

Modern Slavery Statement

YEAR ENDED 30 JUNE 2022

From our Chair

Dear Stakeholders,

Our commitment

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.

This Modern Slavery Statement (**Statement**) covers the year ended 30 June 2022 and is published in accordance with the Modern Slavery Act 2018 (Act).

This Statement acts as the policy framework for Sunnyfield (ABN 72 000 415 127) and its controlled entities (collectively referred to as 'Sunnyfield'), including governance, risk assessment, due diligence and remediation

As an organisation that has been committed to the improvement of the rights and wellbeing of people with disability for over 70 years, a commitment to respect and promote human rights is an essential part of Sunnyfield's 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.

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Our structure and operations

Established in 1952, Sunnyfield (ABN 72 000 415 127) is a public company limited by guarantee and operates wholly within Australia. Our Support Office and registered 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.

The Sunnyfield group consists of the following operating entities:

- Gateway 2015 Properties Limited (Trustee of the Gateway 2015 Properties Trust) - the trust is to be applied for the purposes of providing money, property or other benefits for the advancement of Sunnyfield and other similar institutions whose purpose is to provide certain services or support to people with an intellectual or other disability.
- Endeavour Sunnyfield Pty Limited, which was established for the sole purpose of acquiring Endeavour Industries - Disability Services Division (EGA).

Sunnyfield developed this statement in consultation with the Chairs of the entities within the group. 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), 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 Sunnyfield's Modern Slavery Working Group

Principal activities

Sunnyfield has been supporting people with disability for over 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.

In the year ended 30 June 2022, Sunnyfield supported 2350 clients across NSW and the ACT, and employed 1,700 staff (full time, part time, and casuals). 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).

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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 funding.

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 is responsible for, among other things, maintaining a risk management framework across Sunnyfield.

The Audit, Finance & Risk (AFR) Committee is a Board Committee which assists the Board in discharging its responsibilities relating to:

- assessing the effectiveness of Sunnyfield's overall risk management framework, including modern slavery; and
- supporting a prudent and risk aware approach to decisions impacting Sunnyfield's stakeholders.

Sunnyfield's Modern Slavery Working Group is responsible for developing and implementing our modern slavery strategy, managing our various initiatives and ongoing priorities relating to modern slavery risks.

The Modern Slavery Working Group consists of key members of the Senior Leadership Team, with reporting provided to the AFR Committee and the Board, as required.

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.

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

- Sunnyfield Way Policy.
- Code of Conduct.
- Compliance Policy.
- Complaints, Feedback, Disputes & Whistleblower Policy.

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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 a review to understand the potential modern slavery risks facing our business. As a reference point we sourced reports and commentary to identify the areas within our operations and external supply chains that could be exposed to modern slavery.

Overall the risk of Modern Slavery within Sunnyfield's operations and supply chain continues to be assessed as **Low**.

There have been no material changes to our supply chain compared with the previous reporting period.

We have set out below the main categories of spend for Sunnyfield and the assessed level of modern slavery risk.

Sunnyfield's relationships with its suppliers and commercial customers are typically stable and longer-term.

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.
Support co-ordination	Low	<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. • External contractors.
Property cleaning	Low	<ul style="list-style-type: none"> • Performed by staff, external cleaners may be sourced for Community Hubs.
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 and expenditure managed by Sunnyfield staff.
Motor Vehicles, plant and machinery	Low	<ul style="list-style-type: none"> • Vehicle fleet purchased via dealers
Information Technology	Low	<ul style="list-style-type: none"> • Includes software, hardware and IT technical support. • Suppliers may have complex supply chains, sourcing components, materials and labour from a number of sources and countries.

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Category	Risk rating	Rationale
Packaging materials	Low	<ul style="list-style-type: none"> 70% by volume 'Free Issue' -Sunnyfield customers supply contents and/or packaging.
	Low	<ul style="list-style-type: none"> 10% by volume sourcing mandated by Sunnyfield's customers.
	Medium	<ul style="list-style-type: none"> 20% by volume direct sourcing by Sunnyfield. Products sourced from Australian companies, some of which source products from overseas including Vietnam and China.
Other expenditure	Low	<ul style="list-style-type: none"> Review of P&L expenditure

The supply chain feeding into our direct sourcing has the highest potential for modern slavery risks, highlighting the need to understand the sourcing practices of our suppliers to identify any high risk products and geographies.

Our direct suppliers have their own supply chains that can extend beyond Australian borders. This includes having 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 a potential risk area for modern slavery.

Due diligence and remediation

In FY20 we focused on establishing an initial assessment, raising awareness at Board and Senior Management level, forming a modern slavery working group, and establishing a framework.

The COVID-19 impact on our workforce and services created a significant burden in FY21 and FY22 resulting in delayed delivery against the framework.

In FY21 we identified the higher risk areas in our supply chain, establishing a baseline for our due diligence, and improving our understanding of how we can manage modern slavery risks.

In FY22 we reviewed our direct sourcing spend to identify key suppliers, and published information statements relating to modern slavery available from our commercial customers and key suppliers.

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.

Where potential issues are identified, we will work with, and 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 have an acceptable corrective action plan or are otherwise unwilling to work with us to improve their performance despite all reasonable measures being taken.

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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 the potential for suppliers providing personal protective equipment (PPE) to have increased exposure to modern slavery risks as a result of COVID-19.

Assessing effectiveness

Sunnyfield is committed to the continuous improvement of our processes and actions taken to address modern slavery risks, acknowledging this is an on-going process that requires assessment of progress over time.

The ways in which we currently measure effectiveness or intend to do so in future reporting periods include:

- regularly reviewing our modern slavery approach and our Modern Slavery Working Group's progress to ensure it is appropriate for the mitigation of modern slavery risks;
- reviewing the Modern Slavery Statements released by key commercial customers and suppliers to obtain an understanding of the modern slavery risks in their supply chains; 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

Our future priorities include:

- further detailed analysis of supply chain risks for key direct sourcing suppliers;
- obtaining Modern Slavery Statements or ongoing attestations by key suppliers;
- engaging with any key suppliers that have indicated no awareness or no plan to assess modern slavery risks.
- establishing modern slavery-related key performance indicators (KPIs) for our supply chain;
- completion of modern slavery awareness training module by key staff involved in decision making and purchasing; and
- workshops to raise awareness of specific risks and reporting processes.



Karen Ingram
Chair



Michael Brent
Director

30 November 2022

