

# Modern Slavery Statement 2023

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## 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 2022 to 30 June 2023.

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 2023 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 who share that commitment.

In this reporting period, we continued to follow the practices and processes implemented in previous years as part of our Modern Slavery work program. The key areas of progress during the reporting period include:

- **Majority of our direct cleaning contractors now engaged on our standard contract terms** that stipulate our expectations regarding the treatment of workers and provide a reporting channel for any serious concerns;
- **expanding the utilisation of our Supplier Code of Conduct**, including when engaging partners that support our program delivery;
- **review of our investment portfolio**: to ensure there is minimal exposure to investments that run counter to our commitments as a ‘child safe’ organisation and that any exposure to Modern Slavery risk is actively managed; and
- **adoption of a Procurement Policy**: to guide and improve practice by our team members around procurement of goods and services, noting further work is planned to embed our new procurement practices in the coming 12 months.

The Smith Family made less progress than intended in expanding our Modern Slavery work program during the reporting period. Whilst we have significantly advanced the development of an automated contract management system to support oversight of our supplier onboarding and contract management life-cycle (as referenced in our 2022 statement), it has not been implemented at the time of reporting as resources for that project were re-allocated to other internal projects and critical systems updates during the reporting period.

The Smith Family has not identified any new or emerging risks during the period covered by this statement. As we explore opportunities to further enhance our Modern Slavery work program, we will take into account the proposed reforms to the Act and consider what we can do in order to bring our systems and reporting in line with the likely new requirements.

## 2 Our structure

The Smith Family is an independent charity, registered with the Australian Charities and Not-for Profits Commission (**ACNC**), that works with children and young people to overcome educational inequality caused by poverty – so they can thrive now and into their futures.

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 Smith Family is primarily funded by donations from our fundraising activities, corporate support and bequests, which is supplemented by Government funding and income from investments (see Sections 4 and 5 below).

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 Modern Slavery reporting.

Our organisational structure by function appears on the next page.

## 3 Our operations – an overview

***The Smith Family is committed to helping young Australians to overcome educational inequality caused by poverty.***

***Every day, we work with thousands of children and their families to help them unlock better futures for themselves.***

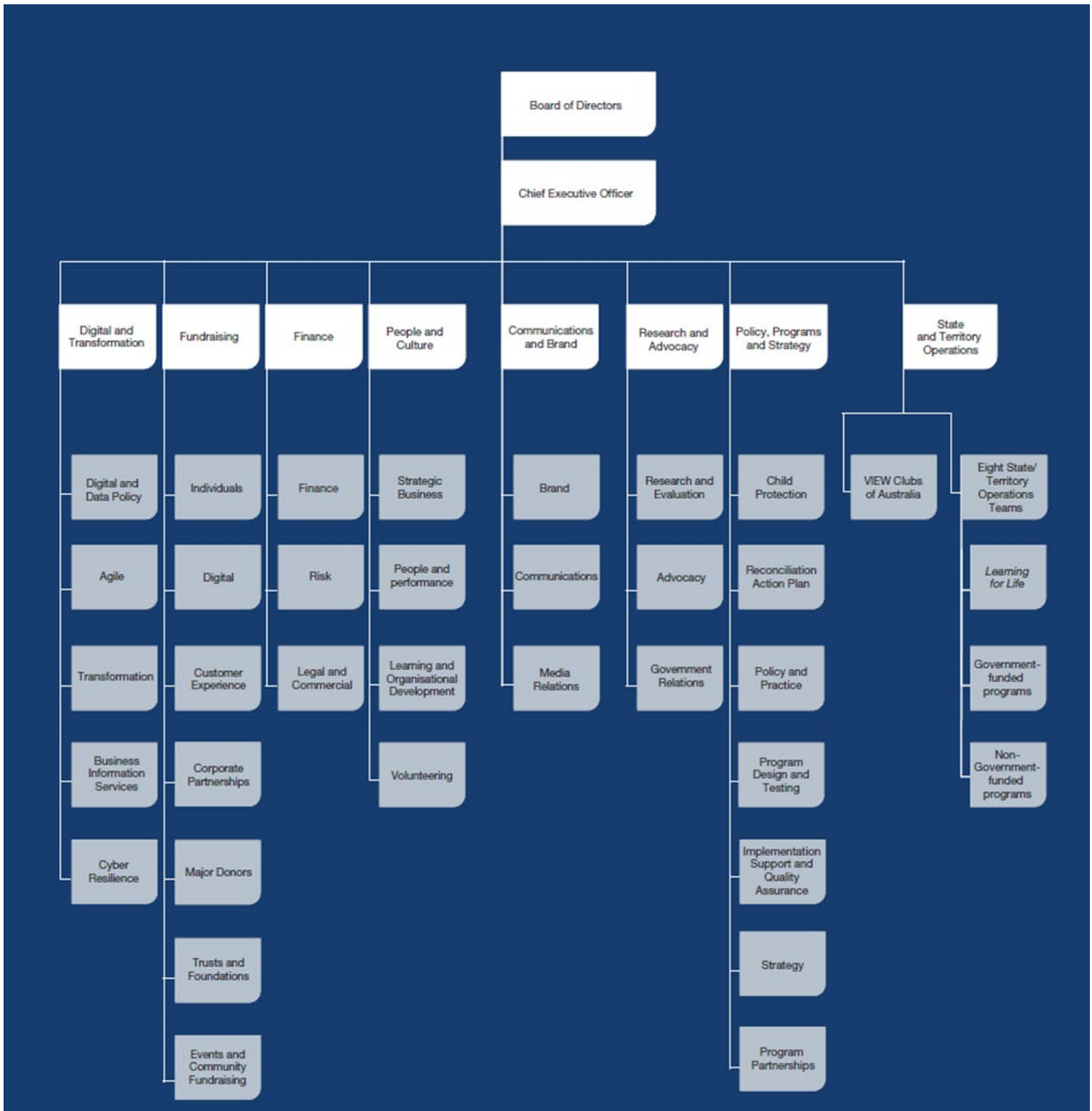
The Smith Family operates in every State and Territory of Australia. It has no operations outside Australia. The Smith Family has approximately 962 employees and over 5,000 volunteers nationally and supports 162,534 children and young people experiencing disadvantage throughout Australia.

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. This important work is led by our Research and Advocacy team and is largely conducted in-house.

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).

Figure 1 below is our Organisational Structure



## 4 Our approach to identifying operations and supply chains.

### Operations

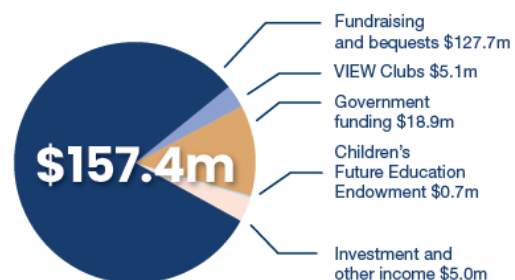
The Smith Family enjoys strong and ongoing support from individuals who sponsor children and donate to our work, and from Australia’s corporate sector, trusts and foundations, universities, and governments. We are grateful for the financial and pro bono support we receive from all who share our drive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

Approximately 12% 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.

Figure 2 below shows the sources of our financial resources and how we applied those resources.

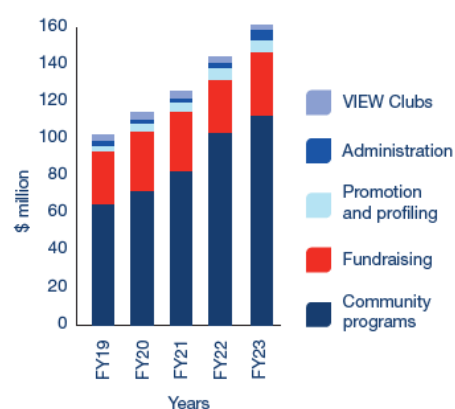
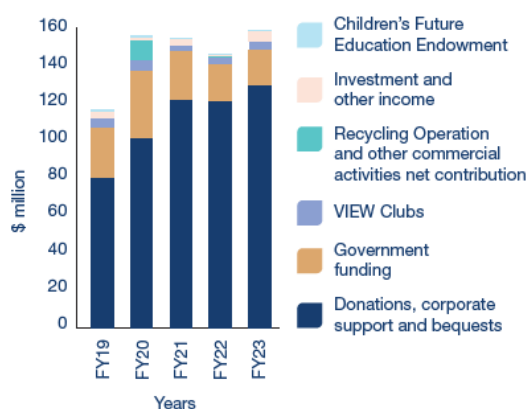
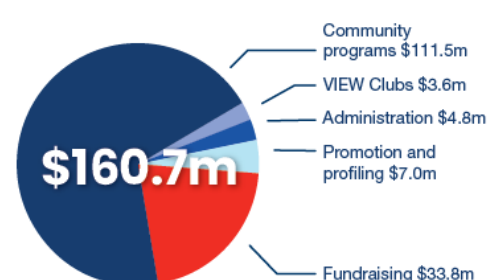
#### Where we obtained our financial resources

2022–23



#### How we applied our financial resources

2022–23



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. For this reason, an ongoing focus of our Modern Slavery work program continues to be assessing and monitoring our Fundraising supply chains, and in particular:

- 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 team members (employees and volunteers) are, of course, the primary 'supplier' of the support The Smith Family delivers to students and families each day. As our operations are located wholly within Australia, and our team members are engaged to work in accordance with applicable laws, we are confident we are able to manage the risk of Modern Slavery in our work force.

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. As an Australian based services organisation, The Smith Family does not have a complex supply chain and most of the goods and services we purchase are from Australian based suppliers. As such while we recognise that Modern Slavery risks may exist in our supply chain, it remains our assessment that these risks are not significant.

Our major categories of expenditure are as follows:

- Employment and labour hire
- Contracted services for program delivery
- Gift card purchases
- Professional services (including advertising and promotional activities that support our fundraising initiatives)
- Premises and facilities management
- Information and Communications Technology systems and services (including software, hardware and support services)
- Utilities
- Travel and accommodation for our team members engaged in our activities
- Brand printing and collateral
- Office supplies and postage.

The Smith Family has a large number of suppliers, in excess of 5100, of which we contracted with 2100 suppliers during the reporting period, 88% of these were for small supplies of goods or services for whom our annual contracted expenditure did not exceed \$25,000.

Our suppliers range from long term strategic relationships through to smaller scale tactical suppliers. Our key suppliers are managed on a decentralised basis by relevant functional teams that engage them. Each team is responsible for relationship management of their suppliers including alignment on key deliverables, goals and culture. Our Supplier Code of Conduct is a key tool we utilise to support this alignment.

As our operations and activities are conducted wholly within Australia, and our suppliers are predominantly located within Australia, we continue to focus our Modern Slavery risk assessment of our supply chains on our larger material suppliers, with a particular focus on where there may be enhanced risk of Modern Slavery due to industry sector (such as premises management services) or geographic location of supplier (outside Australia). Our approach to mapping and risk assessment of our supply chains is under review, and The Smith Family is reviewing ways to investigate our supply chains more deeply in future years to ensure we are identifying emerging risks and developing a systemic approach to the identification and assessment of risks.

The Smith Family does not have a centralised procurement function and does not consider this is justified having regard to the scale and range of our procurement activity when balanced against the resourcing required to implement such a function. We recognise this presents a challenge to maintaining visibility across our supply chain management. We anticipate that the following actions will support us to improve our supply chain transparency and risk assessments over time:

- the implementation of our automated contract management solution (we anticipate during 2024);
- the promotion and use of our new *Procurement Policy* to guide a consistent approach to procurement across the organisation.

## 5 Revenue generation – risks assessed and actions taken.

In our previous Modern Slavery Statements, we identified that Modern Slavery risks in our revenue generation activities may be associated with our Fundraising activities (non-government funding sources):

- the supply chains of our corporate partners; and
- suppliers that support our fundraising campaigns and marketing.

In this reporting period, we have continued our efforts to assess and mitigate risks in our corporate partnerships and our other fundraising supply chains following the processes we have adopted in previous years.

### **Corporate partners & philanthropy**

The Smith Family is fortunate to have the support of over 89 corporate partners that provide financial support, pro bono services and other in-kind support to underpin the delivery of our programs. In respect of the reporting period, we value the financial contribution by our corporate and business partnerships at approximately \$15.2m.

The risk assessment and remediation processes outlined in our previous Modern Slavery Statements continue to underpin our engagement with our corporate partners. 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. This assessment is based on the processes our Corporate Partnerships team have implemented to assess and remediate Modern Slavery risk across our major corporate partnership funding arrangements. These practices are as follows:

- 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 – during the reporting period 17 formal reviews were undertaken at the time of on-boarding 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 required to do so);
- seek undertakings about Modern Slavery practices in standard ‘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 *Donations Acceptance & Refusal Policy and Procedures* for engaging all corporate partners are followed and team members 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 regarding Modern Slavery.

This framework ensures that Modern Slavery risk is closely scrutinised as part of the initial on-boarding assessment and at renewal.

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### **Case study: Due diligence of a new corporate partner**

*The effectiveness and commitment to our donor due diligence was demonstrated during the reporting period when The Smith Family was approached with the offer of a significant donation from an overseas entity to support one of our core programs. As part of our donations acceptance and refusal assessment process, team members identified there were media reports questioning the human rights track record of the overseas entity. Our team members then conducted further due diligence and determined there were potential risks that, as a donee, we would have little opportunity to mitigate nor an ability to maintain appropriate oversight during the course of the proposed partnership. In the circumstances The Smith Family determined not to accept the offer of the donation. This example illustrates our approach to due diligence during onboarding, and our commitment to monitoring and responding to risks related to modern slavery or other human rights concerns in our supply chains and operations.*

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It is the responsibility of the team member managing each partner 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 Head of Fundraising in the first instance, and ultimately, to the broader Executive Group for consideration as to the appropriate action to take in the circumstances.

Training continues to be provided to new team members and team resources are regularly reviewed and updated to ensure that the risk of Modern Slavery and steps to escalate and remediate that risk are well understood by all team members.

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. The risk assessment processes that The Smith Family has in place have not identified any new or increased risks of Modern Slavery among our current corporate partners during the reporting period.

### **Marketing and campaigns**

Our Fundraising team leads the campaigns and marketing that underpins our fundraising initiatives with members of 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 Fundraising team had over 60 suppliers during the reporting period engaged 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.

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

- identifies 'material' suppliers based on both quantitative and qualitative criteria.
- makes a preliminary assessment of those suppliers for Modern Slavery risk; and
- at the time of appointment or renewal, provides a copy of our Supplier Code of Conduct to the supplier to ensure that they are aware of The Smith Family's expectations regarding their compliance with Australian law and regulations, particularly in relation to issues like Modern Slavery and the treatment of their workers.
- if required, 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.

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**Case study: Onboarding a new supplier.**

*In 2022, The Smith Family changed the supplier it uses to provide digital gift cards to students and families (e.g., birthday and Christmas gifts from sponsors). The supplier is a digital gift card reseller, that has both local and overseas operations, so it was important to review its supply chain arrangements as part of the on-boarding process. The relevant team determined that this was a material supplier (based on estimated annual expenditure by The Smith Family). Accordingly, The Smith Family conducted a preliminary assessment of risk and provided a copy of the Supplier Code of Conduct to the proposed supplier.*

*Upon identifying that the supplier had offices in a number of countries across the world, including some where the prevalence of modern slavery may be higher, The Smith Family then sought some additional information from the proposed supplier including in relation to its offshore operations regarding how it assesses the employment practices of its suppliers and manages risk through its contractual arrangements with those suppliers. These responses provided comfort to The Smith Family that this supplier has a Modern Slavery policy and is taking steps to minimise the risk of Modern Slavery in its supply chains through its contractual arrangements.*

*The Smith Family has recorded an action to keep this new supplier under review to ensure that if Modern Slavery issues arise, including in its indirect supply chains, these are notified to The Smith Family so that it may consider appropriate remediation. We have taken this action due to the materiality of this supplier and our inability to monitor this supplier through publicly available information during the term (as the supplier is not required to report under Modern Slavery legislation in any jurisdiction in which it operates at this time).*

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The Smith Family will continue to embed its practices including at the time of on-boarding due diligence and periodic assessment and review. Where 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 Head of Fundraising 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 new or emerging risks that The Smith Family may contribute or be directly linked to Modern Slavery in these fundraising supply chains.

## Investments

The Smith Family's assets include investments that are managed as part of the *Children's Future Education Endowment*. That fund was established to provide ongoing, long-term funding to support disadvantaged Australian children through education. It relies on generous philanthropic donations which build the corpus of the fund. The investment earnings from the management of that corpus are distributed to fund *Learning for Life* scholarships on a perpetual basis.

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. The investment portfolio is managed by a professional investment manager under an Investment Policy Statement (**IPS**) approved by the Board.

Our IPS articulates the ethical investment considerations to be taken into account when making decisions about the suitability of an investment, with particular attention focused on avoiding investments that may impact negatively on the treatment of children. This restriction covers any investments that carry risks of child labour. As identified in our previous Modern Slavery statements, The Smith Family keeps the terms of the IPS under review and is committed to working with our investment manager to ensure that Modern Slavery risk is being considered in investment decisions. To that end, during the reporting period, the following actions were progressed:

- (i) with the support of our investment manager, we have commenced a review of our investment portfolio to ensure that there is minimal exposure to investments that run counter to our charitable purpose, this includes a 'zero tolerance' to concerns that impact negatively on the treatment of children; and
- (ii) where investments are identified as 'not aligned', our plan is to assess those investment to determine if these can be removed from the portfolio, without significantly shifting the risk/return profile of the portfolio (this work is ongoing).

Our investment manager is a reporting entity under the Act, has adopted a Modern Slavery framework and provides The Smith Family with an annual assurance statement. During the reporting period we also engaged actively with our investment manager to gain a deeper understanding as to how our investment manager monitors Modern Slavery risk at an enterprise level within its own operations which covered:

- (i) how it monitors Modern Slavery risk in its portfolio companies; and
- (ii) the 'responsible investing' investment process adopted by the investment manager, so that we could ascertain that its approach continues to align with our values and our commitment to act ethically and responsibly.

This process has provided assurance that our investment manager, through its own work program is taking steps to reduce the potential for harm caused by Modern Slavery as it relates to its own businesses and in investments made on behalf of clients. We will continue

to monitor how our investment manager monitors Modern Slavery risk at an enterprise level annually.

## 6 Support services – risks assessed, and actions taken.

In this 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 service providers. We have also continued to seek to identify and mitigate risks associated with our premises management, and cleaning services suppliers, as set out below.

### **Business Information Systems**

In prior reporting periods, we have identified that Modern Slavery risk in our support services may be associated with Information and Communications Technology (**ICT**) services provided from offshore suppliers in jurisdictions where workers have fewer rights and protections than those afforded to workers in Australia.

Our Business Information Services (**BIS**) team is responsible for managing the contractual arrangements with the suppliers that support our ICT functions. During the reporting period it continued to assess and monitor its material suppliers (11 direct suppliers and one ultimate supplier referenced in the case study below) following processes developed in previous years. This involves:

- identifying ‘material’ suppliers based on both quantitative and qualitative criteria;
- identifying whether that supplier has received a copy of the Supplier Code of Conduct (all current material suppliers have received a copy of the Supplier Code of Conduct); and
- in the case of new suppliers or at time of renewal:
  - (i) making a preliminary assessment of 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
  - (ii) testing that preliminary assessment by reference to published Modern Slavery statements of the supplier and, where publicly available information is limited, making a further inquiry by asking the material supplier to respond to a more detailed request for information regarding their Modern Slavery practices.

If a material concern about an ICT supplier’s Modern Slavery practices arises during the term of the relevant contract, the escalation process is to refer the matter to the Head of Digital & Transformation in the first instance, and if necessary, to the broader Executive Group, for consideration as to the appropriate remediation action to take in the circumstances.

We understand that ICT is typically considered a high-risk industry due to reported forced labour and debt bondage risks in manufacturing electronics such as laptops, computers, mobile phones and digital devices, and in the long and complex supply chains for component materials. Our approach to assessing and remediating this Modern Slavery risk in our hardware supply chains is explained below.

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### **Case study: Hardware procurement for team members**

*The BIS team is responsible for managing the procurement of laptops and other hardware (eg screens) for our team members. These acquisitions are made through an Australian based IT consultancy firm (an authorised distributor of the hardware products we use) who has acknowledged the terms of our Supplier Code of Conduct. The ultimate supplier of the laptops and hardware, with headquarters in the U.S.A., is a founding member of the Responsible Business Alliance (RBA). The RBA is a non-profit organisation comprised of electronics, retail, auto and toy companies committed to supporting the rights and well-being of workers and communities affected by global supply chains. Our ultimate supplier has adopted the RBA code which is a set of social, environmental and ethical industry standards. It commits to hold itself and its supply chains accountable to those standards. Based on published information, including the Modern Slavery statements that the ultimate supplier has lodged to comply with Modern Slavery legislation in applicable jurisdictions, including Australia, The Smith Family is presently satisfied that the supply chains that underpin the hardware procurement for our team members are being appropriately monitored for Modern Slavery risks and that action will be taken to address any emerging risks by the RBA member (our ultimate supplier), when identified.*

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No new or emerging Modern Slavery risks were identified or reported during the reporting period. This process will be followed in future years to monitor for new or emerging Modern Slavery risks.

### **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.

In the previous reporting periods, we assessed the ICT suppliers that support our Finance and Risk function. We assessed these suppliers as low risk (see our previous Modern Slavery statements). The Smith Family did not undertake any review or update of those suppliers during the reporting period due to other key systems updates that had priority during the period. We will keep these risk assessments and the need for any relevant remediation steps under review.

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

The Smith Family operates from 63 locations across Australia. This includes our national and State offices, our regional program offices, and office space located in the 24 schools from which we directly supported our *Learning for Life* students and families during the reporting period.

Cleaning and premises management services are recognised as industries with a relatively higher risk of Modern Slavery. As such there is 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 the reporting period we again monitored two key channels for Modern Slavery risks:

- 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 offer a standard cleaning services contract that incorporates terms that specifically address worker conditions (in alignment with our Supplier Code of Conduct).

During the reporting period, we have continued to offer our cleaning services contracts (standard contract) to all our Direct Cleaner suppliers. We now have a total of 14 (of 22) direct cleaning contractors on our standard contract terms. This contract provides an important opportunity for The Smith Family to engage directly with our cleaners regarding our expectations about the working conditions of their staff and guidance as to how a cleaning supplier or their employees can make a report about serious concerns or unlawful behaviour (including in relation to Modern Slavery). No matters have been reported to date of this statement. This has provided reassurance that workers’ rights are protected while not imposing unduly onerous obligations on small suppliers to continue to monitor this supply chain.

In the Major Landlord supply chain, we did not repeat assessments undertaken in the last reporting period, but we continued with our process of requiring our new Major Landlords to provide information in response to a questionnaire that identifies whether and how they monitor and assess the risk of Modern Slavery in their property management services supply chains. We also made reference to publicly available information about some of our Major Landlords (where available), including their published Modern Slavery statements under the Act, with a view to confirming our previous assessments. Based on these actions, we did not identify any material concerns regarding Modern Slavery risks.

We remain on a path of continuous improvement and are looking to expand our risk assessments of other suppliers associated with premises that are located within medium – large commercial buildings. We have identified that, outside the Major Landlord supply chain identified above, there is a potential gap in our oversight and monitoring of indirect property management services provided at some of our premises located within medium – large commercial buildings where we do not have a direct relationship with the building manager under our lease agreements but contribute to the costs of providing these services through a share of outgoings. We have sought to engage with relevant entities to better understand their management of Modern Slavery risks in the delivery of property management services to these buildings, but we are challenged by the lack of a direct contractual relationship and leverage in some instances to progress this work. This will remain part of our work program during the next reporting period as we seek to satisfy ourselves that suppliers of relevant services such as cleaning services from which we benefit are not linked to Modern Slavery risks.

During the reporting period, The Smith Family re-located one major office premise and engaged building contractors to undertake relevant ‘fit-out’ construction services. As part of the tender process, we provided the prospective contractors with a copy of our Supplier Code of Conduct and sought reassurance that they would be able to meet the requirements it sets out. We reflected those obligations in our final contract with the successful contracting party. Given that The Smith Family has plans to relocate a number of premises or update and refresh the fit-out of several existing premises during the next reporting period, we are developing a standard ‘fit-out’ construction contract, which incorporates reference to our Supplier Code of Conduct and includes contractor obligations to take appropriate steps to mitigate or reduce Modern Slavery risks in the contractor’s operations and supply chains.

Our premises monitoring and management systems (including due diligence processes associated with Modern Slavery risks) continue to evolve. The Smith Family will seek opportunities to continue to implement improvements to its monitoring for Modern Slavery risk



in its premises supply chain, consistent with the processes outlined in this statement. Based on our investigations 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 and Culture Team manages the recruitment and ongoing engagement and development of our employees and volunteers.

Our team members (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 award or an enterprise agreement (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.

The People and Culture team has previously identified and assessed Modern Slavery risk in the supply chains of material suppliers that support our Human Resources function. These suppliers include, for example, providers of outsourced payroll services and learning and development systems. Our material suppliers that support the Human Resources function did not change during the reporting period. We have previously assessed these suppliers as low risk and reconsideration was not prioritised during the reporting period as there were other demands on the People and Culture team during the period. Consequently, our previous assessment that The Smith Family could contribute to or be directly linked to Modern Slavery through these suppliers remains unchanged.

### **Program Partnership**

The Program Partnership team are responsible for implementing a range of programs that support our students: including Work Inspiration and Work Inspiration Reach Out (**WIRO**).

These programs provide our students with the opportunity to learn about how the workplace and relevant industry operate in a business or operations environment. Our corporate partners support the delivery of our Work Inspiration program typically over 2-3 days in their business locations, commonly in major cities or larger regional centres (see pages 8-9 as to how Modern Slavery risk is assessed for our corporate partners). Under the WIRO program, small to medium sized businesses that operate in our regional communities and smaller towns agree to host our students for shorter excursions so that they may learn about how the relevant workplace and industry operates.

In October 2022 the Program Partnership team reviewed how the Supplier Code of Conduct could be utilised when engaging a local employer organisation as part of the WIRO program to ensure that The Smith Family is engaging with organisations that have an alignment with our values, including The Smith Family expectations regarding the treatment of their employees and others that work on their behalf. Since that time, we have provided the Supplier Code of Conduct to over 240 small to medium business as part of our WIRO engagement and onboarding process.

## **7 Effectiveness**

The steps we have taken during the reporting period as part of our annual Modern Slavery work plan have not changed our previous assessments that the risk of Modern Slavery practices in our operations and supply chains is low.

The Supplier Code of Conduct as a standalone Code, and as incorporated into relevant standard terms such as our cleaning and fit-out contracts, continues to provide a helpful tool to support our team members to engage early with new suppliers about our values and, more specifically, our expectations regarding the treatment of their employees and others that work on their behalf. Where appropriate these expectations are incorporated by contract. Incidents or concerns about Modern Slavery or other relevant matters may be brought to our attention directly through the reporting provisions under relevant contracts or through making a report under our *Whistleblowing (Serious Reportable Issues) Policy and Procedure*. At the date of this statement no such concerns have been reported.

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. No incidents were reported to The Smith Family under the terms of any of our agreements or by suppliers under our Supplier Code of Conduct or our Whistleblower reporting channels. We recognise that the no-reporting of incidents does not necessarily mean that there are no instances of Modern Slavery in our supply chains and as we update some of our external reporting channels and processes in the coming 12 months we will consider how to highlight the pathways in which any incidents or concerns that require investigation should best be identified to our stakeholders
- **Established processes followed:** it is evident that there continues to be a high degree of commitment to understanding and complying with our policies and on-boarding processes for corporate partners and for other suppliers engaged by our Fundraising and BIS teams, implemented to address Modern Slavery risks in our operations and supply chains. For further information see following table. The adoption and promotion of a formal *Procurement Policy* will further strengthen our procurement and supplier on-boarding processes, including in relation to the assessment of Modern Slavery risk. This is important particularly in the absence of a centralised procurement function.
- **Expanded utilisation of Supplier Code of Conduct** team members have sought to identify new ways to use the Supplier Code of Conduct to ensure that when we partner with business to support the delivery of programs, such as WIRO, or engage new suppliers (such as fit-out contractors for our premises) we are working with businesses that have an alignment with our values. This indicates that our approach to identifying and addressing risks continues to expand and improve.
- **Ongoing and specific remediation action:** we continue to identify opportunities to enhance our standard contractual terms (where applicable) when engaging with our suppliers of goods and services or with other key partners to address Modern Slavery risk, particularly by including specific obligations concerning compliance with our Supplier Code of Conduct. 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.



## Assessment of effectiveness on previous reporting periods

<b>Function</b>	<b>2022 Modern Slavery Statement</b>	<b>Actions during reporting period</b>
<b>Fundraising - Corporate Partnerships</b>	The Smith Family indicated its intention to continue to implement its risk assessment and remediation process when engaging new corporate partners or renewing existing partnerships. This process is outlined on pages 8- 9 of this statement.	The Corporate Partnerships team continued to follow these processes, including as reflected in the Donations Acceptance and Refusal policy (DAR). This led to rejection of a substantial proposed donation from a potential new donor, as described in the case study at page 9 above.
<b>Fundraising- Marketing and Campaigns</b>	The Smith Family indicated its intention to continue to implement its risk assessment and remediation process for 'material' suppliers engaged by the Fundraising team.	The Fundraising Team have continued to follow process, as described on pages 9-10 of this statement. The case study on page 10 demonstrates how this process is working at the time the team engages a new material supplier and to ensure ongoing monitoring where appropriate.
<b>BIS</b>	The Smith Family indicated its intention that the BIS team would continue to embed processes to ensure that Modern Slavery risks are identified and managed appropriately.	The BIS team continues to follow the processes established for their team to assess and monitor Modern Slavery risk – see pages 12-13.
<b>Investment Management</b>	The Smith Family stated that it was examining ways to better identify and address Modern Slavery in its investment supply chains and that it would conduct a review of the 'responsible investing' investment process adopted by the investment manager.	<p>The Smith Family, supported by its investment manager, performed a review of its investment portfolio and will continue to monitor its investments and adjust portfolio allocations where this is warranted – see page 11.</p> <p>TSF now has improved oversight regarding potential or emerging risks in its portfolio.</p> <p>The Smith Family has also engaged with its investment manager to gain a deeper understanding of how the investment manager monitors Modern Slavery risk at an enterprise level – see page 11 and is satisfied regarding the approach it has adopted.</p>
<b>Premises management</b>	<p>The Smith Family stated that it would aim for better segmentation of Modern Slavery risk categories among Landlords enabling further assessment of Modern Slavery risk, particularly in cleaning supply chain.</p> <p>Further, that we would offer our standard cleaning services contract to all our Direct Cleaner supply chain.</p> <p>Also, that we would review ways to use Supplier Code of Conduct when engaging building contractors to conduct fit-out works in new or existing premises.</p>	<p>The Smith Family has progressed this work, subject to the limitation identified outside our Major Landlord supply chains – see page 14.</p> <p>There are now 14 (of 22) direct cleaning contractors on our standard terms. Outstanding contracting arrangements are being followed-up to formalise relevant arrangements.</p> <p>The use of the Supplier Code of Conduct in fit out construction contracts has been progressed – and through this process we identified the opportunity to develop a 'standard' fit out construction contract, including terms to better address Modern Slavery risks within a contractors' operations and supply chains.</p>

## 8 Looking forward

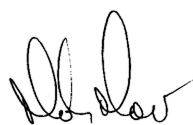
The reporting framework under the Act continues to provide The Smith Family with an important opportunity to develop a deeper understanding about key funding partnerships and supply chains that underpin the delivery of our programs and other operations. The Smith Family remains committed to developing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

During 2024, The Smith Family seeks to commence the implementation a new contract management system. It is expected that this system will support our efforts to continuously improve our implementation and oversight of the Modern Slavery work program. The 'workflows' in that system will be designed to assist team members to capture supplier information collected during the pre-contract phase, monitor the status of key actions such as the provision of the Supplier Code of Conduct, and ensure that appropriate remediation steps are taken if a Modern Slavery risk is identified (e.g. including relevant contractual obligations in contracts and any subsequent monitoring or reporting requirements). It should assist us to maintain better oversight over our supplier relationships and allow for better real-time reporting about our compliance with our procurement processes and supplier management life-cycle.

Additionally, in the year ahead we expect to undertake the following actions to continue improving our compliance and monitoring of effectiveness:

- Our *Procurement Policy and Process* (which includes requirements regarding the use of the Supplier Code of Conduct and Modern Slavery due diligence) will be further promoted internally, and relevant workflows will be embedded in our contract management system.
- 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 to the 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 28 November 2023.



Nicholas Moore  
**Chairman**