

A MESSAGE FROM THE CEO

As an enterprise founded on recognising basic human dignity, New Horizons takes its commitment to countering modern slavery practices seriously. One of the most endemic violations of human rights at a global level, organisations can no longer turn a blind eye to the exploitation of humans for commercial gain.

We acknowledge that our responsibility applies to our entire supply chain, beyond suppliers in our immediate line of sight. While we consider the risk of modern slavery within our operations and the first tier of our supply chain as low, we know we must do more, within our resources and capacity, to interrogate further. Since 1 July 2021, we have taken numerous steps to improve our awareness of modern slavery risks, as well as how to respond to those risks, and there has been significant improvement in a short space of time.

Our commitment over the coming 12 months is to progress the implementation of our due diligence processes and grievance mechanisms, and we are aiming to commence the development of processes that assess the effectiveness of our actions. Using the *United Nations Guiding Principles on Business and Human Rights*, we endeavour to implement management processes and controls to integrate our findings, track our progress and to provide effective relief to individuals and communities impacted by modern slavery.

We are proud to play an active role in the fight to end this abuse of human rights.

Richard Gregg

Chief Executive Officer

9 November 2022

Peter Howell

Chair of the Board

9 November 2022



NEW HORIZONS LIMITED

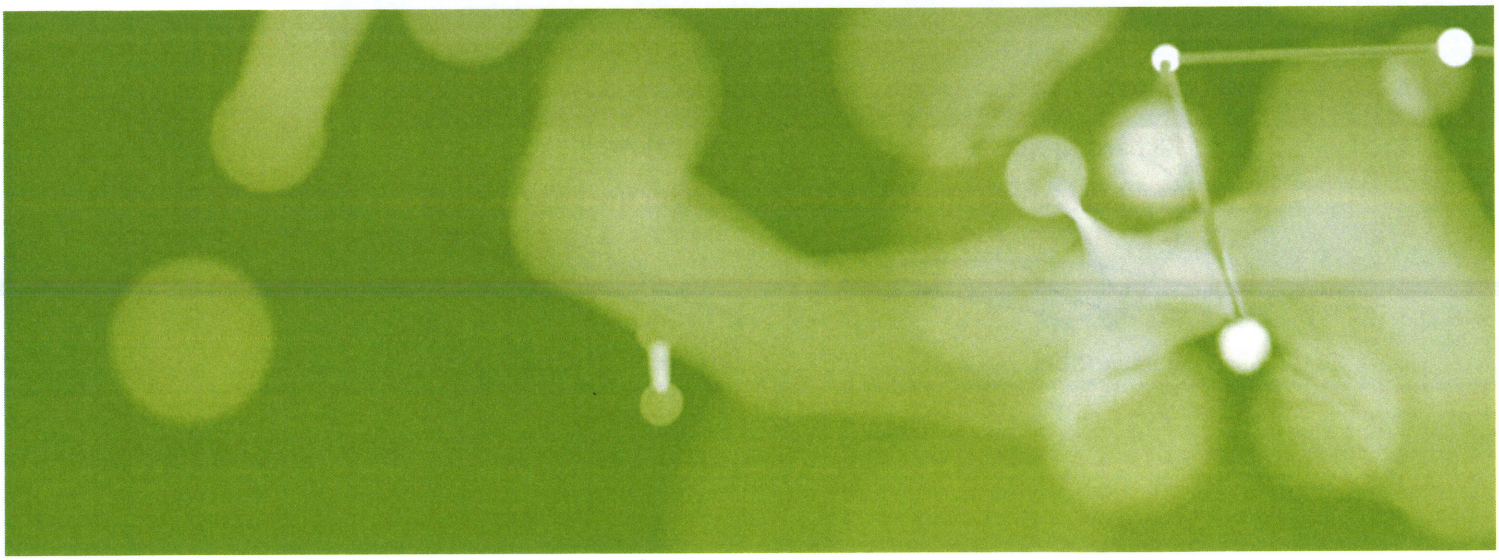
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newhorizons
wellbeing. done well.

Modern Slavery Statement

Reporting Period
1 July 2021 – 30 June 2022

https://newhorizons.org.au/



1. OVERVIEW



We are committed to upholding human rights and acting with integrity

OVERVIEW OF NEW HORIZONS' MODERN SLAVERY TRACKING

The *Modern Slavery Act 2018* (Cth) requires organisations with consolidated annual revenue of more than $100 million to submit an annual statement (**Modern Slavery Statement**) describing their actions to identify, assess and address modern slavery risks within their operations and supply chain. New Horizons Limited ACN 002 066 604 (**NH**) recorded an annual revenue of more than $100 million during the financial year ended 30 June 2022 (**Reporting Period**).

NH is committed to upholding human rights and acting with integrity for our people and the wider community. This includes our commitment to take action to address the risks of modern slavery within our operations and supply chain and to partner with suppliers who share our values.

While we consider our direct impact in relation to modern slavery practices during the Reporting Period remained low, we continue to focus on developing a strong modern slavery response guided by the principles set out in the *United Nations Principles on Business and Human Rights.*

This Modern Slavery Statement is our second statement and outlines NH's continued efforts to combat modern slavery and human trafficking in its operations and supply chains during the Reporting Period.



2. STRUCTURE, OPERATIONS AND SUPPLY CHAIN

Wellbeing is at the heart of everything we do

WHO ARE WE?

NH is the reporting entity for this Modern Slavery Statement.

NH is a charitable organisation that provides services that enhance the wellbeing of vulnerable and disadvantaged people in communities across NSW.

Our motto is "We put wellbeing at the heart of everything we do".

26 offices across NSW

Since we were founded over fifty years ago, NH has grown to become one of Australia's most diverse and trusted not-for-profit organisations, supporting thousands of vulnerable and disadvantaged people.

NH is an Australian public company limited by guarantee. NH is a standalone entity and does not control any other entities.

OPERATIONS

NH operates solely within NSW through 26 offices across the state.

Our operations remained unchanged since the last reporting period. We continue to directly employ workers in Australia and provide and deliver a range of wellbeing services to our customers.

1,357 staff

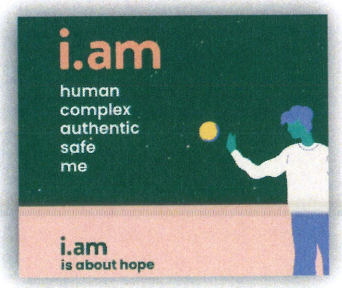
- Support workers
- Child and youth care workers
- Clinicians
- Nurses
- Office staff

Direct employment of employees

As at 30 June 2022, we had a total workforce of 1,357 staff. During the Reporting Period, all our staff were employed in Australia and in accordance with Australian labour laws.

In addition to continuing our employment of people through our Wellbees and Packable enterprises, we also employed staff through our i.am Pilot Program (also known as the 'Youth Aftercare Pilot' or 'YAP').

The i.am Pilot Program is a new initial of NH which provides psychosocial support services for children and young people experiencing suicidality. The i.am Pilot Program is co-produced by young people, for young people, to ensure that the support they receive is unique to them, their recovery and their goals for the future.





Our services reflect our philosophy that ***everyone has a right to an enhanced wellbeing and lifestyle***

Provision and delivery of services

NH believes that everyone has a right to an enhanced wellbeing and lifestyle. Our philosophy is reflected in the comprehensive range of services we provide to our customers including:

- Homes and independent living services;
- Clinical support and specialist services;
- Psychosocial services;
- Aged care and youth support;
- Inclusion and community services; and
- Indigenous programs.

Our customers include people with a disability, mental health concerns, those who are aged, people at risk of homelessness, humanitarian entrants, youth, and Indigenous Australians.

SUPPLY CHAIN

The two main categories of goods and services procured during the Reporting Period include:

1. products and services provided by our trade suppliers and used by NH in delivering our services; and
2. products and services provided to NH by our non-trade suppliers.

The goods and services procured by NH are set out below.

Trade suppliers

- Consumables
- Manufacturing
- Professional medical and health services
- Facility management
- Furniture and equipment
- Motor vehicle hire and purchase
- Maintenance and repairs
- Customer support

Non-trade suppliers

- IT and techonology
- Human resources
- Marketing
- Professional corporate services including legal and accounting
- Property services
- Office operations

Overseas suppliers

During the Reporting Period NH engaged over 700 suppliers.

Most of the goods and services NH procure are from suppliers and contractors based in Australia.

Our overseas supply chain during the Reporting Period included 10 suppliers, the majority of which were located in the United States and the United Kingdom, with others in Germany and Ireland as shown in the map below.

The main products and services procured from overseas suppliers during the Reporting Period were IT software mostly procured from suppliers located in the United States, Ireland and Germany and brand and marketing campaign design solutions procured from a supplier in the United Kingdom.

During the Reporting Period, **99%** of our suppliers were based in Australia

Location of our suppliers during the Reporting Period



3. OUR MODERN SLAVERY RISKS

NH understands that we are not immune to the risks of modern slavery practices occurring within our supply chain and operations. An effective way to identify these risks is to understand the geographies in which our business and our suppliers operate. We also acknowledge the importance of understanding the external social factors which create a heightened risk that modern slavery practices are most likely to occur.

As noted in our previous report, the nature of our business as a not-for-profit enterprise and the size of our business in comparison to our extensive supplier base, means that we do not have the resources to examine modern slavery risks beyond our first-tier suppliers.

We have reviewed our risks based on our assessment in our previous report and concluded the risk of modern slavery in our supply chain and operations during the Reporting Period remained low. This is largely because most of our direct suppliers are based in Australia and because our business operations and the delivery of our services are conducted in Australia.

Notwithstanding the above, we are aware we may be linked to modern slavery practices throughout the extended tiers of our supply chain as set out below.

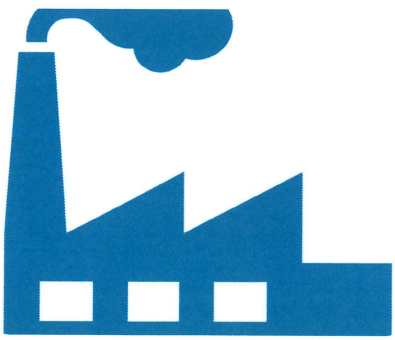


Geographic Risk

Geographic risk level: Low

We consider the geographic risk of our suppliers to be low given 99% of our direct suppliers are based in Australia. Most of our direct overseas suppliers are based in countries which have a strong rule of law and mechanisms that protect human rights.

We acknowledge that NH may be linked to modern slavery practices through its second and third tier suppliers that operate in, or procure goods and services from, nations that report high occurrences of labour and human rights violations and socio-economic factors like poverty and widespread discrimination.



Sector and industry risk

Sector and industry risk level: Low

The sectors that we deal with at NH primarily involve the charity and not for profits, health care, housing and property sectors. These sectors are heavily regulated in Australia and generally allow for reasonable visibility over lower tier suppliers.

We appreciate we may be linked to modern slavery practices further down our supply chain where some of our suppliers operate in, or are connected, to industries that involve low paying, low skilled or hazardous work, such as extractive operations, electrical component assembly or cleaning industries or are located in geographical areas that may have a higher risk of modern slavery.

Product and services risk

Product and services risk: Low

NH procures services such as cleaning, electrical, information technology and general maintenance. The workers in these supply chains may be from vulnerable populations, including workers from migrant, low socioeconomic or culturally and linguistically diverse backgrounds. While we consider the modern slavery risk associated with these products and services to be low in our case, the above factors elevates the risk of modern slavery practices.

Supply chain model risks

Supply chain model risks: Low

We have assessed our supply chain model risks as low based on available information. We have a large and complex supply chain, with over 700 suppliers during the Reporting Period. We acknowledge the size of our supply chain makes it difficult to identify and monitor modern slavery practices further down our supply chain. This lack of full transparency creates a risk that NH may be linked to modern slavery.

As our business grows, we continue to assess our modern slavery risks and ensure our policies, procedures and controls remain valid and effective to mitigate any identified, new or increased risks we discover.





4. OUR ACTION



Through our contractual clauses, we require our suppliers to share our commitment to human and safe working practices

Due Diligence

NH remains committed to preventing modern slavery practices in our operations and supply chains. During the Reporting Period, NH implemented new and continued to use existing due diligence mechanisms as a key tool in identifying and assessing the risks of modern slavery practices within our operations and supply chain.

Our effort to implement processes to integrate and track modern slavery risks within our operations and supply chains remains in its early stages and is an ongoing project.

We seek to ensure that we engage only with those suppliers who hold the same values as us in respect of eradicating modern slavery practices and require that all our suppliers, through contractual clauses, act ethically and with integrity at all times, sharing our commitment to humane and safe working practices.

Since the last Reporting Period, we issued our updated Supplier Agreement on 8 new supplier engagements. Our Supplier Agreement requires a supplier to acknowledge that it has no knowledge of modern slavery in its own operations or supply chain and that it will take reasonable steps to identify the risk of and prevent the occurrence of modern slavery in its operations and supply chain.

As part of our internal audit and screening process, NH requests that where the *Modern Slavery Act 2018* (Cth) applies to a supplier, that the supplier provides their modern slavery statement. Reviewing a potential supplier's modern slavery statement allows NH to assess the supplier's ability to respond to modern slavery risks in the market and to ensure that the supplier's understanding of modern slavery risks is aligned with our understanding.

We also require all our sub-contractors to complete a sub-contractor statement to ensure that people employed by our sub-contractors are paid superannuation in accordance with Australian labour laws.



During the Reporting Period, we prepared our new *Combatting Modern Slavery Policy*, which as the name suggests, sets out NH's approach to modern slavery and managing the risks of modern slavery in our operations and supply chain, and our actions to address those risks.

In addition, we drafted a Supplier Code of Conduct which sets out NH's expectation that its suppliers:

- operate in full compliance with all laws and industry standards in which they do business;
- respond to requests from NH for information relating to Modern Slavery;
- provide a true and accurate account of their operations and supply chain;
- have processes in place for workers to report non-compliance with NH's Supplier Code of Conduct anonymously and free of retribution; and
- remedy any non-compliance with NH's Supplier Code of Conduct as a matter of priority.

The final approval and publishing of the Combatting Modern Slavery Policy and the Supplier Code of Conduct is scheduled for late 2022 with staff training on the new policies expected to be rolled out across our organisation shortly thereafter.

Grievance and Remediation



NH acknowledges that, where our larger suppliers may be linked to modern slavery practices, the size of our business limits the leverage we can use to influence those suppliers to change their behaviour. Despite this limitation, we remain committed to working with suppliers that have caused adverse impacts to prevent or mitigate harm and its recurrence.

NH understands the importance of offering channels for seeking guidance, reporting concerns and raising grievances. There has been no significant change since the previous reporting period in terms of our actions taken in relation to our grievance and remediation mechanisms. We acknowledge that effective grievance and remediation mechanisms for victims affected by modern slavery practices and human rights abuses are an area for improvement within our modern slavery framework.



Notwithstanding the above, our current whistleblower hotline services called the *Integrity Hotline*, was available during the Reporting Period to all current and former employees, volunteers, contractors and suppliers of NH and their relatives. The Integrity Hotline offers reporters the ability to raise any issues or concerns anonymously and confidentially around unethical conduct and illegal acts, including human rights' violations such as slavery or human trafficking.

There were no instances of modern slavery reported to our Integrity Hotline during the Reporting Period. We encourage everyone working with us and on our behalf to use the service in confidence and that their concern will always be taken seriously, treated confidentially and fully investigated.

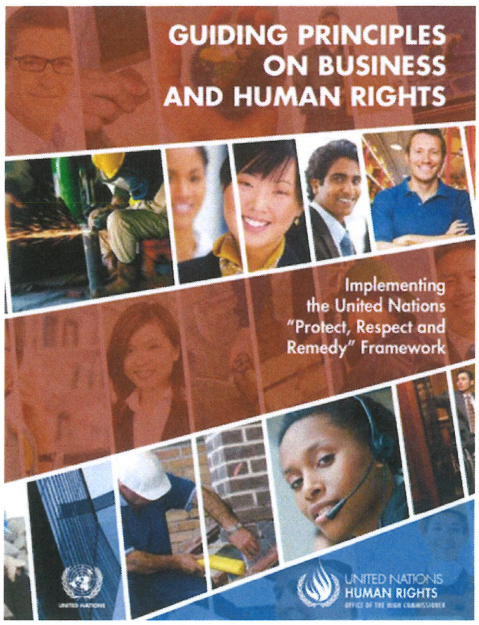
In our last modern slavery statement, we identified that our *Whistleblower Protection Policy* failed to explicitly identify modern slavery as a wrongdoing that is reportable conduct. To this end, we expect to finalise our amendments to our Whistleblower Protection Policy to include modern slavery reporting processes during the upcoming reporting period.



5. ASSESSING THE EFFECTIVENESS OF OUR ACTION

There has been no significant change since the previous reporting period in relation to our monitoring and reporting program to assess the effectiveness of our actions. This is an area which requires ongoing attention and improvement, particularly as our business grows and we engage new suppliers from various regions, and the risks of modern slavery occurring in our supply chain and operations evolve.

We continue to be guided by the fundamental human rights due diligence principles espoused in the *United Nations Guiding Principles on Business and Human Rights*. As such, the internal reporting processes we implement to assess the effectiveness of our actions aim to integrate both appropriate qualitative indicators such as reviews, surveys and audits and quantitative indicators such as key performance indicators.



6. PROCESS OF CONSULTATION

Consultation was not necessary in the preparation of our Modern Slavery Statement for this Reporting Period as NH is a standalone entity.





7. ANY OTHER RELEVANT INFORMATION



Our key areas of action will allow us to ***strengthen our measures to detect and prevent slavery*** within our supply chains and our business

CONTINUOUS IMPROVEMENT

As noted in our last modern slavery statement, NH has limited resources to channel to modern slavery issues and to examine its second and lower tier suppliers in NH's supply chains.

In light of this, our action to implement due diligence, grievance and remediation mechanisms and tools to assess the effectiveness of our action remain under continuous improvement. Notwithstanding the challenges we face, we continue to play our part to combat modern slavery as best as we can, within our resources and capability.

KEY AREAS OF ACTION FOR THE NEXT REPORTING PERIOD

We commit to continuing to keep NH's supply chain and operations under review to identify and monitor ongoing and future risks of modern slavery practices.

We have identified new key areas of action that will be delivered over the next reporting period and that will assist us to strengthen our measures to detect and prevent slavery within our supply chains and our business. The key areas of action are outlined below:



Statement from New Horizons' Board Chair

This Modern Slavery Statement for the Reporting Period 2021 – 2022 was approved by the Board of New Horizons Enterprises Limited (ACN 002 066 604) on 31 October 2022.



Peter Howell

Chair of the Board

9 November 2022



For queries relating to this statement:

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