

MODERN SLAVERY STATEMENT 2020

SUNNY QUEEN AUSTRALIA



Sunny Queen Australia is proud to be a third-generation farming family business. We care deeply about our team members, our customers, our suppliers, and the animals and land in our care. Each day we strive to be an agile, innovative, “feel good” food company, producing nutritious food in an ethical, sustainable way.

Our values – Teamwork, Respect, Integrity, Courage and Excellence – underpin everything we do. We are deeply committed to the rights of all people to feel safe and respected in their workplace, free from discrimination and harassment, and we will do everything we can to identify, address and eliminate any risks of modern slavery within our Supply Chains.



The following is our First Modern Slavery Statement. It outlines the measures we are taking as part of an ongoing and evolving commitment to address the risks of modern slavery in our business.

Julie Proctor

Introduction

As one of Australia's largest egg suppliers, Sunny Queen Australia recognises the importance of risk mitigation practices. This includes being transparent, responsible, and integral, being aligned with the Sunny Queen vision to be an agile, innovative, feel good food company producing nutritious food in an ethical, sustainable way and, at all times, living our values:

Our Values

Teamwork, Respect, Integrity, Courage and Excellence.



Sunny Queen condemns Modern Slavery and is committed to ensuring a transparent approach in understanding, preventing and addressing the risks of Modern Slavery in our global operations.

This is our first Modern Slavery Statement, pursuant to the requirement of the *Modern Slavery Act 2018 (Cth)* for the financial year ended June 30th, 2020.

Our Structure

Sunny Queen Australia Pty Ltd (ABN 31 060 702 034), trading as Sunny Queen Australia, is a privately owned company that is 100% Australian Farmer owned, and a leader in the provision of eggs and other egg products. Sunny Queen's workforce consists of approximately 140 permanent employees. Casual/Temporary employees range from 25 up to 85 during peak production periods.

The 2020 Modern Slavery Statement is a first for Sunny Queen. Our relevant stakeholders and people have been engaged and informed of our approach, aiming to eradicate Modern Slavery risks in our Supply Chain.

Our Operations

The Sunny Queen Head Office and manufacturing facility is based in Queensland, in the Brisbane Region. In addition, Sunny Queen operates a combination of wholly owned and 3PL warehouses, one in Queensland, New South Wales and Victoria. Sunny Queen food products are sold internationally and domestically in retail, wholesale, B-2-B and route trade.

Sunny Queen Australia undertakes a range of activities in pursuit of our business objectives and standards. These include:

- Direct and indirect employment in manufacturing, field sales and corporate activity.
- Production of cooked products
- Development of new food products.

- Product distribution, purchasing, marketing, sales and exports.

Our Supply Chain

During the reporting period, Sunny Queen's operations sourced inputs for our products directly from approximately 145 suppliers. These included ingredients and products such as eggs, dairy, salt, oils, vegetables and spices, as well as packaging materials such as packaging, paper, plastics and adhesives. We procured other goods and services from approximately 500 other, indirect suppliers, including maintenance and operations, professional services, marketing, logistics, capital, IT and telecommunications, and utilities services.

Sunny Queen generally has longer-term arrangements with key ingredient suppliers, as well as short-term arrangements as necessary for more irregular purchases of services and goods.

All our fresh products are sourced locally and the majority of our ingredients are sourced from local distributors, sometimes including overseas products. The vast majority of our paper packaging materials are also sourced locally.

Modern Slavery risks

Sunny Queen recognises that modern slavery is a significant worldwide issue and as such, can often be challenging to identify in large global supply chains.

We acknowledge Modern Day Slavery as a key risk in the supply chain and we are working with all suppliers to highlight any potential supply chain risks.

To further understand and map these risks, we are implementing a Supply Chain Analytical SaaS tool. The purpose is to provide detailed live risk due diligence by supplier entity, industry, products (sub-products and raw materials), and country. This process will also cover the corrective action process and provide reporting capabilities on progress made.

As part of our customer compliance programs, we regularly participate in SEDEX audits on our facilities and production areas and we confirm we meet all the required standards.

Risk identification, mitigation, and remediation

Sunny Queen is committed to having an ongoing proactive approach in striving to eradicate all modern slavery risks involved in running our business. We use a combination of internal assessments and independent ethical audits to identify potential risks and form any necessary corrective actions. Our Supplier Code of Conduct and other labour-related policies incorporate Sunny Queen's commitment to a Business and Supply Chain which prohibits child labour and is respectful of human rights. These policies are available to all employees and are communicated to ensure requirements and expectations are understood.

Our Labour-related policies include:

- Code of Conduct
- Supplier Code of Conduct
- Forced Labour and Child Labour Policy

- Anti-Discrimination and Equal Opportunity Policy

To further understand the risk of Modern Slavery in our operations and Supply Chain, we have adopted a Supply Chain data analysis tool which aims to identify and assess a wide range of modern slavery risks. This data analysis tool creates a predictive bill of materials for each item that is purchased. From this, layers of different insights about social, environmental, and business continuity risk are discovered.

We will assess all suppliers through a survey, having greater focus on the Modern Slavery risks within our Supply Chain. The questions will investigate business operations, workforce, quality management, safety concerns and the overall nature of the supplier.

It is understood by employees that they can report concerns via our grievance process in which they have the option to remain anonymous. We are confident in our actions to mitigate the risk of modern slavery in our Supply Chain, and we remain alert and proactive in strengthening our approach.

How we assess the effectiveness of our actions

Sunny Queen is committed to collaboration and stakeholder management as crucial components in mitigating modern slavery risks. Using the Supply Chain Platform, Sunny Queen aims to streamline all Supply Chain data to better understand and highlight the risks within our Supply Chain. An approval process will occur with all new suppliers.

All audits conducted by third-party independent firms are completed by qualified consultants who execute an in-depth assessment of our standards and protocols. Our annual audits continuously evolve and adapt to meet the economic environment and business operations and we are committed to remaining transparent and vigilant.

The People and Culture Department is available to review, assess and discuss any objectives related to the employment policies and practices of Sunny Queen. The P&C Department will action an annual review of the program and reported concerns will be addressed and actioned as required. Annual audits with Tier one suppliers will now have a greater focus on Modern Slavery risks.

We will ensure an ongoing commitment to:

- Optimising and upholding Supply Chain Analytical system
- Providing and monitoring Supplier Code of Conduct
- Training and ongoing engagement with staff
- Providing and monitoring a grievance process which includes the option to remain anonymous.
- Incorporating Supplier Code of Conduct and other relevant policies with new supply chain partners

Consultation Process

During the process of developing a Modern Slavery statement, Sunny Queen has adopted a Supply Chain Analysis tool which assisted in the development of the Supplier Code of Conduct. Sunny Queen will continue to address Modern Slavery risks within our business

and will engage with stakeholders to maintain the effectiveness and awareness of our actions.

Statement Approval

This statement has been reviewed and approved by the Chief Executive Officer and Board of Directors for Sunny Queen.

This statement is signed by Julie Proctor, Chief Executive Officer for Sunny Queen Pty. Ltd.

A handwritten signature in black ink, appearing to read 'Julie Proctor', with a long horizontal stroke extending to the right.

Julie Proctor

Chief Executive Officer