

MODERN SLAVERY STATEMENT

From our Chair and our CEO

Dear Stakeholders,

Sunnyfield has a fundamental belief in the importance of human rights. As our operations and supply chains touch the lives of thousands of people, we believe we have an important role in addressing modern slavery risks.

Forced, bonded and compulsory labour are serious human rights violations, and it is incumbent upon us to use our influence, both as individuals and as part of organisations, to eradicate these unacceptable forms of abuse.

Our Modern Slavery Statement (Statement), published in accordance with the Modern Slavery Act 2018 (Act) is attached to this letter. This Statement comprises the consolidation of Sunnyfield disAbility Services and its controlled entities (collectively referred to as 'Sunnyfield'). It acts as the policy framework including governance, risk assessment, due diligence and remediation for all Sunnyfield entities and their business activities. This Statement has been prepared by Sunnyfield's Modern Slavery Working Group and endorsed by Sunnyfield's Board.

While this Statement is our first public disclosure specifically addressing modern slavery in line with the requirements of the Act, we have been committed to the improvement of the rights and wellbeing of people with disability for almost 70 years.

A commitment to respect and promote human rights is an essential part of our business activities and stakeholder relationships. We do not tolerate behaviour that is in breach of the law or which is non-compliant with our corporate policies and expect our employees and suppliers to operate in a manner which is consistent with our values.

This Statement sets out the steps we have taken to date to identify and address modern slavery within our operations and supply chains. Our approach includes a commitment to continuous improvement as we increase our understanding and awareness of modern slavery risks.

To date we have made progress on making the Board, the Senior Leadership Team and employees in supply-chain facing roles aware of the Modern Slavery Statement and the requirements of the Act generally, and have developed an understanding of our higher risk activities and suppliers. During the COVID-19 pandemic, we have been vigilant given the heightened risks associated with sourcing supplies and pressures on suppliers.

Our progress to date would not be possible without the co-operation of clients, customers, suppliers and partners. We wish to thank them for their cooperation and look forward to continuing on this important path with them to help eradicate modern slavery.

About Sunnyfield

At Sunnyfield, we are driven by our Mission – *“Enriching the lives of people with disability by creating choice, opportunities and skills for life.”* We are committed to conducting business across our value chain with integrity, and high standards of ethical behaviour.

In accordance with our values, and the UN Guiding Principles on Business and Human Rights, we are committed to respecting and promoting human rights consistent with the International Bill of Rights (including the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights) and the eight fundamental Conventions of the International Labour Organisation.

MODERN SLAVERY STATEMENT

Principal activities

Sunnyfield has been supporting people with disability for almost 70 years, with the core purpose to enrich the lives of people with disability by creating choice, opportunities and skills for life.

Sunnyfield's activities during the year included:

- Supporting people with disability to live in their home in the community, including: shared independent living support services, short term accommodation services and drop-in support services, along with property managing some of the accommodation properties.
- Supporting people with disability in social, community and recreational services, individually and in groups, in community hubs and in the community, with skill development and social inclusion activities.
- Provision of supported employment in three Australian Disability Enterprises across the Sydney region.
- Providing support coordination to assist people with disability with appropriate services in order to achieve their National Disability Insurance Scheme (NDIS) plan goals.

Our structure and operations

Established in 1952, Sunnyfield operates wholly within Australia. Our Support Office is located in Allambie Heights, New South Wales and our shared living homes, community hubs and employment services facilities are located in New South Wales, with particular focus on the Greater Sydney, Central Coast, Hunter and New England regions, as well as Shared Living and Community Services in the Australian Capital Territory.

Sunnyfield provides support for approximately 2,000 clients, and had 1,731 employees (full time, part time, casuals and supported) as at 30 June 2020. Sunnyfield employs the majority of staff directly.

The majority of Sunnyfield's revenue is derived from the NDIS and other government funding for shared living, community hubs and employment services (supported employees and grants).

Employment Services also generates revenue from providing packaging services. Approximately 80% of this revenue is generated from packaging pharmaceutical and complimentary health products for key (and in many cases long standing) customers. The remaining 20% of revenue is generated from general packaging and assembly work.

Fundraising activities and bequests generate a relatively small percentage of revenue.

More information on our business and how we operate can be found in our Annual Report www.sunnyfield.org.au/about/publications/

Governance structure

Sunnyfield's Board has responsibility for establishing a framework of risk management across Sunnyfield. The Audit, Finance & Risk (AFR) Committee assists the Board in its responsibilities relating to:

- assessing the effectiveness of Sunnyfield's overall risk management framework;
- supporting a prudent and risk aware approach to business decisions across Sunnyfield.

MODERN SLAVERY STATEMENT

The Audit, Finance & Risk Committee is chaired by an independent non-executive director and meets at least four times per year.

Sunnyfield has established a Modern Slavery Working Group to develop and implement our modern slavery strategy, manage our various initiatives and ongoing priorities relating to modern slavery risks, and oversight reporting.

Chaired by the Company Secretary, the Working Group consists of key members of the Senior Leadership Team including the General Manager Quality, Risk & Compliance, the General Manager Business Development, the General Manager Employment Services and the Chief Information Officer.



Policy framework

Strong corporate governance is at the core of how we conduct business with integrity and meet the expectations of stakeholders. Our Sunnyfield Way Policy details our approach to achieving and demonstrating our corporate governance and accountability for our actions. Our Code of Conduct further reiterates how we expect our employees, directors, contractors and consultants to conduct business in a way that promotes and respects human rights.

Guiding our approach to modern slavery is our Supplier Guidelines. This details our commitment to responsible procurement and our expectation that our suppliers and their supply chains operate in a manner consistent with Sunnyfield's values and relevant legislation. Our Supplier Guidelines state our expectation that our suppliers implement appropriate labour policies across their organisation, including eliminating all forms of modern slavery.

We will communicate this policy to our key Tier 1 suppliers (direct sourcing) and incorporate this process into our supplier due diligence and on-boarding processes.

Key supporting policies and guidelines include but are not limited to:

- Sunnyfield Way Policy
- Code of Conduct
- Compliance Policy
- Complaints, feedback, disputes & whistleblower Policy
- Fraud and Corruption Policy

MODERN SLAVERY STATEMENT

Whistleblowing

Sunnyfield encourages employees and external stakeholders to report any improper conduct they encounter. All complaints are investigated in a fair and objective manner, including the involvement of external parties where appropriate. Sunnyfield employees or external stakeholders who wish to report improper conduct anonymously can do so via an online form or via Sunnyfield's external and independent whistleblowing service provider (details are provided in the Complaints, feedback, disputes & whistleblower Policy).

Risk management

We have undertaken an initial review to better understand the potential challenges facing our business.

As a reference point we sourced reports and commentary to identify the areas within our operations and supply chain that could be at greatest risk of modern slavery.

Sources included:

- Social Hotspot Database www.socialhotspot.org which indicates the likelihood of an issue occurring in different industries and countries. Within these social risk categories are impacts relating to modern slavery such as: child labour, forced labour, excessive working time, safe working conditions, exploitation of migrant labour and general human rights and governance.
- Australian Government publications, including the joint Australian Human Rights Commission/ Australian Centre for Corporate Social Responsibility (ACCSR)/ Global Compact Network Australia (GCNA) report 'Human rights in supply chains: Promoting positive practice';
- Findings of Senate hearing groups and topical reports published by various advocacy and research organisations;
- Publicly available Modern Slavery and Sustainability reporting by our key customers; and
- News articles.

Based on this initial review we will prioritise our focus and response to suppliers on the basis of the highest likelihood of modern slavery (risk), and our ability to influence and have an impact (spend).

Our supply chain

Overall the risk of Modern Slavery within our supply chain has been assessed as **Low**.

Category	Risk rating	Rationale
Labour	Low	<ul style="list-style-type: none"> • Staff employed directly or via in house agency • Limited use of external agency staff
Consulting and Legal Services	Low	<ul style="list-style-type: none"> • Australian based providers
Insurance	Low	<ul style="list-style-type: none"> • Arranged via brokers • NSW workers compensation scheme
Support co-ordination	Medium	<ul style="list-style-type: none"> • Co-ordinates support for client, funding provided by NDIS
Property maintenance	Low	<ul style="list-style-type: none"> • In house team
Property cleaning	Medium to High	<ul style="list-style-type: none"> • Performed by staff, external cleaners may be sourced for community hubs • External cleaning services may be engaging vulnerable migrant workers due to their visa conditions and low pay conditions.

MODERN SLAVERY STATEMENT

Category	Risk rating	Rationale
General property supplies	Low	<ul style="list-style-type: none"> Properties managed by Sunnyfield staff
Property purchases, leasing and capital expenditure	Low	<ul style="list-style-type: none"> Properties managed by Sunnyfield staff
Motor Vehicles, plant and machinery	Low	<ul style="list-style-type: none"> Vehicle fleet purchased via dealers
Information Technology	Medium to High	<ul style="list-style-type: none"> Australian suppliers and/or entities required to report on Modern Slavery risks Computer and other hardware purchases
Packaging materials	Low	<ul style="list-style-type: none"> 70% Free Issue (Sunnyfield customers supply contents and/or packaging)
	Low	<ul style="list-style-type: none"> 10% sourcing mandated by Sunnyfield's customers
	Low/Medium	<ul style="list-style-type: none"> 20% direct sourcing by Sunnyfield Some products sources from overseas
Office supplies	Low	<ul style="list-style-type: none"> Accounts with Australian suppliers
Other expenditure	Low	<ul style="list-style-type: none"> Review of P&L expenditure

Our direct sourcing supply chain has the highest potential for human rights risk, highlighting the need to understand the sourcing practices of our suppliers to identify high risk products and geographies.

Our direct suppliers have their own complex and diverse supply chains that can extend beyond Australian borders. This includes having many suppliers of materials or services who in turn rely on many more suppliers, both domestic and international. It is this extended supply chain that has been identified as one of our highest risk areas for modern slavery. We are committed to working with our suppliers and the extended supply chain to address modern slavery.

Due diligence and remediation

For FY21 we have focused on establishing an initial assessment, raising awareness at Board and Senior Management level, forming a working group, and establishing a framework.

For FY22 we will focus on the higher risk areas (identified above in the supply chain) and assess the level of compliance with our supplier guidelines. This will help us establish a baseline for our due diligence and improve our understanding of how we can support our suppliers and encourage continuous improvement.

We will engage with suppliers that have indicated no awareness or no plan to assess modern slavery and provide the necessary support and encourage those that have a plan to demonstrate continuous improvement.

Where potential issues are identified, we will work with, and continuously engage with the supplier to learn more about the issue and implement mitigation and monitoring strategies through corrective action plans. Termination of supplier contracts will be considered in instances where suppliers do not meet minimum requirements of their corrective action plan or are otherwise unwilling to work with us to improve their performance despite all reasonable measures being taken.

MODERN SLAVERY STATEMENT

Impact of COVID-19 pandemic

The ongoing COVID-19 pandemic is having devastating human and economic impact across the world. We have conducted an assessment of where and how the pandemic may increase the vulnerability of workers within our supply chain to modern slavery. The assessment indicated that suppliers within the cleaning industry and personal protective equipment (PPE) may have significant exposure to increased modern slavery risks as a result of COVID-19.

Packaging materials risk assessment

To gain a deeper understanding of our supply chain and associated modern slavery risks present within packaging materials, we will be selecting a direct sourcing arrangement to pilot a specific due diligence exercise. This will involve identifying the materials utilised and identification of modern slavery risks in the supply chains of these materials.

This pilot will allow us to not only learn more about potential risk areas within our materials supply chain, but to also engage in a meaningful way with multiple tiers of suppliers and deepen our knowledge about how to implement a very effective modern slavery assessment tool. Where potential issues were identified with a supplier or their product, we have the opportunity to work with them to gain more information, or explore alternative options where suitable.

Assessing effectiveness

We are responsible for the continuous improvement of our processes and actions taken to address modern slavery risks within all tiers of our supply chain, acknowledging this is an on-going process.

The ways in which we will measure effectiveness include:

- regularly reviewing our modern slavery approach and our Modern Slavery Working Group's progress;
- reviewing reporting to the Senior Leadership Team, Audit, Finance & Risk (AFR) Committee and Board on a periodic basis;
- reviewing the Modern Slavery Statements released by key customers and suppliers;
- regularly engaging with suppliers to identify areas of improvement within the process and track awareness levels;
- requesting and monitoring feedback from suppliers and staff; and
- monitoring frequency and trends of complaints/feedback/compliments, and whistleblowing channels. To date we have not identified any potential modern slavery risks from the incidents raised via our whistleblowing channels.

Future priorities

We are committed to engaging with internal and external stakeholders and experts to continuously evolve our response to modern slavery.

Our future priorities include:

- further detailed analysis of supply chain risks for key direct sourcing suppliers;
- key suppliers required to formally acknowledge Sunnyfield's Supplier Guidelines as part of our supplier on-boarding process;
- obtaining ongoing attestations and/or provision of Modern Slavery Statements by key suppliers;
- the establishment of modern slavery-related key performance indicators (KPIs) for key management personnel and other employees;

MODERN SLAVERY STATEMENT

- completion of modern slavery awareness training module by key staff involved in decision making and purchasing;
- workshops to raise awareness of specific risks and reporting processes; and
- the identification of trends across our supplier base to develop collaborative improvement opportunities.
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Describe the process of consultation with any entities the reporting entity owns or controls

Sunnyfield owns or controls the following operating entities:

Gateway 2015 Properties Limited (Trustee of the Gateway 2015 Properties Trust)

Endeavour Sunnyfield Pty Limited

Sunnyfield developed this statement in consultation with each entity that it controls or owns as listed above and with the Senior Leadership Team of Sunnyfield.

The consultation process involved high level assessment of modern slavery risks to the business and how they might vary across different sites, implementation of agreed actions to combat modern slavery risks (as detailed in this Statement), agreement on an action plan for the next reporting period, and review of the Statement text. This consultation process has supported us to build a comprehensive, group-wide response to modern slavery, which will be led by the Modern Slavery Working Group.

Karen Ingram

Chair

26 March 2021

Caroline Cuddihy

Chief Executive Officer