supplier onboarding process, we require all of our suppliers to sign our Supplier Compliance Document, which requires our suppliers to uphold the principles in the Avast Supplier Guidelines <https://www.avast.com/supplier-guidelines> or have in place their own codes of conduct and modern slavery policy which is aligned with international standards.

D) Identifying potential risks and risk management

Monitoring our suppliers is crucial in our efforts to identify and address modern slavery risks. Through contractual reporting obligations, we require our suppliers to inform us of modern slavery incidents which have occurred in their business and which affect us, so we can work with them to remedy the issue and prevent the situation from occurring again.

In assessing risks, we consider the sector our supply chain works in and the jurisdiction or country from which our supply chain operates. We are guided by the Global Slavery Index, including the 2018 Vulnerability Model and 2019 MAF Findings, which categorize vulnerabilities to modern slavery by looking at governance issues, lack of basic needs, inequality, disenfranchised groups and effects of conflict. To mitigate the risk of modern slavery, we assess our supply chain according to their potential for risk.

Across the G20 countries, laptops, computers and mobile phones have been identified by the Global Slavery Index as one of the top five products at risk of modern slavery by value imported to G20 countries. We are cognizant that not only is the sourcing of these products a material area of risk for Avast, but that as part of the global supply chain ourselves, our products may be integrated into a supply chain which is at risk of modern slavery or human trafficking.

Where we identify risks of modern slavery, we put mitigation measures in place. We may send additional questionnaires as part of our procurement due diligence and monitoring process, or request that our partners contractually warrant their conformity with modern slavery legislation. Additionally, we take proactive measures aimed at preventing identified risks from becoming an actual instance of modern slavery, through the implementation of robust management systems to ensure oversight and adherence to safeguards and controls. For example, we may request our partners provide evidence of employee background checks on employees working for us or we may request visitation and audit rights to high-risk sites.

Within Avast, we continue to develop our training programme around slavery and human trafficking (see further below). We are also keen to foster an environment within Avast where employees can raise concerns in a discreet manner without fear of retaliation or adverse action. We have a number of reporting mechanisms in place to report concerns and incidences of modern slavery and human trafficking, including a 24-hour Avast Ethics & Reporting Line and a Whistleblowers' Hotline. We remind our employees that they can also report any concerns outside the company by contacting the UK Modern Slavery Helpline on 0800 0121 700, accessible at <https://www.modernslaveryhelpline.org/>.

E) Effectiveness

The General Counsel has overall responsibility for ensuring that the policy complies with our legal obligations and works with the Head of Internal Audit to assess the effectiveness of the policy as part of the internal control review process.

There were no modern slavery incidences reported over the relevant reporting period.

We set out below a summary of the activities we have undertaken over the last year to ensure that we continue to develop our policies, processes, practices and procedures to ensure that modern slavery or human trafficking is not taking place within our business or supply chain and identify and mitigate the risk:

- We have continued the rollout of our Modern Slavery Next Steps Plan which is designed to constantly develop Avast's approach to combatting modern slavery;
- We have undertaken a project to implement our Supplier Compliance Document within our business operations and have ensured that these are signed by all existing and new suppliers;
- We have translated our Supplier Compliance Document from English into other languages (including Czech, German, Serbian, Japanese, Korean, and traditional Chinese) for ease of understanding across key geographies;
- We have worked with our distribution and resell partners to develop a modern slavery compliance process as part of our online purchasing system, SmartChannel; and
- We have reviewed and updated our key policies, including our Modern Slavery Policy to ensure they remain aligned with developments in modern slavery legislation and best practice.

F) Training

We continue to communicate this statement to our staff to ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chain and our business. New joiners are directed to our intranet pages as part of their induction which outlines key information regarding our policies and approach to tackling modern slavery. In addition, we provide continuous training to all relevant staff through a series of presentations and workshops throughout the year. In particular, we have conducted training for our Legal, Procurement, Finance and IT, Facilities and Sales Operations teams so that they are able to identify potential sources of risks in their day-to-day business activities and to understand the procedures they can take to mitigate the likelihood of modern slavery and human trafficking.

This statement has been approved by the Board of Avast plc on behalf of itself and its relevant subsidiaries Avast Software s.r.o., AVG Technologies UK Limited, AVG Technologies AU Pty Limited and Privax Limited.

Signature:



Name: Ondrej Vlcek

Title: CEO

Date: June 9, 2021