



*everyone's family*

# Modern Slavery Statement 2021

Date: December 2021

Level 9, 117 Clarence Street  
GPO Box 10500  
Sydney NSW 2001

Telephone 02 9085 7222  
Facsimile 02 9085 7299  
[thesmithfamily.com.au](http://thesmithfamily.com.au)

## Sections

<b>1</b>	<b>Introduction</b>	<b>3</b>
<b>2</b>	<b>Our Structure</b>	<b>3</b>
<b>3</b>	<b>Our Operations – an Overview</b>	<b>4</b>
<b>4</b>	<b>Our Approach to identifying operations and supply chains</b>	<b>4</b>
<b>5</b>	<b>Revenue Generation – risks assessed and actions taken</b>	<b>6</b>
<b>6</b>	<b>Support Services – risks assessed and actions taken</b>	<b>8</b>
<b>7</b>	<b>Effectiveness</b>	<b>11</b>
<b>8</b>	<b>Looking forward</b>	<b>12</b>

## 1 Introduction

This Modern Slavery Statement (“**Statement**”) for The Smith Family is submitted pursuant to the Modern Slavery Act 2018 (Cth) (“**Act**”). This Statement covers the reporting period from 1 July 2020 to 30 June 2021.

The term ‘Modern Slavery’ in this statement has the same meaning as defined under the Act.

The purpose of this Statement is to report on the steps The Smith Family has taken during the financial year ending 30 June 2021 to identify and assess the risk of Modern Slavery practices in our operations and supply chains and our actions to assess and address those risks.

**The Smith Family’s values are:**

- **Respect**
- **Integrity**
- **Collaboration**
- **Innovation**
- **Excellence**

The Smith Family is fully committed to acting ethically and operating responsibly. This commitment extends to enhancing our practices and processes to better identify and minimise the risk of Modern Slavery in our operations and supply chains and to seek to ensure that we are engaging with corporate partners, suppliers and other contractors to share that commitment.

In this second reporting year, we embedded new practices and processes implemented as part of our Modern Slavery work program in 2020. We also continued on our journey to expand that work program to examine additional support functions that underpin our operations, focussing in particular those we identified, by reference to industry sector, as having the potential to carry Modern Slavery risks.

We are committed to continuously enhancing our procurement and oversight processes to minimise those risks of Modern Slavery identified in our operations and supply chains in our first reporting period, as well as any new risks that may emerge. However, it is pleasing that, as we embed and expand procedures to identify Modern Slavery risks, we have not identified any new or emerging risks during the period covered by this statement.

## 2 Our Structure

The Smith Family is an independent charity, registered with the Australian Charities and Not-for Profits Commission (**ACNC**), that helps disadvantaged Australian children and young people get the most out of their education so they can create better futures for themselves.

The Smith Family is a public company limited by guarantee incorporated under the *Corporations Act 2001* (Cth). It does not own or control any other entities.

The Board of Directors is the principal governing body of The Smith Family. It has responsibility for the overall governance of The Smith Family and is the ultimate decision-making authority. The Board delegates day-to-day operational management, governance and decision-making to the Executive team, while retaining its oversight role.

The Finance, Audit and Risk Committee is the Board committee that has oversight of The Smith Family's risk and compliance obligations, including in relation to Modern Slavery reporting.

### 3 Our Operations – an Overview

***The Smith Family is committed to creating better futures for young Australians in need.***

The Smith Family operates in every State and Territory of Australia. It has no operations outside Australia. The Smith Family has approximately 840 employees and 8,500 volunteers nationally and supports 179,760 children and young people living in disadvantage throughout Australia.

The Smith Family provides long-term educational support to disadvantaged students and young people in Australia. Our programs give young people and their families the tools to help them build a better future for themselves. We begin by providing educational support to families before children start school. This continues through primary and high school and on to tertiary education. At every stage, our aim is to give students access to a range of resources they need to improve their educational outcomes. Along the way, we work with parents and carers, helping them to play an active role in supporting their child's education. For more information about our programs see: [www.thesmithfamily.com.au](http://www.thesmithfamily.com.au).

Research and evidence-based practice underpins all of our work. It helps us to measure the outcomes and assess the effectiveness of our support and programs. Evaluation and regular reporting also drive continual improvement across the organisation.

Our Annual and Financial Reports provide a comprehensive overview of our annual activities and a summary of key statistics and financial results. These Reports describe where we obtain our financial resources and how we apply those funds, including to deliver our programs to support young Australians in need. They are available at [www.thesmithfamily.com.au](http://www.thesmithfamily.com.au).

### 4 Our Approach to identifying operations and supply chains

#### Operations

The Smith Family considers that '**operations**' for the purpose of Modern Slavery reporting is not limited to the delivery of our programs and the support functions and research that underpins this important work. We have determined that 'operations' includes the funding relationships that underpin the delivery of our programs.

The Smith Family enjoys strong and ongoing support from individuals who sponsor children and donate to our work, and from Australia's corporate sector, trusts and foundations, universities and governments. We are grateful for the financial and pro bono support we receive from all who share our drive to create better futures for children and young people through education.

Approximately 17% of the funding for our programs is provided by the Commonwealth and State Governments. The balance of our funding comes from various sources including our individual sponsors, bequests, our major philanthropic donors and corporate partners.

Together, these supporters, enable us to improve the educational outcomes for young Australians across the country.

An ongoing focus of our Modern Slavery work program continues to be assessing and monitoring:

- our major philanthropic and corporate partnership relationships – because of the significant contribution that these partnerships make to our ability to deliver our programs and research; and
- our major marketing and campaigns supply chains – because the supporter donations and bequests generated from these campaigns and appeals are so vital in assisting us to fund our work.

For more information see Section 5 – Revenue Generation.

### Supply chains

The concept of '**supply chains**' for our organisation is similar to other organisations delivering educational and support programs.

Our wonderful people (both employees and volunteers) are, of course, the primary 'supplier' of the support The Smith Family delivers to students and families each day.

Our supply chains also include all the products and services that contribute to the delivery of our educational programs and benevolent support to students and their families. These supply chains range from the tele-support companies and mail-house contractors that engage with our supporters through our campaigns, to the cleaners of our premises, to the technology platforms and services that support our core functions and those programs that The Smith Family delivers digitally.

Notwithstanding that our operations and activities are conducted wholly within in Australia, and our suppliers are predominantly located in Australia, the task of mapping our operations and supply chains is, nonetheless, a significant exercise.

The Smith Family had a large number of suppliers (1783) during the reporting period, 87% of these were small suppliers for whom annual expenditure did not exceed \$25,000. The Smith Family does not have a centralised procurement function. Given the significant volume of our suppliers, our Modern Slavery work program continues to evolve incrementally, focussing on supply chains that we have identified as either material to our operations or that are identified as having the potential to carry a higher risk of Modern Slavery based on sector.

In the current reporting period we have continued to expand our examination of key supply chains that underpin our operations. Key supply chain categories that have been the subject of Modern Slavery risk review include:

- Business Information Systems
- Premises management and services
- Human Resources services.

We have also started a review of our Finance and Risk Management support functions, and will build further on these actions in our next reporting period.

For more information see Section 6 – Support Services.

## 5 Revenue Generation – risks assessed and actions taken

In our first reporting period, we identified that Modern Slavery risks in our revenue generation activities may be associated with:

- the supply chains of our corporate partners; and
- suppliers that support our campaigns, particularly those that provided indirect support from countries associated with a higher risk of Modern Slavery.

We took a number of steps to assess and mitigate this risk last year, as detailed in our 2020 Modern Slavery Statement.

In our second reporting period, we have continued our efforts to identify and address risks in our corporate partnerships and our marketing and campaigns supply chains. We have also taken preliminary action to examine any risk associated with our investments.

### Corporate Partners

The Smith Family is fortunate to have the support of over 83 corporate partners that provide financial support, pro bono services and other in-kind support to underpin the delivery of our programs. For the reporting period we value the financial contribution by our corporate and business partnerships at approximately \$15.2m.

As detailed in our 2020 Modern Slavery Statement, based on the processes our Corporate Partnerships team have implemented to assess and remediate Modern Slavery risk, we consider there is a low level of risk that we may contribute or be directly linked to Modern Slavery through the supply chains of our corporate partners. The risk assessment and remediation processes outlined in our 2020 Modern Slavery Statement continues to underpin our engagement with our corporate partners. The Smith Family implements the following practices across our major corporate partnership funding arrangements:

- assess the risk of Modern Slavery in the operations and supply chains of our corporate partners through due diligence inquiry at the time of engagement or renewal;
- monitor that risk assessment during the term of the corporate partnership, including by identifying whether the corporate partner has published a modern slavery statement under the Act (where applicable);
- seek undertakings about Modern Slavery practices in formal 'trader agreements' executed with those corporate partners that fundraise for The Smith Family in the course of their business or trade; and
- ensure that our internal policies and procedures for engaging all corporate partners (not limited to trader arrangements) give due consideration as to whether a partner's awareness of Modern Slavery risks and associated practices are aligned with The Smith Family's values and commitments on Modern Slavery.

This practice framework ensures that Modern Slavery risk is closely scrutinised as part of the initial on-boarding assessment and at renewal. It is the responsibility of the team member managing that relationship to ensure that knowledge about that partner is maintained and the relevant assessments are re-applied on a periodic basis to ensure continued alignment with our expectations. If a concern arises during the life of a corporate partnership the matter will be escalated to the responsible Executive in the first instance, and ultimately, to the broader Executive Group for consideration as to the appropriate action to take in the circumstances.

Training has been provided to team members during the reporting period to ensure that the risk of Modern Slavery and steps to escalate and remediate that risk are well understood.

The Smith Family deeply appreciates the support of its corporate partners and works closely with these partners to ensure there is an understanding and acknowledgement of our values and core commitments. It is reassuring that the risk assessment processes that The Smith Family has in place have not identified any new or increased risks of Modern Slavery among our corporate partnership relationships during the reporting period.

### **Marketing and Campaigns**

Our Marketing team leads the campaigns and marketing that underpins our fundraising initiatives with the public, including engagement with our regular *Learning for Life* sponsors, supporters considering making a bequest in their will and other supporters who donate to our annual appeals.

The Marketing team engaged over 100 suppliers during the reporting period across a range of fundraising campaign initiatives. These activities include digital campaigns on social media, electronic and direct mail, providing supporter care and other engagement with our supporters by phone. The Smith Family no longer conducts face-to-face fundraising campaigns.

Our campaigns are conducted in Australia by engaging supplier entities that are predominantly located and provide their services in Australia. We continue to assess and monitor 'material' suppliers engaged by this team following processes developed during our 2020 reporting period. Specifically, the Marketing team:

- identifies 'material' suppliers based on both quantitative and qualitative criteria;
- makes a preliminary assessment of those suppliers for Modern Slavery risk; and
- seeks more information where required from the supplier or other sources to ascertain whether the supplier has adopted practices for assessing and guarding against Modern Slavery.

Team members have received training about Modern Slavery and relevant team processes during the reporting period to assist them to better understand and identify Modern Slavery risk and take steps to respond to that risk, if required.

The Smith Family continues to embed these new practices including on-boarding due diligence and periodic assessment and review. If appropriate based on these assessments, The Smith Family will seek contractual and warranty protections in new contracts or with existing suppliers upon renewal where Modern Slavery risk is identified.

If a material concern about risks of Modern Slavery in a supplier's practices arises during the life of a key supplier relationship the matter will be escalated to the responsible Executive in the first instance, and if necessary, to the broader Executive Group for consideration as to the appropriate action to take in the circumstances.

During the reporting period the Marketing team did not identify any risks that The Smith Family may contribute or be directly linked to Modern Slavery in these supply chains.

## Investments

The Smith Family's assets include investments that are managed by a professional investment manager under an investment policy statement approved by the Board. The day-to-day administration of the investment portfolio is the responsibility of the Chief Financial Officer, subject to the oversight of a board appointed committee. Our investment policy statement articulates the ethical investment considerations to be taken into account when making decisions about the suitability of an investment, with particular attention focussed on avoiding investments that may impact negatively on the treatment of children. This restriction would cover any investments that carry risks of child labour. We assess that there is a low level of risk that our investments may be associated with activities that are associated with Modern Slavery.

We have taken steps in this reporting period to further mitigate risk by confirming that the professional investment manager we engage has adopted a Modern Slavery framework and has expressed its commitment to minimising any forms of slavery or human trafficking in its supply chains and operations. We plan to work with our investment manager in future reporting periods to ensure that Modern Slavery risk is being considered in investments decisions, and will keep the terms of our investment policy statement under review.

## 6 Support Services – risks assessed and actions taken

In our first reporting period, we identified that Modern Slavery risk in our support services may be associated with ICT services provided from offshore suppliers in jurisdictions where workers have fewer rights and protections than those afforded to workers in Australia. We took steps to assess and mitigate this risk last year, as detailed in our 2020 Modern Slavery Statement.

In our second reporting period, we have continued our efforts to limit the risk that we could contribute to or be directly linked to Modern Slavery through our ICT providers. We have also taken steps to identify and mitigate risks associated with our premises management and cleaning services suppliers, and human resources activities.

### Adoption of the Supplier Code of Conduct

A significant step in our continuous improvement journey is the adoption of a new Supplier Code of Conduct (**Supplier Code**) effective from 1 July 2021. During the reporting period we identified that our team members needed a better tool to support them as they engage with new or renewing suppliers, vendors and contractors regarding The Smith Family's values and commitments, including in relation to Modern Slavery. This Code has been developed to enhance our procurement processes by seeking to ensure we select suppliers who understand and are aligned to 'Our Values'. The Code highlights:

- Our commitment to safeguarding children and young people from abuse and neglect;
- Our commitment to our values of respect, integrity, collaboration, innovation and excellence; and
- Our expectations about how the supplier behaves including with regard to the treatment of their employees and others who work on their behalf.

In the next reporting period, the Code will be promoted throughout our organisation and utilised as a key procurement tool for new and renewing suppliers.



## Business Information Systems

Given the risks associated with ICT suppliers identified in our 2020 Modern Slavery Statement, in this reporting period we again focussed on the level of Modern Slavery awareness and protections adopted by the key suppliers of information and communications technology (ICT) that are engaged by our Business Information Systems (BIS) team. The BIS team was responsible for managing contractual arrangements with approximately 20 ICT suppliers during the reporting period. This functional team remains an area of priority, both because of The Smith Family's strategic focus on digital enablement and because ICT procurement may carry a higher level of Modern Slavery risk if services are provided offshore in jurisdictions where workers have fewer rights and protections than those afforded to workers in Australia.

In this reporting period, the BIS team:

- identified 'material' ICT suppliers;
- developed a preliminary assessment as to the likely risk associated with these material suppliers, including consideration of the geographic location of the supplier (country from which some or all of its ICT services may be provided); and
- tested that preliminary risk assessment by asking the material suppliers to respond to a more detailed request for information regarding their Modern Slavery practices at the time of engagement or renewal.

These processes are proving to be effective in better identifying and remediating risk. In the case of one material supplier, where a potential risk was identified due to the geographic location from which the relevant services would be provided and certain employees were located, The Smith Family was able to engage meaningfully with that supplier to better understand the risk profile and seek and obtain appropriate contractual undertakings from the supplier to mitigate that risk.

The team will continue to embed processes to ensure that Modern Slavery risks are identified and managed appropriately, and will continue to seek contractual protections (where appropriate) when entering into new ICT arrangements.

If a material concern about an ICT supplier's Modern Slavery practices arises during the term of the relevant contract, the same escalation processes for consideration and remediation, as apply to corporate partnerships and marketing, would apply.

## Finance and Risk – ICT suppliers

Our Finance and Risk functions rely on various finance and risk management software tools to support their work. As identified above, The Smith Family acknowledges that ICT procurement may carry a higher level of Modern Slavery risk. In the case of 'off the shelf' software package procurement it is sometimes difficult to make an assessment of relevant direct and indirect supply chains for Modern Slavery risk.

As part of our Modern Slavery work program during this reporting period we identified key software suppliers considered as material to those functional areas and commenced a preliminary risk assessment of those material suppliers. This assessment involved making initial reference to external published information (including Modern Slavery statements filed by those suppliers under the Act). To support our risk mapping in cases where published information about Modern Slavery practices and labour force conditions is not readily accessible, we developed a questionnaire as a tool to engage with those key suppliers that provide tailored solutions to the organisation. This questionnaire assists us to better assess risk and identify

whether further remediation steps are required. This process of risk assessment and remediation is ongoing and will be reported on in future statements.

### **Premises Management and Cleaning Services**

The Smith Family operates from 70 locations across Australia. This includes our National and State offices, our regional program offices, and office space located in the 26 schools from which we directly support our *Learning for Life* students and families.

Cleaning and premises management services are recognised as industries with a relatively higher risk of Modern Slavery. There is therefore a risk that The Smith Family could contribute to, or be directly linked to, Modern Slavery through its direct or indirect suppliers of these services.

In this reporting period, The Smith Family has implemented new process to better assess and remediate the risk of Modern Slavery in the premises management services and cleaning supply chains that service these locations. In the reporting period we focussed on two channels:

- Cleaning services engaged directly by The Smith Family – these suppliers typically service our smaller regional offices (**'Direct Cleaner supply chain'**);
- Provision of facilities management, cleaning, and other premises management services in the major premises we lease including our National and State office premises (**'Major Landlord supply chain'**).

In the Direct Cleaner supply chain, we reviewed existing arrangements and then prepared new standardised contracts to incorporate terms that specifically address worker conditions (in alignment with our recently adopted Supplier Code, discussed above). This provided an important opportunity for The Smith Family to engage directly with our cleaners regarding our expectations about the working conditions of their staff and to provide clarity as to how any concerns should be raised. In particular, we focussed on ensuring that these contracts and the Supplier Code are accessible to all of our Direct Cleaner suppliers, and ensure meaningful protection of workers' rights while not imposing unduly onerous obligations on small suppliers.

In the Major Landlord supply chain, we conducted a review by requesting our 12 Major Landlords to respond to a questionnaire that identifies whether and how they monitor and assess the risk of Modern Slavery in their property management services supply chains. The responses received during the reporting period did not raise any material concerns regarding Modern Slavery risk, and follow-up action to gather the outstanding information we require is underway. This review process has provided The Smith Family with a baseline to monitor and take further remediation action in future years, if needed.

Based on our investigations to date we have assessed the overall risk of Modern Slavery in our premises management supply chains as low at this time.

### **Human Resources and Volunteering**

Our People & Culture Team manages the recruitment and ongoing engagement and development of our employees and volunteers.

Our wonderful people (both employees and volunteers) are the primary 'supplier' of the support The Smith Family provides to students and families each day. Our employees and volunteers are located in Australia as our operations are conducted wholly within Australia. Our paid employees are covered by individual employment contracts, relevant awards or enterprise agreements (as applicable to their role). We aim to create through our policies and practices a

safe and supportive work environment that encourages high performance, innovation and teamwork.

As a 'child safe' organisation we operate in accordance with our Child Protection Framework (available at: <https://www.thsmithfamily.com.au/about-us/governance>) and undertake rigorous screening of our employees and volunteers before they join our organisation. These onboarding processes provide assurance that the risk of Modern Slavery amongst our employee and volunteer personnel is extremely low.

During the reporting period, the People and Culture team commenced the task of identifying and assessing Modern Slavery risk in the supply chains of material suppliers that support the human resources function. These suppliers include, for example, providers of outsourced payroll services and learning and development systems. In the reporting period we had regard to whether key suppliers prepared and submitted statements under the Act, and where we assessed that further clarification of the suppliers Modern Slavery practices was required to enable a more fulsome risk assessment, we engaged directly with the supplier through use of a questionnaire. To date this review has not identified any specific risks that The Smith Family could contribute to or be directly linked to Modern Slavery through its suppliers.

## 7 Effectiveness

The processes we are implementing as part of our annual Modern Slavery work plan have provided The Smith Family with assurance that the risk of Modern Slavery practices in our operations and supply chains remains low at this time.

In assessing the effectiveness of our program during the reporting period we have taken into account:

- **No incidents:** we did not identify any incidents of Modern Slavery in our direct supply chains during the reporting period. Further our investigations did not lead to us being made aware of any incidents or emerging risks, particularly in those supply chains that we have identified as having the potential to carry greater risk including corporate partners conducting cause related marketing (traders), major landlords providing premises management services and material ICT suppliers.
- **Training:** we have increased awareness through training for those team members who, as part of their team processes, have an important role to play in assessing, monitoring and remediating Modern Slavery risk.
- **New processes followed:** particularly for those team members who were tasked with following new processes adopted in year 1, it is evident that there has been a high degree of commitment to understanding and complying with our updated policies and procurement processes implemented to address Modern Slavery risks.
- **Ongoing and specific remediation action:** we are continuing to identify opportunities to enhance our standard contractual terms (where applicable) when engaging with our ongoing suppliers of goods and services or with other key partners to address Modern Slavery risk. Further, if a Modern Slavery risk is identified when engaging with a new supplier that offers their standard terms as the basis for contracting, we seek to address this risk by incorporating specific contractual protections in relevant agreements.

## 8 Looking forward

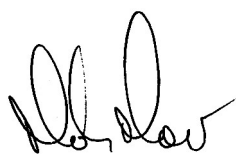
The reporting framework under the Act continues to provide The Smith Family with an important opportunity to develop a deeper understanding about key funding partnerships and supply chains that underpin the delivery of our programs and other operations. The Smith Family remains committed to embedding better frameworks and processes to minimise the risks of Modern Slavery in our operations and supply chains going forward.

The implementation of our Supplier Code of Conduct is an important initiative to support our team members to engage meaningfully with our suppliers and other third parties regarding our commitment to minimising the risks of Modern Slavery in our supply chains. Our intention is that the promotion and use of this Supplier Code will enhance procurement processes across the whole organisation. During future reporting periods we will also examine whether there are other opportunities to enhance our procurement processes more broadly with a view to ensuring that we minimise the risk of Modern Slavery in our operations and supply chains.

In the year ahead the following actions will be taken to support compliance and monitor effectiveness:

- This Modern Slavery Statement and our Supplier Code will be promoted internally to enhance awareness of our commitment to minimising Modern Slavery in our operations and supply chains.
- Our Modern Slavery work program identifying key priorities will be reviewed and updated for approval by the Executive Group.
- Progress on the implementation of the work program to address Modern Slavery risk will be reported regularly to the Executive and Finance, Audit and Risk Committee to facilitate oversight and ensure implementation of the work program is properly resourced.

This statement was approved by the Board of The Smith Family on 6 December 2021.



**Nicholas Moore**  
Chairman