



## **MODERN SLAVERY STATEMENT**

Goodstart Early Learning Ltd ACN 139 967 794

FY2021

## ABOUT GOODSTART

Since 2010 Goodstart, as a not-for-profit social enterprise, has been creating positive social change by giving Australia's children, especially our most vulnerable, the best possible start in life by providing access to high quality early learning.

Goodstart was created a decade ago by a partnership of four of Australia's leading charities, who recognised a child's early years experiences as having a huge influence on the rest of their lives – The Benevolent Society, The Brotherhood of St Laurence, Mission Australia and Social Ventures Australia.

Since then, Goodstart has been on a journey of transformation. All of the profits Goodstart earns from its centres are directed back into improving the quality of early learning and supporting disadvantaged and vulnerable children and their families.

## OUR STRUCTURE

Goodstart Early Learning Limited ACN 139 967 794 ('Goodstart') is an unlisted public company, limited by guarantee, incorporated in Australia with its registered office in Brisbane, Queensland. The company is registered as a charity with the Australian Charities and Not for Profit Commission.

Goodstart's wholly owned and/or wholly controlled subsidiaries ("Subsidiaries") during the reporting period 1 July 2020 to 30 June 2021 ("the reporting period") were GS Admin Services No 1 Pty Ltd ACN 169 578 796, Goodstart Early Years Ltd ACN 133 530 364 and Big Fat Smile Group Limited ACN 002 796 232, (together referred to as "the Goodstart Group" or "us" or "we" or "our"). Goodstart Early Learning Limited is the primary operating entity in the Goodstart Group and is the chief acquirer of goods and services. There are common appointee directors across all Subsidiary companies.

Goodstart is submitting this statement as a joint statement in accordance with the Modern Slavery Act 2018 (Cth) on behalf of the Goodstart Group.

The Goodstart Group's modern slavery compliance program and this Statement have been developed in consultation with all Subsidiaries in the Group. Goodstart's procurement team have liaised with senior management of the Subsidiaries (where this differs to Goodstart's management) to ensure a consistent approach to the mapping of supply chains and carrying out of due diligence, remediation and training programs. Consultation regarding modern slavery requirements and the content of this Statement has also occurred at board level between Goodstart executives and company officers and the respective boards of directors of the Subsidiary companies.

All Boards of Directors in the Group have been updated on the reporting and compliance requirements for the Goodstart Group under the Modern Slavery Act 2018 (Cth).

## OUR OPERATIONS

Our principal services include the provision of long day care, preschool and kindergarten programs. Goodstart is the largest early learning and care provider in Australia and the nation's largest non-government provider of preschool and kindergarten programs.

As at 30 June 2021, we:

- Operate 664 Goodstart branded centres, with centres in each State and Territory;
- Employ 15,639 employees; and
- Care for 67,670 children at our centres

Further information about Goodstart and our operations can be found in our most recent Goodstart Annual Report at [www.goodstart.org.au](http://www.goodstart.org.au).

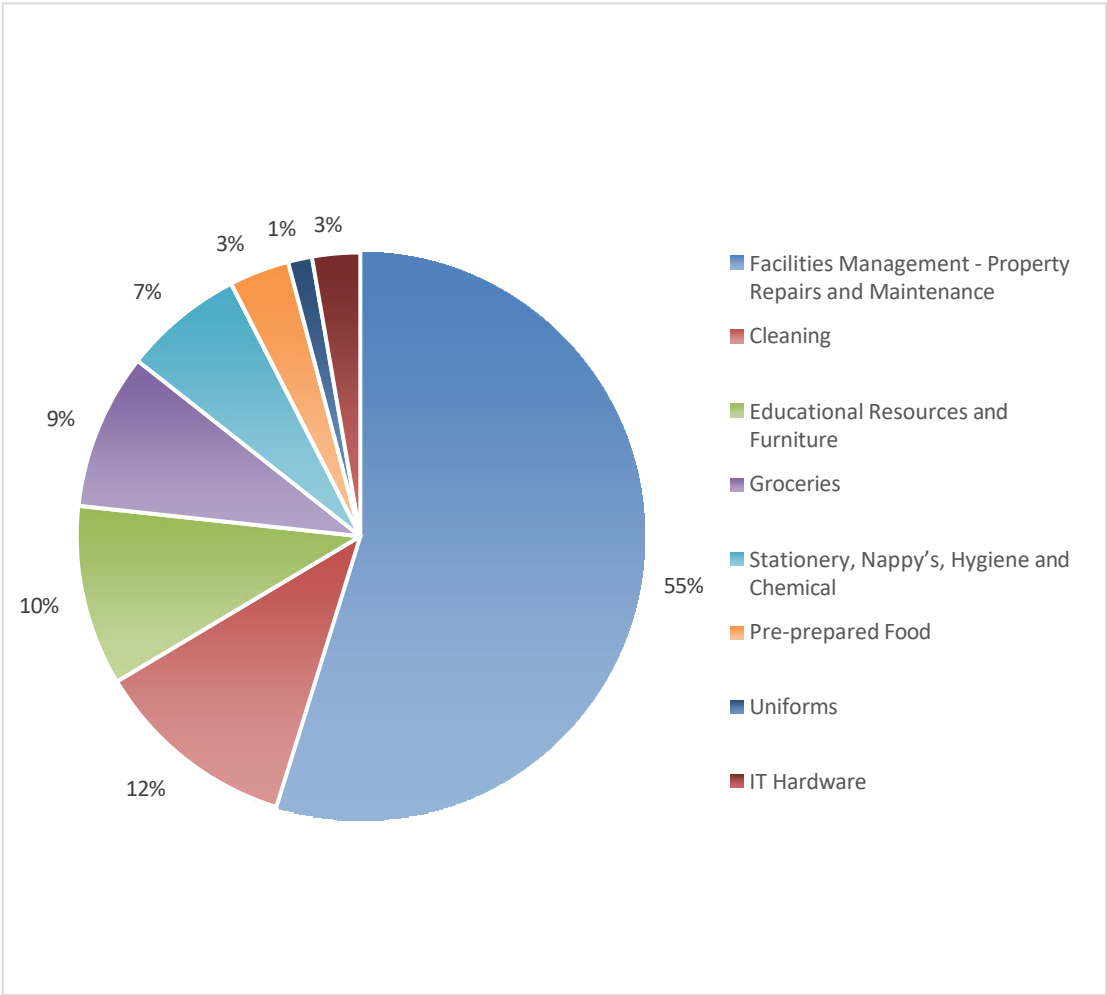
## OUR SUPPLY CHAIN

Goodstart manages approximately 75 suppliers with a total spend in excess of \$336M in FY21. From the original analysis of suppliers and the supply chain against modern slavery risk indicators undertaken during the first reporting year, approximately 50% of the supply chain is considered potentially high risk. The number of suppliers in the potentially high-risk category closely reflects risk associated with the categories of goods and services supplied. All high risk suppliers are managed through a centralised procurement function, and are now subject to additional monitoring and reporting.

All of Goodstart's key supply arrangements are governed by negotiated written agreements that are reviewed by Goodstart's legal advisers and executed in accordance with a well-defined governance and delegations framework.

The following categories of spend for Goodstart have been identified as high-risk categories where there is a potential for slavery in supply chains to occur.

<b>Category</b>	<b>Regions Sourced / Manufactured</b>
Facilities Management - Property Repairs and Maintenance	Australia
Cleaning	Australia
Educational Resources and Furniture	Asia, Europe, USA
Groceries	Various
Stationery, Nappies, Hygiene and Chemical	Asia, Australia, USA
Pre-prepared Food	Australia
Uniforms	China
IT Hardware	China



## **MODERN SLAVERY RISKS**

During the initial reporting year (the year ending 30 June 2020), a risk assessment was undertaken for modern slavery risks within our operations and supply chain. That process of ongoing risk assessment has continued throughout the reporting period as procurement activities have evolved and new suppliers have been contracted. Through the risk assessment process, we identified the following modern slavery risks within our operations and supply chain:

### **In our Operations**

Goodstart deems the risk of modern slavery practices in our directly employed workforce to be very low. This is due to the highly regulated nature of the labour market in Australia, the strict regulation of early learning and child to staff ratios, the presence of unions to represent employees, and our employees undertaking work in environments where there are established industrial policies and processes.

There has been no change to Goodstart's assessment of the risk of modern slavery practices in our workforce for the present period.

### **In our Supply Chain**

The risk of modern slavery practices in our supply chain is influenced by country of origin and product category.

The 2018 Global Slavery Index measures the extent of modern slavery country by country, and by product category. The top two products at risk of modern slavery imported into Australia are: electronics such as laptops, computers and mobile phones; and garments. Most of these products are imported from Asia. The prevalence of modern slavery throughout Asia varied between countries but was generally high.

The areas where Goodstart is most likely to be linked to modern slavery are the purchase of educational resources, furniture, uniforms and IT hardware, originating in Asia.

# **DUE DILIGENCE AND REMEDIATION**

## **Operational due diligence**

Goodstart continues to adopt a risk-based approach to modern slavery focused on tier one suppliers and the primary site of manufacturing in their supply chain. Those suppliers identified within these categories are monitored closely.

During the reporting period Goodstart took further steps to assess and mitigate modern slavery risks within its operations.

### Building awareness

A program directed at increasing awareness of modern slavery risks among staff was commenced, with a presentation prepared by the Procurement department on modern slavery risks and Goodstart's procurement requirements presented to various forums within different levels of the organisations, including a forum of Centre Directors, and a meeting of the national Operations leadership. The presentation highlights risk areas in Goodstart's supply chain and explains the internal monitoring and reporting processes now in place. It also highlights the importance of adherence to Goodstart's preferred supplier agreements as a key safeguard against modern slavery risk. Further engagement and education with all of Goodstart's personnel through various channels is planned and ongoing.

### Risk Monitoring and Board Reporting

Modern Slavery Risks in Goodstart's supply chain were incorporated into Goodstart's corporate risk register under the category of Third Party Enterprise Risk and these risks and risk ratings are reported against each quarter in Goodstart's Quarterly Risk Report to Goodstart's executive management team and Board.

### Modern Slavery Terms in all New Supply Contracts

Goodstart's standard service and supply agreement templates contain comprehensive modern slavery provisions. Additionally, Goodstart has established standard legal procurement requirements for new supplies and suppliers of goods and services to Goodstart which require minimum contractual provisions confirming compliance with modern slavery laws and ensuring access to information regarding supply chains in third party contracts. During the Reporting Period Goodstart entered into 6 major legal agreements for the supply of goods or services, which included the negotiation for inclusion of acceptable terms with respect to Modern Slavery laws, reporting and risks, in all such contracts.

## **Supply chain due diligence**

Goodstart continued to assess and mitigate modern slavery risks in our supply chain during the reporting period by:

- > engaging with key suppliers to understand 'country of origin' issues and how they are addressing their modern slavery risks, including obtaining copies of supplier's modern slavery statements and supply chain mapping/audits.
- > referencing Modern Slavery and the need for ongoing reporting requirements included in all RFP documents issued by Procurement and or activity overseen by Procurement. This is included as part of the supplier pre-qualification to which suppliers must note conformance to within submissions.
- > the review of all new contracts for supplies and suppliers of goods and services to Goodstart by our in-house lawyers to ensure that legal provisions are included to ensure adherence to modern slavery laws and access to information regarding supply chains.

### Supplier Due Diligence Questionnaire

Additionally, during the reporting period, Goodstart developed a comprehensive due diligence questionnaire for suppliers regarding specific modern slavery labour risks and the procedures suppliers had in place to prevent modern slavery.

Goodstart's Procurement department sent the Supplier Due Diligence Questionnaire to 21 suppliers deemed potentially high risk by Goodstart, to obtain more in-depth information regarding their supply chains. These suppliers represent approximately \$70M of annual procurement spend by Goodstart.

Responses were analysed by the Procurement department and engagement with those suppliers is ongoing. An internal process was devised whereby the use of a supplier by consumers within the organisation can be monitored and restricted if concerns are identified based on the supplier's responses to the questionnaire. Goodstart's procurement relationship with 2 suppliers has been revised following their failure to adequately engage with Goodstart in relation to the Due Diligence Questionnaire.

### Mapping of Supply Chain of New Subsidiary

One new entity was included in the Goodstart Group during the reporting period. Goodstart's procurement team engaged with the management team of the new entity to gather information about their supply chain.

Goodstart continues to support its subsidiaries' procurement efforts through supplier rationalisation and consolidation through the use of Goodstart's supply chain wherever reasonably practicable.

Goodstart's Supplier Due Diligence Questionnaire has been provided to relevant subsidiaries to assist in the identification of modern slavery risks in those supply chains.

### Expansion of Scope

Goodstart intends to continue to develop our due diligence and investigation activity to undertake a wider review of our supply chains to include medium risk suppliers in the next round of Supplier Due Diligence Questionnaires.

## **Grievances and remediation processes**

Goodstart is committed to the protection and respect of human rights across our operations and supply chain. Where we identify that Goodstart has caused or contributed to adverse impacts such as modern slavery, we will seek to address human rights grievances in line with relevant policies and procedures.

Goodstart has numerous mechanisms for employees and third parties to report suspected or actual wrongdoing or breaches of Goodstart policy, including Goodstart's Code of Conduct, Employee Grievance Framework, GoodCall Hotline, and Goodstart's Whistleblower Policy.

Goodstart's Whistleblower Policy provides a mechanism for employees, suppliers, and contractors (including employees of suppliers and contractors), to anonymously report suspected wrongdoing without fear of retaliatory action. If a report is received it will be managed by Goodstart's designated Whistleblower Protection Officers and investigated at their direction by our dedicated internal investigators, or external investigators, where appropriate.

Where risks are identified in our operations or supply chain, Goodstart will take the following steps to remediate the risk:

- We will engage with the identified supplier to develop a solution that eradicates and remediates modern slavery where it has been found, including through the enforcement of contractual rights, where relevant; and,
- Seek to further educate and develop understanding with suppliers through engagement and where possible support the development of new products or services that continue to build on the supplier's capabilities and capacities to continue to supply goods and or services ethically.

## EFFECTIVENESS MEASURES

Goodstart will continue to assess the effectiveness of actions being taken to identify and address modern slavery risks by:

- Regularly reviewing its supply chains against modern slavery risks and tracking changes in risk profiles for individual suppliers and sectors over time;
- Ongoing due diligence of existing and new suppliers including review of suppliers' responses to Goodstart's Due Diligence Questionnaires;
- Engaging regularly with suppliers to ensure their understanding of the risk and eradication of such risk;
- Engaging regularly with Goodstart staff and management to measure their understanding of modern slavery risks in Goodstart's supply chain and Goodstart's procurement practices and internal mechanisms designed to prevent or mitigate such risks;
- Regularly reviewing and reporting on identified KRI's (key risk indicators) for Modern Slavery under Goodstart's Enterprise Risk Management Framework each quarter in Goodstart's Quarterly Risk Report to Goodstart's executive management and Board.

This Statement has been approved by the Board of Directors (the principle governing body) for Goodstart Early Learning Limited ACN 139 967 794 ('Goodstart'), as the parent company and controlling body of the Goodstart Group as defined above, comprising GS Admin Services No 1 Pty Ltd ACN 169 578 796, Goodstart Early Years Ltd ACN 133 530 364 and Big Fat Smile Group Limited ACN 002 796 232. The Goodstart Board of Directors approved this statement for and on behalf of the Goodstart Group, pursuant to s.14(2)(d)(ii) of the Modern Slavery Act, by resolution dated 9 December 2021.



Signed: \_\_\_\_\_

Julia Davison, Director, Goodstart Early Learning Limited

9 December 2021