



2020 Modern Slavery Statement





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Ricegrowers Limited (ABN 55 007 481 156), known commonly as SunRice, is a publicly listed company on the Australian Securities Exchange (ASX:SGLLV). The SunRice registered office is at 57 Yanco Avenue, Leeton, NSW, 2705, Australia. This statement has been published in accordance with the Australian Modern Slavery Act 2018 (Cth) (MSA).

Our values drive our approach.
We are Dynamic.
We act with Integrity.
We contribute to our Community.
We are Collaborative.
And we pursue Innovation
in everything we do.



SunRice fully supports the UNGPs and expects our suppliers to respect all human rights, including labour rights, throughout its business activities².

CEO message

At the core of SunRice's performance are our people and our communities, and this is reflected in our values and ways of working. As an extension of our values, we are deeply committed to respecting the fundamental human rights of all people that have a connection with our business.

As a part of this commitment, we must play a meaningful role in supporting the achievement of Sustainable Development Goal (SDG) 8.7, which calls for *immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking*.

Defining that role and ensuring our contribution is meaningful and impactful is not easy, especially in the current environment. However, as we pursue our 2022 Growth Strategy, we know that a reliable, sustainable operation and supply chain are essential to the success of SunRice and our communities, and that our commitment to respecting human rights and working towards eradication of modern slavery like practices, therefore requires ongoing and increased focus and action!

A signatory to the UN Global Compact Australia since 2017, we are committed to implementing the United Nations Guiding Principles on Business and Human Rights (UNGPs). This has guided our approach to date which is designed to be embedded within our operations, with commitment to track and report on our progress in line with global standards.

We are proud to share our first Modern Slavery Statement, which reflects the work undertaken across SunRice to date to better understand the risks of modern slavery and human rights abuses in our operations and supply chain. With its release, we recognise the need for continued, increasing effort and stakeholder collaboration to achieve the shared goal, and we are committed to reviewing and strengthening our program annually.

In the period leading up to our 2021 statement, we will focus on increasing internal awareness of modern slavery. This will help our teams better identify and respond to risks within our operations and supply chain and adapt our Sustainability Supplier Program (SSP) in response.

No individual company or sector can successfully address these issues alone. That is why we will continue to work with our suppliers and others to create positive change.

Rob Gordon
CEO

Introduction

Modern slavery is a systemic, global issue. In this statement we refer to 'modern slavery' or 'slavery' as an umbrella term, capturing the many and complex crimes, including all forms of human trafficking, forced labour, debt bondage, other slavery and slavery like practices, and the *worst types of child labour*.³ While child labour takes many different forms, some forms are considered the *worst forms of child labour* because of the increased risks of slavery, trafficking, illicit activities and likely harm to their health, safety and morals. Individuals subject to slavery practices and forced labour are trapped in *situations of exploitation that a person cannot refuse or leave because of threats, violence, coercion, deception, and/or abuse of power*.⁴

Exploiting vulnerable populations contradicts SunRice's values and our Supplier Sustainability Code (Supplier Code).⁵ The *Australian Modern Slavery Act 2018 (Cth)* was the catalyst to review and strengthen our strategy and identify opportunities to partner with our suppliers, customers and other stakeholders, on the eradication of modern slavery.

This statement details the actions SunRice has taken to identify and address modern slavery in our operations and supply chain. Given this is our first statement, it is relevant to include content from the period prior to the formal reporting period.

Modern Slavery Definition⁴



Key focus areas FY20

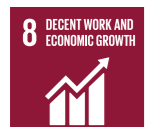
Our operations

- Revised our Group Code of Conduct to explicitly reference and commit to operating in alignment with the United Nations Guiding Principles on Business, and Human Rights (UNGPs).
- Conducted an internal policy review and update, to support our revised Group Code of Conduct.
- Conducted a training series on the Ethical Trading Initiative (ETI) Base Code and our internal work place policies across our operations to reinforce expectations around ways of working.
- Developed and launched our modern slavery training.
- Extended current Speak Up! whistle-blower mechanisms to include human rights concerns or enquiries.

Our supply chain

- Released our first Supplier Sustainability Code (Supplier Code), approved by our board, to all of our suppliers. It is aligned with international labour standards and prohibits forced labour and other exploitative practices.
- Mapped our supply chain and conducted a supply chain risk segmentation based on country risk and an ability to influence based on a leverage assessment, to prioritise our supplier engagement based on where we can make the greatest impact.
- Developed and implemented a risk assessment process to evaluate new sourcing countries for exploitative labour practices, including forced labour.
- Developed a self-assessment questionnaire (SAQ) to distribute to priority suppliers identified during our risk assessment to better understand their social compliance management systems.
- Extended our current Speak up! program (whistle-blower mechanism) to suppliers and commenced review of the program to ensure our suppliers will be able to easily access it in future.

WE SUPPORT



1. SunRice Annual Report Page 13-14.
 2. The SunRice Group Code of Conduct is the set of standards, values and behaviours we expect in our business. [It is available here for review.](#)

3. The full definition of the worst forms of child labour is defined in ILO Convention No. 182 Article 3: https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0:NO:P12100_ILO_CODE:C182
 4. "Measurement, Action, Freedom, a report assessing government action and inaction in responding to modern slavery under Sustainable Development Goal (SDG) 8.7.", Minderoo Foundation's Walk Free Initiative (June 2019).
 5. The SunRice Group Code of Conduct is the set of standards, values and behaviours we expect in our business. [It is available here for review.](#)

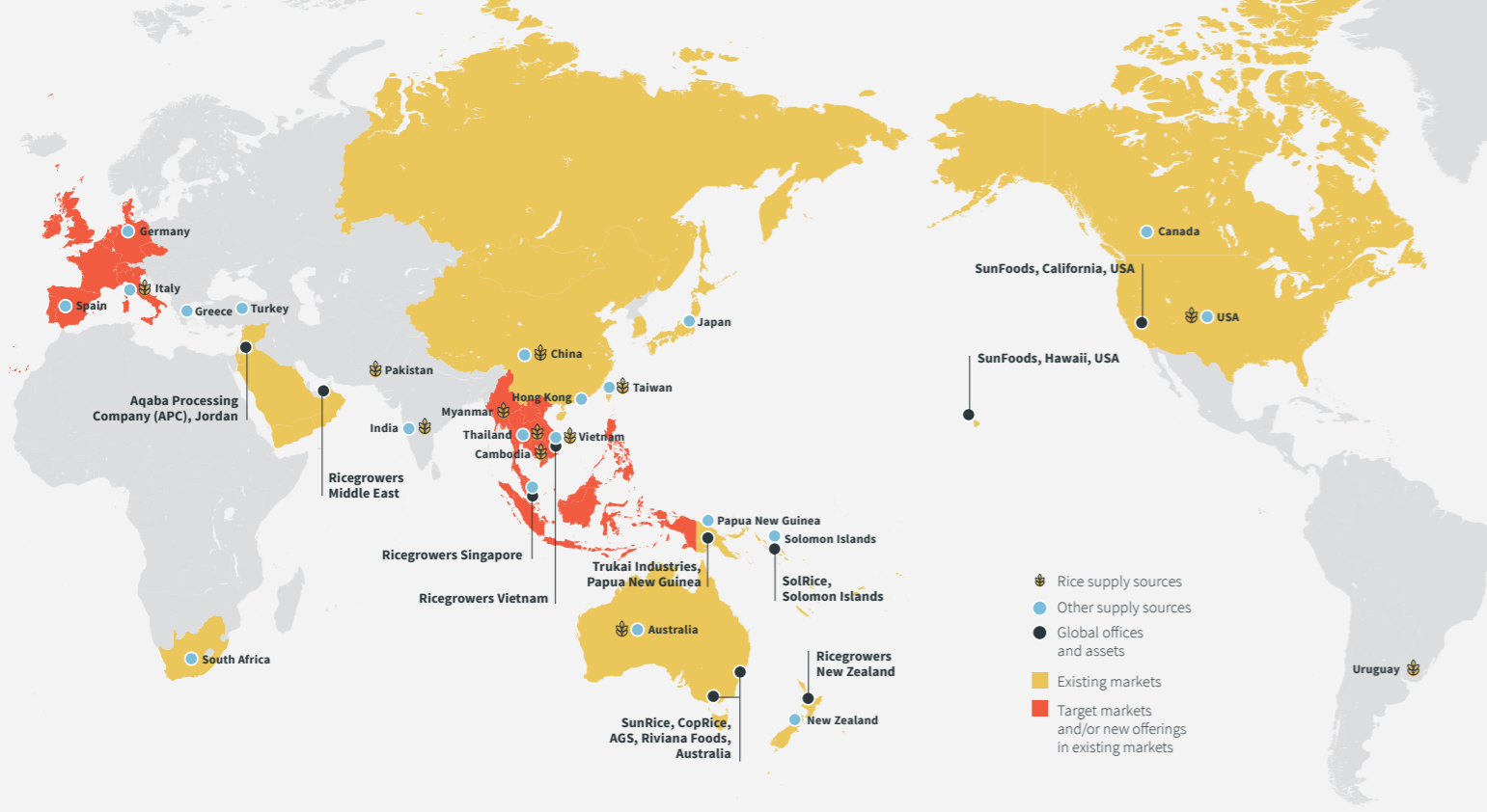
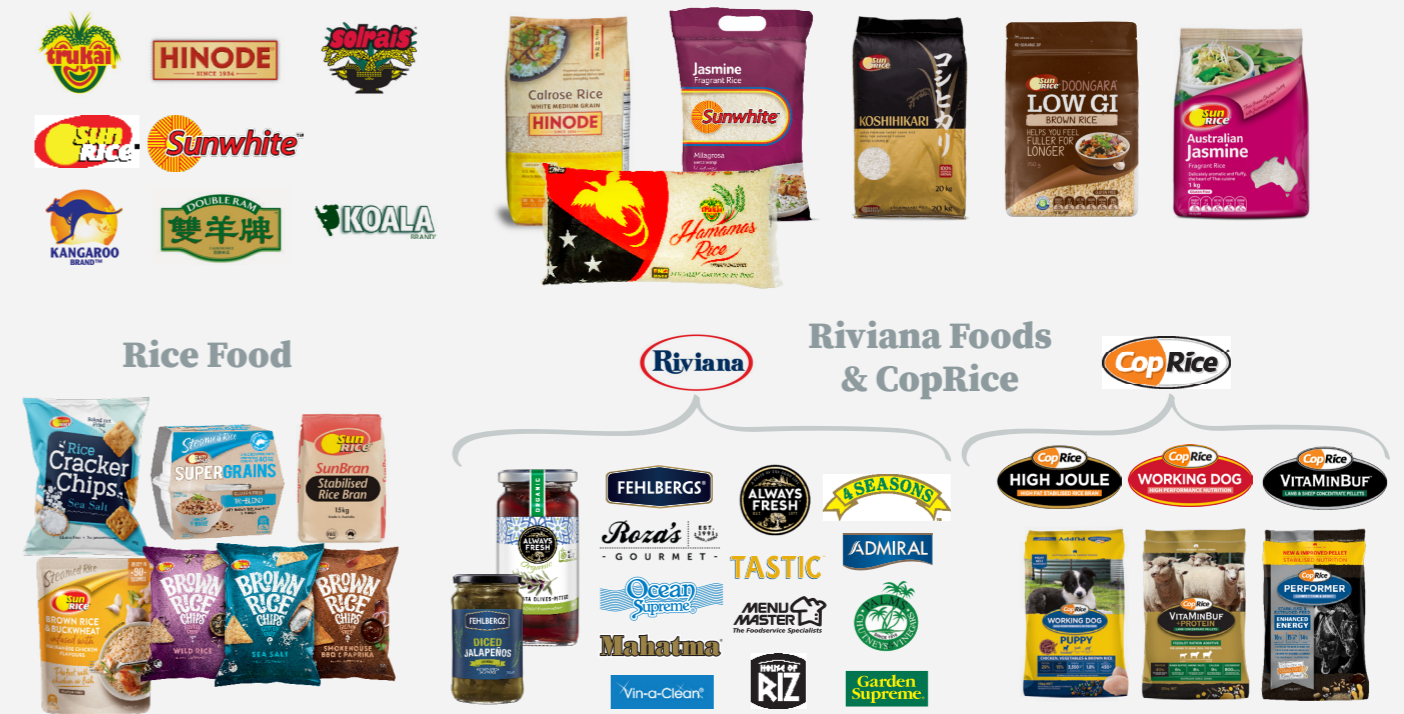


Figure 1 – SunRice Group global operations (FY20)

Note: The 'other supply sources' shown above reflects a sample of supplier and service provider locations based on our initial supply chain mapping. It does not reflect any and/or services procured. We will continue to strengthen our supply chain mapping to improve our supply chain visibility.

Our brands and products International and Australian Rice Business

Figure 2



Our structure, operations & supply chain

2000+
employees across
9 countries

4000+
suppliers

Rice supplied from
12 countries
globally

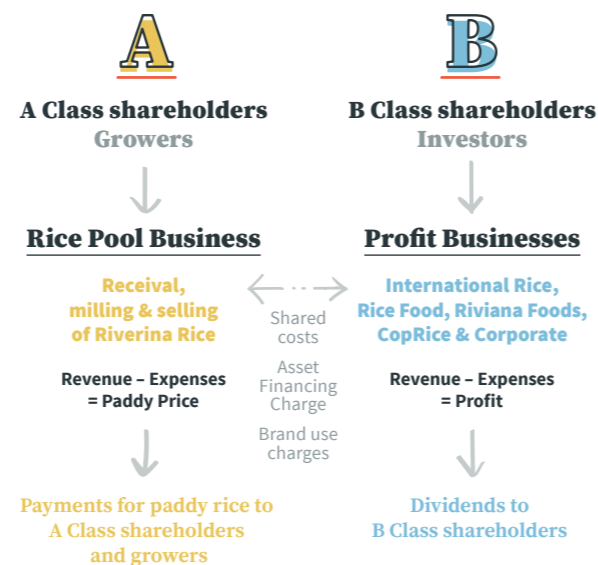
Our structure

Ricegrowers Limited (SunRice) is listed on the Australian Securities Exchange (ASX). SunRice's corporate structure contains non-standard elements including its dual class share structure comprising A Class Shares and B Class Shares. For further details of the non-standard elements of SunRice's structure, please visit SunRice's investor website.⁶

SunRice is a major Australian branded food company with a global workforce of approximately 2,000 across multiple businesses and countries. Globally, 87% of our employees are employed on a permanent full-time or part-time basis, with 13% on temporary fixed-term contract or casual arrangements.⁷ In total, 39% of our employees are based in Australia and 61% in overseas operations, with the majority overseas in Papua New Guinea (PNG). Complete details on our workforce are available in our Global Reporting Initiative (GRI) Index on our Sustainability Reporting website.⁸

With more than 30 major brands in around 50 countries across the world, our operations and assets span Australia (including the Riverina region in New South Wales (NSW), and North Queensland),

SunRice share structure



New Zealand, the Middle East, the United States (U.S.), PNG, the Pacific Islands and Asia. Our operational headquarters is in Australia with offices in Sydney, Melbourne and in the Riverina region in NSW. We have global offices in locations including Dubai, Singapore, the Solomon Islands and New Zealand and have production facilities in the U.S., Vietnam, PNG and Jordan.

6. <https://corporate.sunrice.com.au/investors/>.
7. Data as at end of FY20.
8. Employee details for FY20 are available in the FY20 GRI Index https://investors.sunrice.com.au/FormBuilder/_Resource/_module/2weQNICYSuy13FE_ixQXvg/file/sustainability-reports/SunRice_GRI_Index_2020.pdf

Our operations

As a major Australian-branded food company, we are proud to have a diversified business with direct access to Australia's key Riverina rice growing region, as well as a global supply chain to support our expanding portfolio of products and consumers. Our portfolio also includes gourmet Mediterranean foods; food service supply for military, mining and healthcare markets; stockfeed and companion animal nutrition products; and ingredients to manufacturers of household brands across multiple sectors. (See Figure 2 – Our brands and products).

SunRice consists of Ricegrowers Limited and its controlled entities.⁹ This statement includes and reflects the actions of these entities.

In alignment with our values, we developed this Modern Slavery Statement with input from all areas of the business, including Trukai Industries and Aqaba Processing Company Limited (Figure 3). Direct consultation with the SunRice Corporate Management Team (CMT), which includes the general managers of each business unit (BU), Chief Financial Officer and Company Secretary, ensured that all entities and functions were represented and included in the review and consultation process.

9. For the full list of SunRice controlled entities: SunRice 2020 Annual Report on page 117 <https://investors.sunrice.com.au/investors/?page=annual-reports>.
10. SunRice's annual financial year is 1 May – 30 April.

Our supply chain

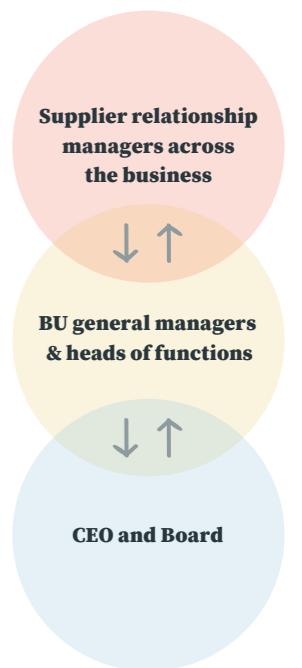
SunRice, one of Australia's most iconic and recognised Fast-Moving Consumer Goods companies, is the number one rice brand in the Australian and New Zealand grocery market. Our international supply chain consists of approximately 4,000 suppliers. Some of the key products and services in our supply chain include rice grown in Australia and internationally, quality food products from around the world, packaging, manufacturing and logistics. (See Figure 1 for details).

Given the nature of our business, we source more rice than any other product or service. In the last financial year (FY20);¹⁰ we sourced rice from 12 countries including Australia (see Figure 1). Our international rice supply chains have grown in line with our business strategy and changing market conditions.

SunRice's history and foundation as a grower-led company with roots in agriculture, forms the foundation for our approach to supplier engagement. We have a strong focus on the safety and well-being of our largest supplier group, the Australian rice grower and their employees. Our network of Australian growers exceeds 800. The exact number of Australian rice growers producing each year varies depending on market conditions. We have direct engagement and arrangements with growers. In FY20, only 83 Australian rice growers produced and sold rice to SunRice due to the challenging drought conditions, low water availability and high water prices which impacted Australia's main rice growing region.

Figure 3 – Consultation process

Broad consultation across SunRice Group

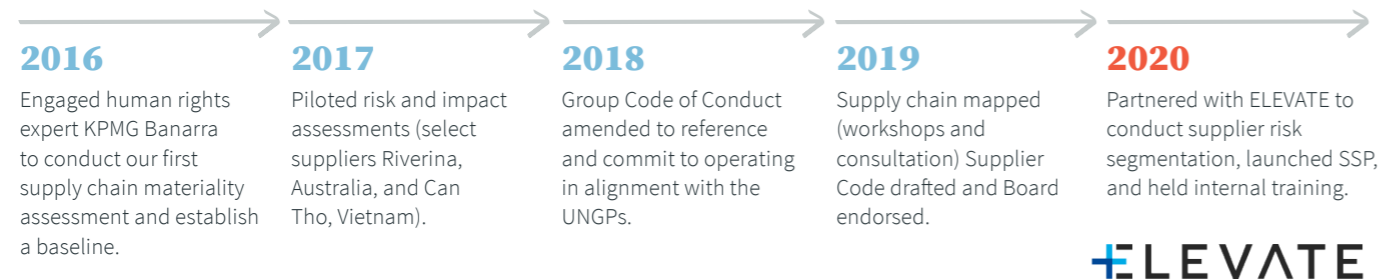


Identifying our modern slavery risks

SunRice began formalising our risk assessment activities when we conducted our first supply chain risk assessment in 2016. KPMG Banarra, human rights and social impact advisers supported SunRice to conduct an internal systems review, workshops across the business, site-level internal audits and supplier risk and impact assessments through pilots with suppliers in the Riverina, Australia and Can Tho, Vietnam. These efforts provided insights, helping to identify possible modern slavery risks – where we could cause, contribute or be directly linked to an issue. This formed

the foundation of our work in developing our Supplier Code and our Supplier Sustainability Program (SSP). We are in the early stages of mapping our supply chain, and as yet have not characterised the nature of all of our suppliers for the purposes of finalising the risk assessment, nor have we extended the assessment beyond tier 1 suppliers. The foundation for our assessment methodology has been established. We will continue to refine and update our risk assessment approach to allow us to go further upstream within our supply chain.

Overview of internal review and processes informing our approach

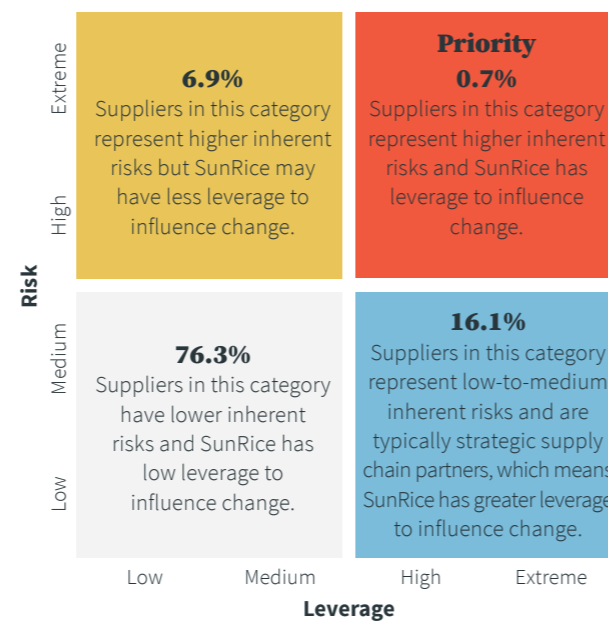


Strengthening our supply chain risk assessment

To better understand and prioritise risks within our supply chain, we partnered with ELEVATE, a global business risk and sustainability solutions provider. We reviewed the initial internal assessment work done on our supplier base and segmented our suppliers into four different segmentation categories. The categories are based on inherent sourcing risk (country and product) and business leverage insights, which identify what supplier segments provide greater opportunity to influence change and manage risk. This allows us to prioritise our efforts where we can make the greatest impact and will determine future SSP supplier requirements.

Country and product risk are determined based on a blend of publicly available indicators, such as the Global Slavery Index and the World Bank Governance Indicators, and ELEVATE's own audit data to reflect actual working conditions. This information is combined with leverage data, such as spend volume and length of relationship. Based on a supplier's score, it is placed into one of the following segmentation categories (See Figure 4).

Figure 4 – Initial risk assessment and methodology



Note: Percentage refers to number of suppliers per segment. Based on initial assessment.



Case study: Sustainable Rice Platform (SRP)

SunRice partnered with the UN Environment Programme (UNEP), International Rice Research Institute (IRRI), Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), and over 100 public, private, research, financial institutions and Civil Society organizations to support the global SRP. The SRP is a collaborative platform bringing industry, civil society, government and rice industry experts together to promote resource efficiency and sustainability in the global rice sector. Using the SRP Standard, members can align on an overall framework for sustainability best practice to promote Environmental, Social and Governance (ESG) and economic criteria. Learn more about the SRP on their website.¹¹

The SRP Standard has eight themes, one of which is labour rights including requirements on child labour, hazardous work, education, forced labour, discrimination, freedom of association and wages.

The SRP provides a valuable framework as we grow our operations in Vietnam. We will work with Vietnamese growers and other partners using the SRP to ensure we focus on improving livelihoods and protecting the rights of growers.

While the SRP framework was designed with smallholders in mind, we will continue to explore how best to utilise the SRP framework for the Australian rice system and rice growing practices.

With this in mind, in 2018 and 2019 we partnered with NSW Local Land Services and the Rice Growers Association, in two SRP pilot projects. The findings from these projects, will form part of the ongoing engagement with Australian growers in relation to labour rights practices on farm.



The SRP Standard¹² includes criteria related to labour rights dealing with:

- Child labour
- Hazardous work
- Education
- Forced labour
- Discrimination
- Freedom of association
- Wages



11. <http://www.sustainablerice.org>
 12. View the SRP Standard on Sustainable Rice Cultivation <http://www.sustainablerice.org/assets/docs/SRP%20Performance%20Indicators%20for%20Sustainable%20Rice%20Cultivation%20Version%202.0%20Final.pdf>

Identifying our modern slavery risks continued

Initial assessment of potential modern slavery risk areas

We recognise that there are certain workers at greatest risk of human rights abuses in global supply chains in general and conducted our initial due diligence with these worker groups in focus (Figure 5).¹³

We developed the initial assessment of potential modern slavery risk areas across SunRice which is defined below, and we will continue to improve our segmentation and risk assessment methodology.

Initial assessment of our supply chain highlighted that there are:

- Similar higher risk areas within our operations and supply chain as it relates to casual and seasonal workers, and service suppliers.
- Different potential risks based on the products we are procuring and the countries we are sourcing from.

We are in the early stages of mapping our supply chain, and have not characterised the nature of all of our suppliers for the purposes of finalising the risk assessment, nor have we extended the assessment beyond tier 1 suppliers. The foundation for assessment has been established and as this work continues, it will be refined and updated.

Figure 5



Initial assessment of potential modern slavery risk areas in SunRice operations and supply chain

SunRice operations and supply chain	Activities	Potential modern slavery risk areas
Our operations	Office based service and products eg. corporate, sales, marketing, finance service	Cleaning, security and maintenance workers
	Processing (milling) manufacture, packaging	Casual and seasonal workers Base-skill workers
	Logistics and transport	Ports, drivers, receivers
Our supply chain	Agricultural production	Raw materials (eg. tomatoes, olives)
		Casual and seasonal workers in Australian Rice Production
		Rice production (varied based on country of supply)
	Processing (milling), manufacture and packaging	Casual and seasonal workers
		Base-skill workers
Logistics and transport	Ports, drivers, receivers	

Key potential risks

Beyond our initial risk assessment, we have identified other potential modern slavery risks within our operations and supply chain that we will continue to understand and report on in future statements.

Our operations

Processing manufacture and packaging

Our manufacturing facilities are in Australia, the U.S., PNG, Vietnam, the Solomon Islands and Jordan. Where we have manufacturing facilities, there are potential modern slavery risks. These risks are primarily related to the employment of casual and temporary workers to support harvest activities. In general, casual and temporary workers have fewer employment protections because the work is seasonal and often informal.

This risk is managed in Australia because of the robust regulatory framework, which is supported by internal SunRice policies and practices. It is also our practice to employ seasonal workers directly rather than via a labour hire company.

Our supply chain

Agricultural production

The International Labour Organization (ILO) ranks agriculture as having the fourth highest number of confirmed forced labour cases out of all industries. Workers within the agriculture industry are highly vulnerable to modern slavery because of the nature of the work involved in production, processing, packaging and transport of food.¹⁴

Child labour

The definition of modern slavery also includes the *worst forms of child labour*.¹⁵ Examples of the *worst forms of child labour* include children working with dangerous tools and equipment or with chemical substances (e.g. pesticides for crops), not having appropriate safety equipment to keep them protected or being forced to work in extreme conditions. In many countries around the world, the risk of child labour is also particularly present in agriculture, with 60% of all child labourers in the age group 5–17 years working in agriculture.¹⁶ This is driven by poverty, limited or no access to education and inadequate agricultural technology.

Distinctions between International and Australian rice production

Rice is considered a high-risk commodity globally, with confirmed cases of child and forced labour associated in multiple countries of production. As referred to above, we source our rice from 12 countries around the world including Australia. In respect of rice sourced from countries other than Australia, we have undertaken our initial risk assessment using ELEVATE and its proprietary supply chain risk insight platform, EiQ, to identify rice suppliers located in countries with high risks of modern slavery like practices. We classify these as priority suppliers who we will further engage to better understand their risks.

We recognise that PNG, Solomon Islands and Vietnam are considered high-risk countries in respect of forced labour, based on public data insights and ELEVATE's own audit insights. We will continue to map our specific suppliers in these countries to better understand the risks as they relate to our supply chain and establish an appropriate due diligence approach and response. All our operations and subsidiaries are required to operate in alignment with our Code of Conduct, which defines our expectations around labour rights. The teams in these countries work with our Australian operations to align policies and procedures with best practice. We will continue to work with our teams to understand these potential risks and how we can address them.

The majority of SunRice's rice is sourced from Australia, and rice produced in Australia is not currently considered high-risk. Most of the rice sourced from SunRice's Australian rice grower suppliers is grown on broad acre properties. The planting and harvesting process is predominately mechanised and requires limited labour resources.

As a result, our initial assessment of SunRice's Australian rice suppliers shows that there is a low risk of modern slavery (including child labour) in this portion of our supply chain.

Despite these factors, SunRice acknowledges the potential for such practices to exist in Australia. We note that many Australian rice growers also produce other commodities and products on their farms. Australian rice growers have been consulted as part of our modern slavery approach and are included in our SSP. We will continue to review our Australian rice supply chain annually.

Global quality food business

Our Riviana Foods business has a complex supply chain focused on sourcing quality packaged food products from around the world. Based on the type of products we source, there may be forced and child labour risks associated at the production level. While we have mapped our direct suppliers and included them in our supplier risk segmentation, we need to increase our visibility along the full supply chain behind our Riviana products. In the period leading up to our 2021 statement, we will extend our due diligence efforts to better understand potential risks.



13. Ethical Trade Initiative (ETI) Human Rights Due Diligence Framework. "Workers at Greatest Risk of Human Rights Abuses." https://www.ethicaltrade.org/sites/default/files/shared_resources/eti_human_rights_due_diligence_framework.pdf.

14. International Labour Organisation – Global Estimates of Modern Slavery: Forced Labour and Forced Marriage (2017). From KnowTheChain 2018 Food and Beverage Benchmarking Report.

15. The full definition of the worst forms of child labour is defined in ILO Convention No. 182 Article 3: https://www.ilo.org/dyn/normlex/en/?p=NORMLEXPUB:12100:0:NO::P12100_ILO_CODE:C182.

16. <http://ilo.org/ipec/areas/Agriculture/lang-en/index.htm>.



Policies, governance and training

Policies and governance

We understand the importance of a clear and robust governance system to support our commitment to respecting fundamental human rights. Our policies are designed to ensure our practices and the practices of

those in our supply chain protect universally recognised human rights, including preventing modern slavery.

Key supporting policies are available on our investor relations website and include:

SunRice Group Code of Conduct	Defines expectations for how we operate as a business, including our commitment to aligning with the UNGPs to respect human rights.
Speak Up! Policy	Governs our SunRice whistle-blower and grievance mechanism and prohibits any retaliation against anyone who reports any issues of misconduct within our operations and supply chain.
SunRice Sustainability Charter	Defines our commitment to respect human rights.
SunRice Group Labour Rights Standards Policy	Reinforces our commitment to respecting the human rights of all people that have a connection with our business and outlines how we will adhere to the ILO Core Conventions, including the Forced Labour Convention 1930 (No. 29), and Abolition of Forced Labour Convention, 1957 (No. 105). Special focus is given to freedom of association, forced labour and human trafficking, child labour, work hours, wages and benefits, servitude, diversity and inclusion including minimum requirements on these issues: <ul style="list-style-type: none"> SunRice prohibits the use of all forms of forced labour, including prison labour, indentured labour, bonded labour, military labour, modern forms of slavery and any form of human trafficking. SunRice prohibits the hiring of individuals that are under the legal working age in each of the countries we operate.
SunRice Supplier Sustainability Code (Supplier Code)	Outlines the standards and business practices that SunRice expects its suppliers to agree to and work towards aligning themselves with. The Supplier Code includes provisions to prevent forced labour practices and labour exploitation within our supply chain.
Anti Bribery and Corruption Policy	Outlines SunRice's position in relation to its zero tolerance for any form of bribery or corruption.

“At the core of our mission is our commitment to respect the fundamental human rights of our people, customers, consumers, communities and suppliers. We are opposed to all forms of forced and compulsory labour. We are committed to developing a secure and ethical supply chain to surpass our consumers’ expectations and in turn doing what we can to ensure the abolition of exploitative child labour.”
SunRice Sustainability Charter

Case study: Supplier engagement through Supplier Code and supplier contracts

We recognise that identifying and addressing modern slavery risks in our supply chain requires collaboration with our suppliers and true partnership. When we designed the rollout of the Supplier Code, we engaged our internal relationship owners to design an engagement approach with suppliers that will support an open and transparent dialogue. The ability for our suppliers to communicate transparently helps us identify where gaps exist and how we can work together on a continuous improvement approach to achieve alignment with our expectations.

- The SSP was designed to build suppliers’ understanding of SunRice’s expectations and address key labour risks (e.g. working hours, child labour).
- The Supplier Code, which explains our expectations for how we operate as a business, was designed in collaboration with internal supplier relationship managers to ensure it was relevant to our suppliers.
- We held several internal training sessions to provide key supplier relationship owners with background, information and resources to answer questions directly from suppliers about the Supplier Code.

- Communications with suppliers were drafted to provide a clear message that we want to work with suppliers on this issue, all of whom are at differing stages of their progress in this area.
- Our supplier communication to announce the SSP and Supplier Code included a letter from the CEO of SunRice, which was sent by email from the appropriate internal business unit to provide more context and increase engagement.

As a means of embedding the Supplier Code into our relationships with suppliers, we revised our supplier contract templates and vendor on-boarding processes to require compliance with our Supplier Code. We are also focusing on ensuring that contracts are updated with the revised terms and conditions to include this clause as they are renewed, or new vendors and suppliers are on-boarded.

Below is an excerpt from our Supplier Code on our expectations around voluntary work:

- There is no form of forced labour, including but not limited to bonded (including debt bondage), indentured, prison or involuntary labour. Suppliers must take steps to ensure that their operations are free of slavery, slavery-like practices and human trafficking.
- All employment is freely chosen. All workers have the right to enter in and terminate their employment freely without fear of retaliation, threat of physical or mental coercion, or face unlawful notice periods.
- Workers retain possession of their identity papers or personal things.
- Workers shall not be bound or required to work as a condition of fulfilling terms of debt to a third-party or to the employers themselves.
- Workers have freedom of movement to leave the worksite at the end of their shift and during working shifts to take designated breaks (e.g. bathroom and drinking water).

SunRice sustainability governance

The SunRice Board has ultimate responsibility for SunRice’s sustainability performance, including our supplier sustainability strategy and issues relating to the risk of modern slavery in our operations and supply chain. Responsibility for the strategy and integration into day-to-day operations is shared across the organisation (Figure 6).

Figure 6

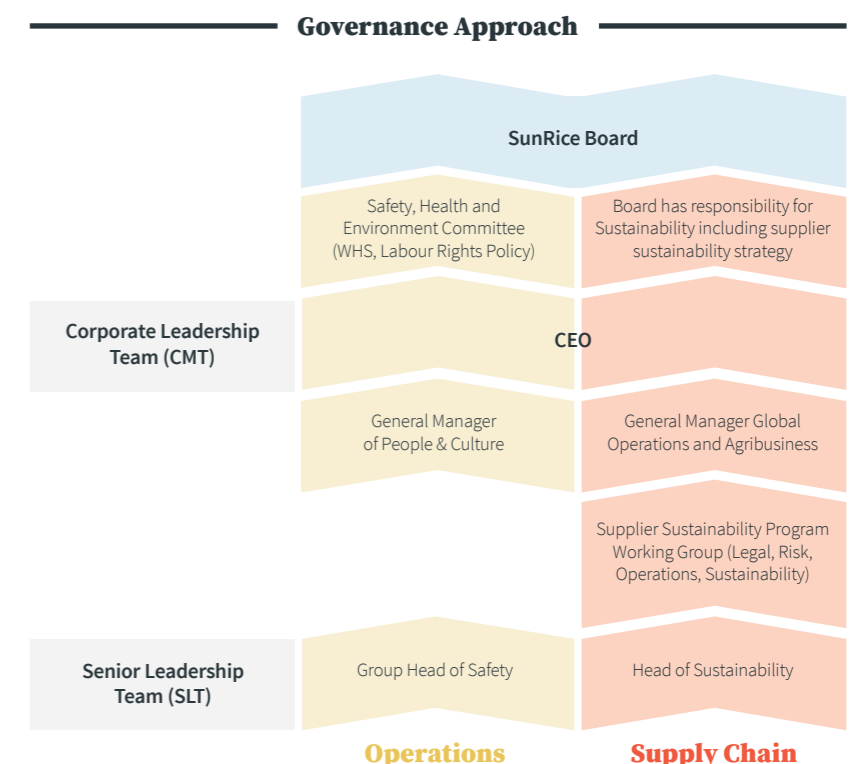




Figure 7 – Information sheet provided to new employees

ETI Base Code

The ETI Base Code is an internationally recognised set of labour standards based on ILO conventions. It is used by ETI members and others to drive improvements in working conditions around the world.
www.ethicaltrade.org

Ethical Trading Initiative
Respect for workers worldwide

SunRice
SunRice is proud to be an ETI Base Code Employer

 Employment is freely chosen	 Freedom of association and the right to collective bargaining are respected	 Working conditions are safe and hygienic
 Child labour shall not be used	 Living wages are paid	 Working hours are not excessive
 No discrimination is practised	 Regular employment is provided	 No harsh or inhumane treatment is allowed

Training

- Respectful workplaces:** Developed and rolled out a refresher eLearning course for SunRice Group employees on the following policies: SunRice Code of Conduct, equal employment opportunity, identifying and preventing bullying, harassment and discrimination. This was rolled out to 1,112 employees in the last financial year (FY20).
- Behaviour at work:** New hire training was updated in 2018 to reflect our updated Code of Conduct and the ETI Base Code¹⁷ (Figure 7). – More than 1,000 new employees have been trained since August 2018.
- Recognising forced labour:** Launched an eLearning module for our executive leadership team and Board to educate them on the Australian Modern Slavery Act, including recognising indicators of modern slavery. We will roll this out to sourcing-related roles and senior leadership.
- Supplier Code:** Created a custom eLearning module to help our employees understand our new Supplier Code. We are in the process of rolling this out with relevant internal teams and plan to deploy it to our suppliers over time.

Our operations

As a supplier to many leading brands, SunRice is required to demonstrate compliance with our customer expectations. As a result, there are requirements to provide details and in some cases be audited to monitor and verify our practices. When non-compliances are found, we work quickly to correct the issue and review and address the root cause behind the non-compliance. This ensures we are in compliance with our customer expectations and the SunRice Labour Rights Standards Policy.

As an example, we conducted a third-party audit at our Leeton and Deniliquin operations in 2018. The audit identified we needed to strengthen our operational labour policies, such as including reference to child labour. This led to revising the SunRice Labour Rights Standard Policy and reviewing all other labour-related internal policies to ensure they were aligned and consistently embedded within our organisation.

The audit findings also identified a need to conduct labour rights training so mill workers better understand their rights and our labour policies. This led to us conducting a series of refresher trainings on the ETI Base Code and our internal labour policies. This training was also included in induction for all new employees.

Access to remedy: grievance mechanisms

We are committed to providing our teams access to effective remedies in alignment with our commitment to the UNGPs. We also recognised that increasing awareness of the mechanism was an area we needed to improve on and we made some progress this year.

As a first step, we expanded the topics covered through our existing, Speak Up! program for whistleblowing to serve as an interim grievance mechanism. The Speak Up! program enables employees, customers, suppliers and other business partners to confidentially report issues or seek assistance in relation to reportable conduct. The reporting mechanism is accessible 24 hours a day from any country in the world via the web, with dedicated local toll-free numbers specified countries.

We are adapting our operational procedures to respond to potential issues or indicators of forced labour identified in our operations and supply chain to create operational protocols for how human rights issues are reviewed and investigated through the Speak Up! program. We will work with external human rights experts to help us refine our approach.

Case Study

SunRice Speak Up! program has been part of the SunRice way of doing business since 2013. As part of our commitment to continuous improvement, our Trukai business in PNG recently re-designed the Speak Up communication to increase local engagement. Procured in both English and Pidgin, the posters include images more reflective of the local teams and language that they can relate to.

Locally relevant email signatures and posters



Trukai i gat strongpela tok tambu long pasin korapsen long wok ples. Noken poret taim yu laik tokaut long wanpla korapsen pasin yu lukim o harim long wok. Mipela bai haitim nem bilong yu na wanem samting yu tokim mipela, bai nogat narapela man i save.

Toksave long Trukai

Phone: +677 532 3333 | Email: TILABCambassadors@trukai.com.pg | P.O. Box 4142, Lae MP / P.O. Box 380, Pom. NCD | <https://sunconnect.sunrice.com.au/pages/zero-tolerance.aspx>

Toksave long Whistleblowers Security

Phone: +677 532 3333 | Email: sunrice@whistleblowersecurity.com | www.whistleblowersecurity.com

ZERO TOLERANCE | **Make a Difference** | **SUN RICE** Group



Directly to Trukai

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17. <https://www.ethicaltrade.org/eti-base-code>.

Due diligence, action and remediation continued

Our supply chain

Supplier Sustainability Program (SSP) framework and policies

The SSP, which launched in May 2020, uses a risk-based approach and creates the framework for how we engage our suppliers as part of our supply chain due diligence activities.

The design of our program was informed by stakeholder engagement with suppliers, including our Australian rice growers, our internal business partners, customers and independent human rights experts. We recognise some of our suppliers are new to social compliance expectations. That is why we are implementing SSP through a staged, iterative process with a focus on building our internal capability to effectively implement and scale our program and the capability of our strategic suppliers to align with our expectations. As the first step of our program launch, we sent the new Supplier Code to over 2000 suppliers in June 2020.

The following describes the key stages of the initial roll out of the SSP:

- 1 **Establish SSP: Define the program and assign responsibility internally**
- 2 **Conduct a risk assessment to determine priority focus areas**
- 3 **Roll out SSP to priority suppliers**
- 4 **Improve processes and continue SSP roll out based on risks**



Monitoring and remediation

We continue to further define our program requirements, which will be based on our supplier segments. We will prioritise engagement with our priority suppliers in 2020.¹⁸ Priority suppliers will be asked to complete a self-assessment questionnaire (SAQ) to evaluate the strength of their management systems to prevent forced labour risks. As of September 2020, we identified approximately 40 priority suppliers that will be involved in the pilot SAQ.

As in-scope suppliers submit their SAQs, an internal working group will assess the results and where necessary engage the supplier to discuss gaps and continuous improvement plans. Depending on the severity of issues identified, we may conduct an onsite visit or require an onsite independent audit, or for the supplier to participate in a capacity building program. Our supplier monitoring and remediation requirements will evolve as we roll out the SSP and refine the program based on our learnings.

Access to grievance mechanisms

Our Supplier Code requires suppliers to ensure their workers have access to remedy through effective operational-level grievance mechanisms, as defined in the UNGPs. We are aware that not all suppliers will have such a mechanism in place and have taken the following steps:

- Take steps to ensure that the current Speak Up! program will be available for all suppliers and their employees if they do not have their own program.
- Developed resources, including posters with details of the Speak Up! line for suppliers, and guidance on establishing an effective grievance mechanism. We will focus on ensuring awareness and access to these resources in future reporting periods.

We acknowledge that the existing Speak Up! program is likely to need some review and adjustment to ensure it adequately facilitates reporting, response and remediation in relation to potential modern slavery issues. We will monitor and make any necessary adjustments to this process for our non-employees and supply chain partners to improve the effectiveness of this mechanism.

¹⁸. See page 6 for details of the segmentation results and definitions.

Impact of COVID-19

SunRice recognises that COVID-19 will continue to have profound global impacts on people, society and economies. As we continue to respond to the COVID-19 pandemic, the safety of our people, customers and suppliers continues to be of the utmost importance to us, as well as ensuring that the role we play in food security is fulfilled in every market in which we operate.

We are proud of the ingenuity and commitment of our employees in responding to the unprecedented set of circumstances which for SunRice included:

- A significant increase in demand for many of our retail products, in some cases more than 200% of forecasts due to changes in consumer shopping patterns.
- Complex supply chain disruptions, including access to some ports being interrupted and shipments being put on 'go slow' between specific destinations.

Our operations

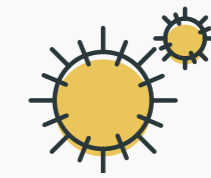
Operational staff in Australia and around the world worked to ensure that our rice products – a critical food staple in high demand in many of our markets – could continue to be produced and delivered to customers. Protocols were put in place to support this and to ensure our commitment to our team's welfare, health and wellbeing including:

- Creating additional safety measures in our facilities, which meant that each time an employee suspected they may have COVID-19, facilities were shut down and deep cleaned.
- Redesigned offices for social distancing, with Australian premises registered as being 'COVID-Safe'.
- Leveraging technology to help employees stay connected with each other and their customers, suppliers and key stakeholders despite the inability to travel, and the extra burden of restrictions.

Our supply chain

Based on our engagement with key suppliers at the time of reporting, we are not aware of any increased pressure in our supply chain or our operations that would suggest a greater risk of modern slavery than the current risk areas previously mentioned. However, we are aware of the growing issues that are developing in certain geographic regions and that the impacts of COVID-19 have created a ripple effect that will continue to present new challenges.

We will continue to monitor our operations and supply chain and respond accordingly. SunRice is



Our Approach to COVID-19



Implementing new working arrangements to protect the health and wellbeing of our staff



Maintaining business continuity and production to the highest levels possible



Keeping in close contact with our key stakeholders, including our customers and suppliers

- Export restrictions on rice imposed in Cambodia and Vietnam, highlighting our key role in providing food security for Pacific Island nations.

In this context, our team responded to ensure the safety and welfare of our team members and those connected with our supply chain, as well as, continuity of supply including in some of our markets where food security is an issue.

In addition to caring for the safety of our people, whether working on site, in the office, or from home, we recognised that when our people aren't able to regularly see their family, friends and colleagues, it can be harder to keep on top of how they are feeling. To support our people during these challenging times, we provided a series of virtual learning webinars which were designed to help address some of the emotions our people may be experiencing and the importance of creating positive emotional connections for greater empathy and rapport. These sessions were 'Handling Emotions in Uncertain Times' and 'Human Connection During Isolation' and we welcomed family and friends to participate too. We continue to invest in the wellbeing of our people through our Employee Assistance Programs.

also working with close partners and suppliers to ensure that there is open communication about impacts to workers and any potential changes to supply and timelines. Our commitment to strong relationships and open communication with our suppliers is the basis for our ongoing assessment of these risks and our response. We will continue to rely on the guidance provided by the Commonwealth and insights obtained through the UN Global Compact Australia Modern Slavery Community of Practice, to review and consider the impact of COVID-19 on our suppliers and our approach.



Effectiveness

Assessing the effectiveness of our actions

We recognise the importance of monitoring and measuring our efforts in order to adapt, improve and communicate progress. In the coming year, we will review our internal processes and continue to assess the impact of our modern slavery strategy and our newly implemented SSP. The proposed approach includes:

- Maintain Board reviews of activities on a biannual basis;
- Establish governance responsibility for the SSP within a designated Board Committee to allow for increased oversight of activities;
- Regular program reviews via a dedicated internal working group to update on actions taken, share knowledge, review assessment results and where necessary adapt processes to ensure continual improvement;
- Continue consulting with external human rights experts to advise on our modern slavery strategy and support the working group;
- Establish key performance indicators related to our modern slavery plan to help us track and evaluate progress;
- Regularly review Speak Up! program reports, investigations and responses to identify and address systemic issues and increase its effectiveness based on the UNGPs criteria for effective grievance mechanisms;
- Review our risk assessment process and conduct a revised risk assessment to reflect changes in our supply chain and operations and identify emerging and changing risks;
- Consider modern slavery related risks when developing our internal audit program to support embedding these activities in our internal governance mechanisms; and
- Continue to collaborate with the United Nations Global Compact Australia, SRP and our Australian rice industry initiatives.

Commitment to strengthening our strategy

We are committed to strengthening our program to identify and address modern slavery risks within our supply chain and operations. As our program matures, we will report any incidence of modern slavery found in our operations or the supply chain and how we have worked with suppliers or individuals to remediate.

Our long-term goals:

- Ensure robust governance systems for our SunRice operations are in place for our SunRice supply chain operations;
- Minimise the risk of labour rights abuses in our operations and supply chain;
- Build internal capability to identify and remediate issues; and
- Foster open, trusted supplier relationships to identify and work to remediate any labour rights issues, including forced and child labour, in our supply chain.

Our short-term goals:

- Ensure our new suppliers are enrolled in SSP and aware of the Supplier Code;
- Educate key employees in the Modern Slavery Act (including the UK Act and Californian Supply Chain Transparency Act where relevant) and other labour rights obligations and the SSP;
- Develop supplier training to support improved supplier understanding of our Supplier Code and modern slavery risks;
- Consider SSP and modern slavery related risks when developing our internal audit program for continuous improvement and accountability;
- Strengthen our grievance mechanism process to build a system aligned with the UNGPs' effectiveness criteria for grievance mechanisms; and
- Establish a detailed three-year road map outlining key steps, accountabilities and processes to achieve long term goals.

This statement was approved by the Ricegrowers Limited Board on 22 October 2020.

Regulatory disclosure matrix

This statement was prepared to meet our regulatory disclosure requirements. It complements our existing sustainability disclosure on the SunRice website and our annual sustainability reports. The table below references where the mandatory criteria are disclosed for the *Australian Modern Slavery Act 2018 (Cth)* and where more information is located in our 2020 Reports Portfolio which form part of our 2020 Annual Report.¹⁹

Australian Modern Slavery Act 2018 (Cth)²⁰

Mandatory criteria	Disclosure reference
1 Criterion 1: Identify the reporting entity	<ul style="list-style-type: none"> • Contents, page 1 • 2020 Annual Report page 1
2 Criterion 2: Describe the reporting entity's structure, operations and supply chains	<ul style="list-style-type: none"> • Our structure, operations and supply chain, page 4 - 5 • 2020 Annual Report, pages 1, 117
3 Criterion 3: Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	<ul style="list-style-type: none"> • Identifying our modern slavery risks, page 6 - 8 • Due diligence, action and remediation, page 13 - 15
4 Criterion 4: Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	<ul style="list-style-type: none"> • Policies, governance and training, page 10 - 12 • Due diligence, action and remediation, page 13 - 15
5 Criterion 5: Describe how the reporting entity assesses the effectiveness of these actions	<ul style="list-style-type: none"> • Due diligence, action and remediation, page 13 - 15 • Effectiveness, page 16
6 Criterion 6: Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	<ul style="list-style-type: none"> • Our structure, operations and supply chain, page 4 - 5

¹⁹ <https://investors.sunrice.com.au/investors/?page=annual-reports>

²⁰ SunRice took advantage of the Australian Government's submission extension and have extended our reporting period to include our activities from 1 May - 30 September 2020. In future modern slavery statements our reporting period will be 1 May - 30 April to align with our financial year.



2020 SunRice Modern Slavery Statement

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