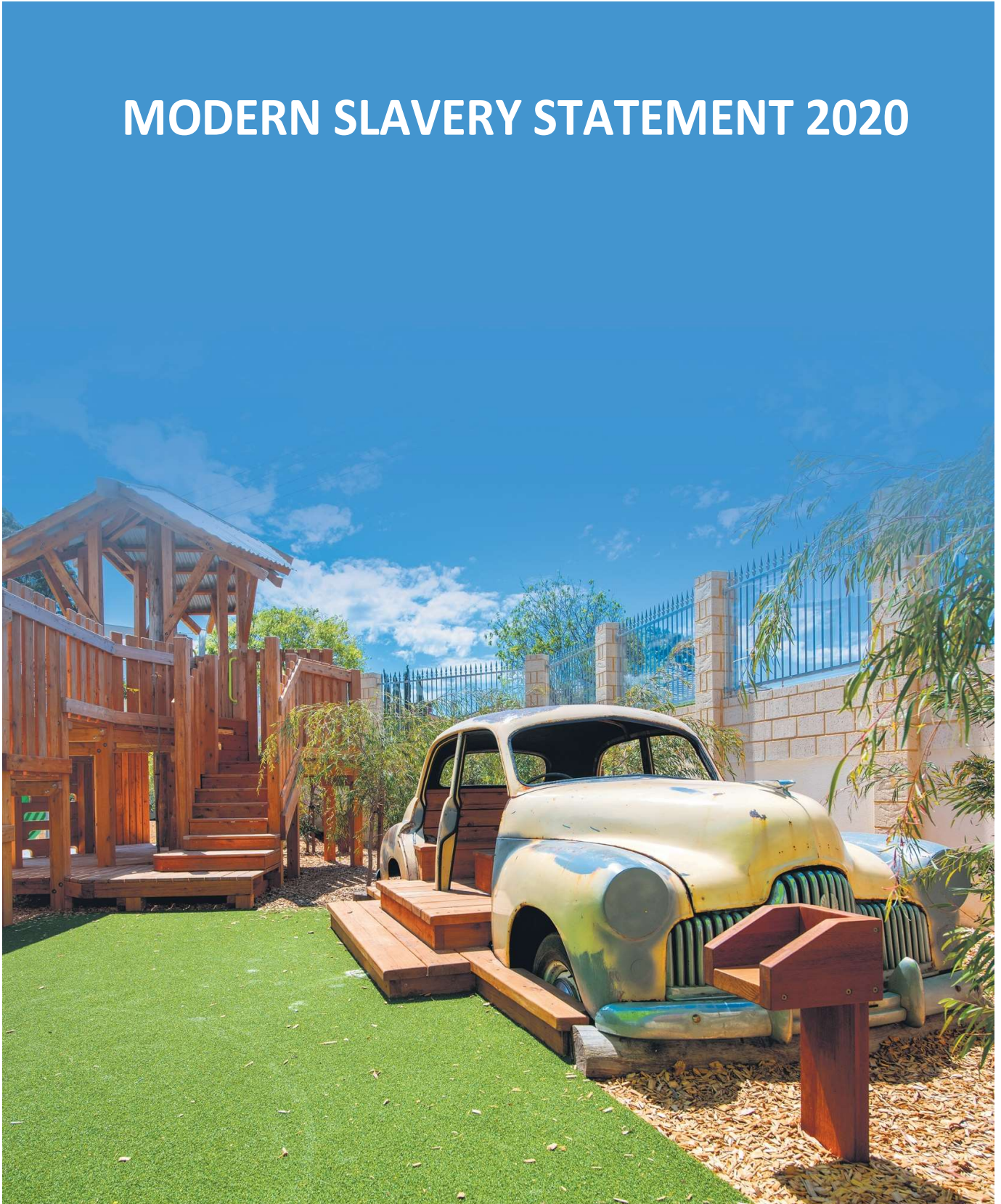


# MODERN SLAVERY STATEMENT 2020



## Introduction

The Reporting entity, Think Childcare Group, a stapled entity listed on the Australian Securities Exchange (ASX:TNK) comprising:

- Think Childcare Limited ACN 600 793 388 (**TNK**) and
- Think Childcare Development Limited ACN 635 178 166 (**TND**),

both being public companies limited by shares and together with its controlled entities, as outlined in the 2020 Think Childcare Group Annual Report (collectively, the **Group**) is a unique operator and developer of greenfield child care Services with corporate headquarters based in Sydney, Australia.

This joint statement is the first report of the Group under the Act for the period ended 31 December 2020 and was guided by the *Modern Slavery Act 2018 (Cth)* (**Act**) and Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities and covers the activities of the Group.

The Group's owned and controlled entities, operate under the direction and governance of the Boards of TNK and TND and share the same executive management team who have been consulted to develop this modern slavery statement. Our executive management and the Boards have been kept informed of the key requirements of the Act and the actions undertaken to address and assess the modern slavery risks as detailed in this statement.

The Group operates on a calendar year reporting period and is reporting for the period 1 January 2020 to 31 December 2020 (**Report Period**).

## Structure and operations

Think Childcare Group is a stapled entity listed on the Australian Securities Exchange (ASX: TNK) comprising Think Childcare Limited (**TNK**) (ABN 81 600 793 388) and its controlled entities and Think Childcare Development Limited (**TND**) (ABN 55 635 178 166) and its controlled entities (collectively, the **Group**).

TNK is an owner and operator of predominately mature child care Services under the Nido brand supported by long term leases. TNK also manage child care Services on behalf of TND, third-party incubators and clients.

Figure 1: Highlights of the Group's operations as at 31 December 2020

### Think Childcare (TNK)



**1.12 million days of learning enrolled,** up 25% on 2019



**2,300 Educators,** compared to 1,800 Educators in 2019



**7,106 Licensed places (owned),** 17% up on 2019



**Meet or exceed rating,** up 4% on 2019 (81 compared to 78)



**120 Trainees,** a 500% improvement on 2019

### Think Childcare Development (TND)



**2 Services sold to TNK,** an inaugural event



**60% average occupancy of trading Services,** a 27% increase on 2019



**5 Services with Development Approval confirmed**



**16 Services under Construction,** compared to 6 in 2019

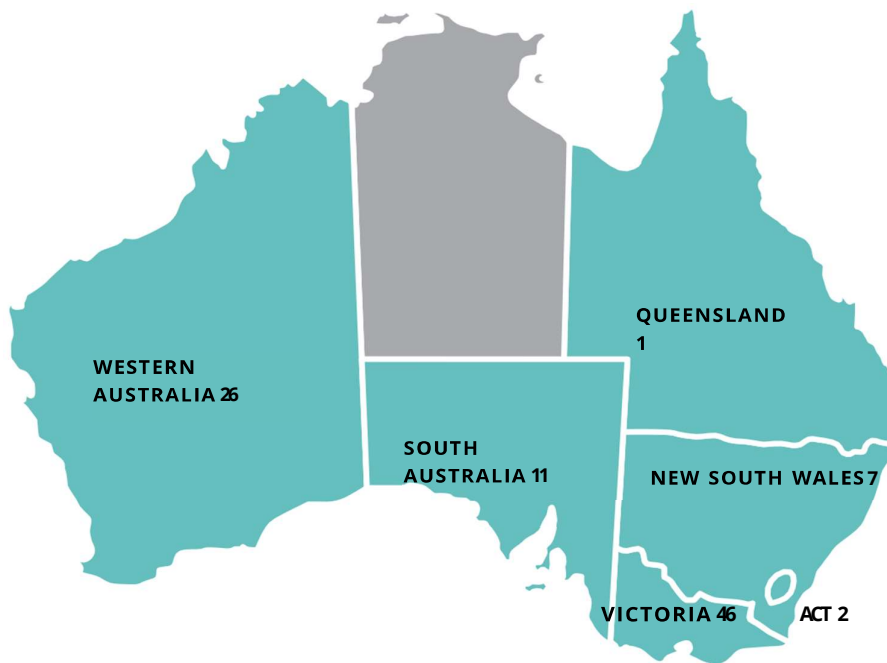


**5 Services with Development Approval pending**

TND is an owner of greenfield child care Services and continues to source a pipeline of high quality child care Services located in premium markets. TND focuses on developing purpose-built child care Services under the Nido brand and operating model. Additionally, it invests in upgrading facilities at developing child care Services and trades-up child care Services before selling the child care Services to TNK.

Our operations are entirely based in Australia. As a Group, at 31 December 2020, our national portfolio consisted of 93 long day child care Services for children between the ages of six weeks and six years old across Australia. The Group has an ownership interest in 83 of these child care Services.

Figure 2: Location of child care Services across Australia as at 31 December 2020



Further information about the Group and our operations can be found in the 2020 Think Childcare Group Annual Report at:

<https://thinkchildcare.com.au/assets/pdf/TNK%202020%20Group%20Annual%20Report%20to%20Security%20holders.pdf>

### **Our supply chain**

Our direct suppliers are located in Australia. During the Report Period, we procured services from over 500 suppliers and contractors. These ranged from large multinational businesses to small operations located in the regions and communities in which our child care Services operate.

In total, we spent over \$18 million in our supply chain, with less than 0.2% of expenditure paid to suppliers outside Australia, in operating our businesses and developing and delivering our child care Service pipeline. The majority of overseas products and services were IT and marketing subscriptions.

Our top 4 supply chain categories were:

<b>Spend Category</b>	<b>Examples of suppliers engaged</b>
Leasehold development and improvements	Include costs associated with the fit-out phases of new child care Services, as well as upgrades and refurbishments to existing child care Services: Builders and trades people, material suppliers, whitegoods and furniture suppliers and classroom equipment suppliers.
Rent and outgoings related services	Suppliers of facilities management services such as cleaners, hygiene and pest control waste management, landscaping and utilities (energy, gas, water).
Service consumables	Goods and services required for the care of children at our child care Services, including suppliers of groceries and food products, sanitary items (i.e. nappies, wipes, toilet paper), craft supplies and educational material.
Corporate office costs	Suppliers of IT equipment and software licence fees, marketing, professional services (audit, legal, other consultants) and travel.

## Modern Slavery Risk in our Operations and Supply Chain

As our operations are solely based in Australia, our engagement of casual employees through labour hire agencies and all of our direct suppliers are based in Australia, however, we recognise that some of our direct suppliers have operations or may have supply chains which are quite layered, in foreign countries.

Additionally, we recognise that the pressure on suppliers to maintain competitive pricing can be a driver for modern slavery. From an operational perspective, as most of our suppliers are Australian contractors local to our child care Services, we are comfortable that there is a very low risk of modern slavery.

During the Report Period, we implemented a number of initiatives and processes to strengthen our oversight of the Group's modern slavery risks, supported by our frameworks, policies and procedures.

We have implemented the following processes to embed modern slavery considerations for our current supply chain and the onboarding of new suppliers:

- We have undertaken an internal risk assessment of our supply chain in order to better understand our exposure to modern slavery risks. This assessment is still ongoing and updated on a regular basis. For suppliers that we determine are high risk, we would engage with that supplier further to assess and establish their risk profile.
- We established a supplier code of conduct and a supplier procurement process and continue to perform reviews of our current suppliers to assess their modern slavery risk profile.
- For the onboarding of new suppliers, enhanced due diligence is performed where a supplier is classified as having an elevated risk of modern slavery.
- For all new supply contracts and renewal of existing supply contracts, suppliers are requested to acknowledge our Modern Slavery Policy and Supplier Code of Conduct.
- For suppliers who lack awareness of the risk of modern slavery or the risks in their supply chain, we would engage with them to improve their understanding of modern slavery and visibility of their supply chain.

- Our employees, contractors and suppliers are encouraged to report concerns regarding questionable business practices, unethical conduct, and suspected non-compliance with policies.

### Assessing the effectiveness of actions being taken to assess and address Modern Slavery risks

We are in the process of developing a framework for assessing the effectiveness of actions taken to manage our modern slavery risk, which will involve **tracking, reporting** and **reviewing** the effectiveness of our approach.

### Governance and Management

The Boards of TNK and TND have ultimate responsibility for the Group's governance, strategy, performance and management of risks and opportunities. To assist the Boards in its duties, the Group has an Audit, Risk and Compliance Committee and an executive general manager team which includes the Risk and Compliance Officers.

The Group is committed to effective corporate governance policies and practices, and we undertake regular reviews of our governance obligations.

### Policies and procedures

Our approach to modern slavery risk is supported by the Group's Modern Slavery Policy in conjunction with a broader framework of policies and processes, including our Code of Conduct, Whistleblower Policy and our Employee Assistance Program. We will continue to review and improve policies and procedures based on the outcomes of our actions.

### Looking forward

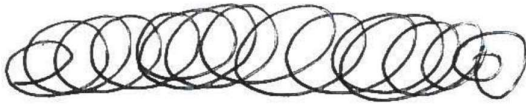
The Group will continue to review the progress of our actions and improve our practices to strengthen our management controls. During the 2021 financial year, we will focus on the following tasks:

- Finalise our framework for assessing the effectiveness of our actions taken to manage modern slavery risk.
- We will continue with our internal risk assessment of our supply chain to prioritise high risk suppliers and where appropriate, to collaborate with our suppliers to address modern slavery risk.
- Providing employees, contract managers and suppliers with the necessary training to equip them with the knowledge and skills to identify high risk suppliers.
- Ensure that all new suppliers receive updated commercial terms that incorporate modern slavery requirements.

We are confident that our actions to date will assist us to address modern slavery risk. We are committed to building on from this work to further embed our modern slavery policy and processes

across the Group. Additionally, we look forward to working with our suppliers to continue strengthening our management of modern slavery risks.

This statement was approved by the boards of Think Childcare Limited and Think Childcare Development Limited on behalf of itself and all the other reporting entities covered by this joint statement on 22 June 2021.

A handwritten signature consisting of a series of overlapping, horizontal loops, resembling a stylized 'M' or a scribble.

Mathew Edwards

Managing Director and Chief Executive Officer

25 June 2021