



Sunny Queen Australia

MODERN SLAVERY

STATEMENT 2023

Introduction

Sunny Queen Pty Ltd (ABN 31 060 702 034) was established by Australian Farming Families and is subject to the *Modern Slavery Act 2018* which involves producing an annual Modern Slavery statement reporting on seven criteria as outlined in the Act.

This is Sunny Queen's fourth Modern Slavery Statement for the financial year ending 31st June 2023. Pursuant to the requirements of the Act, this statement sets forth the steps Sunny Queen has taken to understand, prevent, and address Modern Slavery risks within our operations and supply chain.

Our Structure

Sunny Queen is a market leader in the supply and distribution of eggs and other egg products.

During the reporting period, Sunny Queen's workforce consisted of 187 permanent workers (approximately 89.30% full time, 4.81% part time and 5.88% casual). Casual/Temporary workers range varies from 25 up to 85 during peak production periods.

The Sunny Queen board consists of one (1) chair and six (6) directors. Sunny Queen's Senior Leadership Team comprises a team of General Managers whose function is to oversee and manage business units whilst continuously improving efficiencies towards overall business objectives.

Our Operations

Sunny Queen eggs and other egg-based products are sold internationally and domestically in retail, wholesale, B2B and route trade.

Sunny Queen's Head Office is at Carole Park in Queensland, and it operates manufacturing facilities at Carole Park and on the Darling Downs. Sunny Queen operates wholly owned and 3PL warehouses in Queensland, New South Wales, and Victoria and operates from 3PL facilities in South Australia and Western Australia.

Throughout the reporting period, Sunny Queen Australia's objectives and standards are achieved through a range of activities such as:

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

- Product distribution, procurement, marketing, sales, and exports

Our Supply Chain

Sunny Queen operations sourced input from approximately 153 suppliers and service providers during the reporting period. This includes a variety of ingredients and products such as eggs, dairy, salt, oils, vegetables, and spices, as well as packaging materials such as packaging, paper, plastics, and adhesives. Longer-term agreements are in place for key suppliers, with short term arrangements in place where necessary for more irregular purchases of services or goods.

Our Supply Chain also includes indirect suppliers, including maintenance and operations, professional services, marketing, logistics, capital, IT and telecommunications, and utilities services.

All our fresh products are sourced locally, and most of our ingredients are sourced from Australian distributors, sometimes including overseas products. Most of our paper packaging materials are also sourced in Australia.

Modern Slavery Risks

Sunny Queen is committed to a risk-based approach to understanding, preventing, and addressing Modern Slavery risks within our business operations and supply chains. We acknowledge the significance of this worldwide issue and recognise that identifying and responding to these risks can be challenging in global supply chains.

The potential Modern Slavery risks within our internal and external supply chain have been identified to arise from our employment practices, procurement practices and HR Policies and Procedures. Whilst we acknowledge that Modern Slavery risks within external supplier supply chains are beyond our direct control, we recognise our responsibility to mitigate these risks through fair procurement and continual review of our actions and strategies.

To address these risks, Sunny Queen is taking the following measures:

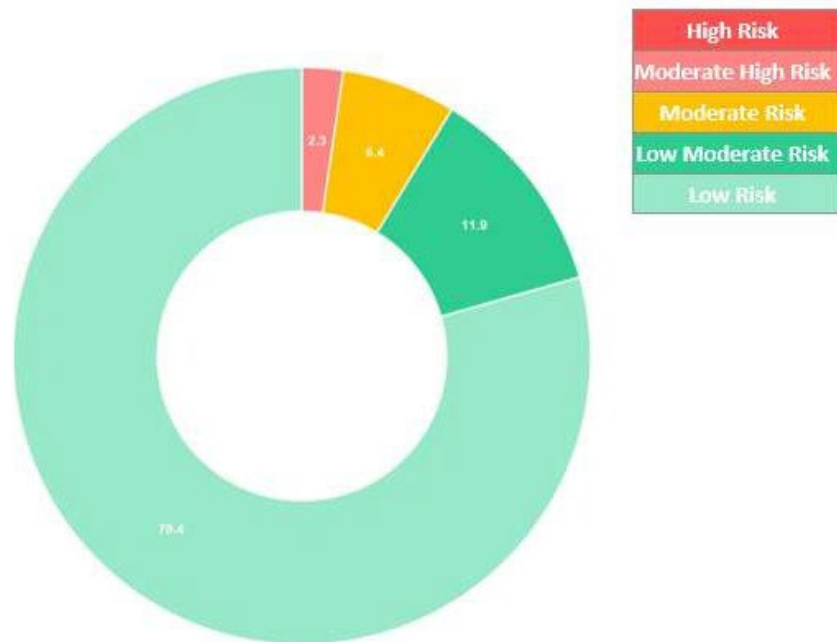
- Monitoring workforce conditions to ensure fair labour practices
- Continual review and update of Human Resource policies and procedures
- Conducting due diligence through supplier screening processes, including the completion of supplier questionnaires
- Ensuring compliance with Sunny Queen Code of Conduct
- Engaging in supplier engagement and collaborative initiatives

It is important to note that consideration of whether a supplier produces their own Modern Slavery Statement is a criterion under evaluation, and if implemented, will be reported in future statements.

Risk identification, mitigation, and remediation

In financial year 2023, Sunny Queen utilised a Supply Chain Analytical SaaS tool as a one-off risk assessment measure to identify potential risks within our supply chain. This tool provided detailed risk due diligence by supplier entity, industry, products (sub-products and raw materials) and location of all active suppliers, enabling us to identify and address Modern Slavery risks. During the reporting period FY22-23, the tool identified that 91.3% of suppliers are deemed 'Low Risk' or 'Low Moderate Risk'. The system identified zero suppliers as 'High Risk.' The remaining 8.7% of suppliers are categorised either 'Moderate Risk' or 'Moderate High Risk.' These findings demonstrate the

effectiveness of our risk management efforts. They also point out areas where we can do better and help guide our action plan for our next statement.



Additionally, an important element in our social accountability compliance is participating in annual SEDEX and/or general supplier accountability audits. The purpose of these audits is to assess and offer guidance on the standards of labour, health and safety, environment, and business ethics within our operations and supply chain. These audits provide valuable insights into our compliance with regulatory standards, informing our ongoing efforts to strengthen our approach to combatting Modern Slavery.

It is recognised that no business, industry, or region is entirely exempt from Modern Slavery risks within their operations or supply chain. Therefore, Sunny Queen suppliers must pre-qualify with the Supplier Code of Conduct. The Supplier Code of Conduct outlines Sunny Queen’s commitment to maintaining high standards of ethical conduct and compliance with all applicable laws, regulations, and legislation. Additionally, it is expected that suppliers support the welfare of their team members and the community by providing fair and ethical workplaces and supply chains.

We are committed to clear, unambiguous policies and processes that support the abolition of Modern Slavery. The entire Sunny Queen workforce has access to all policy documents in cloud-based systems, accompanied by training and awareness programs to ensure compliance and corporate responsibility. Reviewed annually, the policies related to Modern Slavery include:

- Supplier Code of Conduct
- Code of Conduct
- Workplace Grievances
- Whistleblower Policy
- Freedom of Association and the Right to Collective Bargaining
- Forced Labour and Child Labour
- Anti-Discrimination and Equal Opportunity
- Mental Health and Wellbeing
- Environmental Statement

Any concerns about Modern Slavery can be reported anonymously through Sunny Queen’s grievance process. Customers, suppliers, and others can raise concerns through their Sunny Queen contact or the People and Culture team. Team members are encouraged to provide feedback or raise concerns all year-round. Sunny Queen promptly records and addresses any information on Modern Slavery or human trafficking risks.

How we assess the effectiveness of our actions

Sunny Queen is committed to a culture of continuous improvement with our team members and suppliers. With an ongoing focus on eradicating risks of Modern Slavery, a one-time Supply Chain Analysis tool was adopted in FY22-23 to streamline Supply Chain data and highlight any potential risks.

Throughout the reporting period, zero incidents of Modern Slavery were identified in our operations or supply chain. To our understanding, no business has been conducted or partnerships formed with any organisation who has been involved or found to be involved with Modern Slavery.

Our human rights and social accountability audits adapt to changing business needs. This financial year, we completed an internal payroll compliance audit to streamline processes and identify risks. Our ongoing commitment to combatting Modern Slavery is evident in our stringent auditing processes and supplier agreements, with outcomes detailed in this statement.

Along with our commitment to remain transparent and vigilant when assessing Modern Slavery risks, Sunny Queen is dedicated to:

- Developing and maintaining relationships that support open communication
- Continuous improvements with analytical systems
- Supplying and monitoring Supplier Code of Conduct with all new and existing supply chain partners
- Training and ongoing engagement with all team members in:
 - Modern Slavery Awareness
 - Discrimination and Equal Employment Opportunity
 - Code of Conduct
- Endorsing team member feedback, with the option to submit a grievance anonymously
- Ensuring any grievances raised are dealt with in a timely manner
- Monitoring regulatory agency websites and news articles to stay informed and up to date with changes to workplace legislation

Throughout the reporting period, zero grievances related to Modern Slavery or human trafficking were detected. Sunny Queen’s Sustainability and People & Culture departments are continuously seeking to improve processes, programs, policies and practices related to Modern Slavery. Any reported concerns are addressed and acted on immediately, with the appropriate course of action taken.

Consultation and Review Process

Sunny Queen consulted the relevant entities we own or control in the development of this statement to frame our expectations and align strategies. We are dedicated to ongoing review and improvements to our practices to mitigate the risks of Modern Slavery within our operations and supply chains. We are committed to communicating updates to our policies across all levels of the organisation and keeping our team members informed.

Statement Approval

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

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

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

Julie Proctor

Chief Executive Officer & Managing Director