



Freightways Modern Slavery Statement
1 July 2020 – 30 June 2021

About this statement

Freightways Limited (“**Freightways**”) and its subsidiaries set out in Appendix 1 (the “**Freightways Group**”) is publishing this statement in compliance with Section 16(1) of the Australian Modern Slavery Act 2018 (the “**Act**”).

Freightways, a New Zealand company listed on the New Zealand Stock Exchange, has operations in both New Zealand and Australia, across four core market segments, namely, express package, business mail, information management and waste renewal. In Australia, Freightways only operates in the information management and waste renewal segments, through the businesses operated by The Information Management Group Pty Ltd (“**TIMG AU**”), LitSupport Pty Ltd (“**LitSupport**”), Shred-X Pty Ltd (“**Shred-X**”), Med-X Pty Ltd (“**Med-X**”), Databank Escrow Services Pty Ltd (“**Databank Escrow**”), and Southwest Onsite Data Backup Management Pty Ltd (“**BackOnline**”) (the “**Relevant Businesses**”). The Relevant Businesses are collectively a “reporting entity” (on a consolidated basis) for the purposes of the Act, and the information contained in this statement relates to the operations and supply chains of the Relevant Businesses only.

In preparing this Statement, on behalf of this reporting entity, Freightways consulted with its Modern Slavery Working Group (“**MS Working Group**”), which includes key personnel from the Relevant Businesses across four departments, namely People & Culture, Procurement, Compliance and Finance. Through the MS Group, Freightways engages with the Relevant Businesses in developing its action plan and executing the commitments outlined in this Statement.

Terms defined in this section shall have those meanings throughout this Statement. References in this statement to “**we**”, “**us**”, “**our**” and any derivatives are references to the Freightways Group unless the context requires otherwise.

This Statement, covering the 12 months ended 30 June 2021 (FY21), was approved by the Board of Directors of Freightways (“**the Board**”) on 25 November 2021. It was reviewed and endorsed by the management of each business in the reporting entity.

“We’ve never been afraid to be the first to do something –
if it’s the right thing to do”



CEO – Mark Trougher

Date 25 November 2021

Chairman – Mark Verbiest

Date 25 November 2021

Table of Contents

About this statement	1
Our Business	3
Structure	3
Australian Operations	3
Supply Chains	5
Modern slavery risks in our operations and supply chains	6
Risks in our operations	6
Risks in our supply chains	6
Our Approach to modern slavery risk management	7
Governance	7
Policies	8
Due diligence	8
Risk Identification and Assessment	8
Risk Mitigation	9
Grievance Mechanisms and Remediation	9
Evaluating Effectiveness	10
The Way Forward	10

Freightways

We recognise that, through our operations, supply chains and business relationships, we have the potential to cause or contribute to modern slavery in all its forms. We are committed to respecting and upholding the fundamental rights of our employees and suppliers and seek to combat modern slavery within our business and supply chains through the activities outlined in this statement.

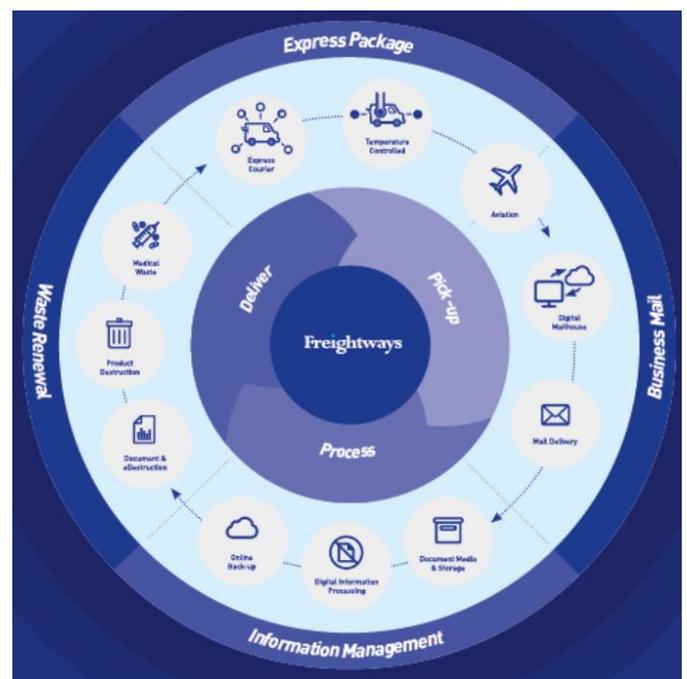
Our Business

The Freightways Group has always been entrepreneurial. From our core express package & business mail services, we've successfully expanded into information management and waste renewal, building a diverse selection of digital and physical brands in Australia and New Zealand that are steadily increasing our revenue and our scope of operations. Ours is a long history of consistent, time-sensitive delivering for New Zealanders and Australians across industries, regions, and borders. It's a history that has honed our business skills and our appetite for innovation in lateral ways; helping us today to build our presence in emerging sectors where our core strengths enable us to compete meaningfully and profitably.

Freightways has achieved growth through both organic and acquisition opportunities. Our core capabilities are in; pick-up, processing and delivery – whether it be packages, mail, waste or data, we understand how to perform these tasks efficiently, accurately and at scale. Freightways has demonstrated the ability to acquire and execute in areas that complement these capabilities to broaden our business.

Structure

The Freightways Group provides express package (including chilled delivery), business mail, information management and waste renewal services in New Zealand and Australia. The Group operates many brands across these service lines, including *in express package*: New Zealand Couriers, Post Haste Couriers, Castle Parcels, Big Chill Distribution, Produce Pronto, NOW Couriers, SUB60, Kiwi Express Couriers, Security Express, Stuck and Pass The Parcel, *in business mail*: DX Mail and Dataprint, *in information management*: The Information Management Group, BackOnline, Databank Escrow Services and LitSupport, and *in waste renewal*: Shred-X, Med-X and TIMG NZ (paper), all supported by a number of internal service provision companies in respect of IT, linehaul, property, treasury and corporate services.



Australian Operations

The Relevant Businesses which form the reporting entity under the Act include the trading businesses of TIMG, LitSupport, BackOnline, Shred-X and Med-X. These trading businesses only operate within the information management and waste renewal segment and are responsible for providing a range of services, including document and digital archiving, physical to digital data conversion, escrow services, print & copy services, secure collection and destruction of documents, e-waste and medical waste, as described below:

TIMG AU	National business operating in all state and territories of Australia.	Provides physical storage and information management services as well as digital information processing services such as digitalisation, business process outsourcing, online back-up, escrow services and eDiscovery services.
LitSupport		Sits within TIMG and helps law firms, corporations and government agencies within Australia find, process and present information.
Shred-X	National business operating in all state and territories of Australia.	Offers a Privacy Act compliant service for the collection, transportation and destruction of sensitive data with the most extensive direct service coverage in the industry. The Shred-X service includes document destruction, e-waste, media and hard drive destruction, archive box and purge destruction, textile and product destruction.
Med-X	Victoria, New South Wales and Queensland	Sits within Shred-X and provides safe and secure handling, treatment and disposal of clinical waste and related services including sharps, washroom and hygiene services and chemical waste and pharmaceutical disposal in Australia.

As of 30 June 2021, we employed over 676 people across our Australian business, with 509 working on full-time basis, 43 on a part-time basis, and 124 on a casual basis. Our people are fundamental to our business. We strive to create a workplace that welcomes, acknowledges and values diversity in its people.

Our workforce:

	Australia	% of Workforce
Full-time	509	75.3%
Part-time	43	6.4%
Casual	124	18.3%
Total employees	676	

TIMG (including Litsupport)							
	Bureau	Operations	Support	Sales & Marketing	eBusiness	Total	% of Workforce
Full-time	72	98	46	17	30	263	72.7%
Part-time	6	8	2	4	2	22	6.1%
Casual	21	28	-	-	28	77	21.2%
Total	99	134	48	21	60	362	

Shred-X (including Med-X)						
	Production	Service Delivery	Support	Sales	Total	% of Workforce
Full-time	44	121	42	39	246	78.3%
Part-time	1	9	2	9	21	6.7%
Casual	21	23	-	3	47	15.0%
Total employees	66	153	44	51	314	

We see the variety of people who work for us – with their many different skills, beliefs, diverse backgrounds and ways of thinking – as key to our past and future success.

Supply Chains

In FY20, we performed in-depth supply chain analyses and found that we engaged with nearly 2,000 suppliers, spread across 17 countries worldwide, who supply us with a broad range of products and services. Approximately 96.9% of FY20 procurement spend was with suppliers located in Australia, reflecting our commitment to supporting local businesses, both small and large. Our procurement spanned across a wide range of goods and services, including:

Country	Procurement Category	Spend^
Australia	Advertising & Publishing, Machinery & Equipment, Freight & Logistics, Apparel, Software, Finance & Insurance, Automobiles & Components, Construction & Engineering, Chemicals, Hardware & Electronics, IT Services, Commercial Services & Suppliers, Utilities, Food & Beverages, Health Care Services & Suppliers, Transport, Furniture & Furnishings, Hotels, Restaurants & Venues, Professional Services, Real Estate, Office Services & Supplies	96.9%
Singapore	Advertising & Publishing, Software, Freight & Logistics	0.08%
New Zealand	Freight & Logistics, IT Services	1.62%
Germany	Software	<0.01%
United States	Software, IT Services, Health Care Services & Suppliers, Commercial Services & Supplies, Professional Services	0.33%
Pakistan	Software, IT Services	0.01%
United Kingdom	Software, Professional Services	0.02%
Canada	Software, Transport	0.30%
China	Hardware & Electronics, Health Care Services & Supplies	0.02%
Israel	IT Services	0.03%
India	IT Services, Office Services & Supplies	0.66%
Hong Kong	Freight & Logistics	0.01%
Thailand	Freight & Logistics	0.01%
Philippines	Freight & Logistics	<0.01%
Taiwan	Freight & Logistics	<0.01%
Indonesia	Freight & Logistics	<0.01%

South Africa	IT Services, Office Services & Supplies	<0.01%
--------------	---	--------

^ Spend based on FY20 data.

Based on a review of the supplier-based spend in FY21, we have found that there has been no material change to the in-depth analyses completed in FY20.

We pride ourselves on our strong supplier relationships and have worked with many of our suppliers for over a decade. We believe these strong relationships are essential for effective supplier management.

Modern slavery risks in our operations and supply chains

In FY20, we engaged an independent consultancy to assess the modern slavery risks in our operations and supply chains. The results of this analysis, combined with the further work completed by management in FY21, has continued to evolve our understanding of the modern slavery risks within our operations and supply chains.

The risk assessment that was completed used both a country risk analysis and industry risk analysis to determine an overall inherent risk rating for each operational site and supplier.

1. **Country risk analysis:** Human rights databases, indexes and reports from internationally recognised bodies, including the Global Rights Index, the International Labour Organization, and the World Bank, were leveraged and each country within the operations and supply chains were assigned a risk rating.
2. **Industry risk factor analysis:** An industry specific assessment of the likelihood and impact of known modern slavery risk factors for both operations and supply chains against several factors including, for example, labour intensity, migrant labour and opaque intermediaries.

The outcomes of this assessment continue to be utilised to inform ongoing due diligence, specifically what activities should be prioritised and what depth of diligence is most appropriate.

Risks in our operations

Due to the nature of our business and the industries in which we operate, the main modern slavery risks in our operations relates to our temporary or casual workforce. While 81.7% of our workforce is employed on a part-time or full-time basis, there is a reasonable percentage of the workforce engaged on a casual basis to provide support during peak periods in both the TIMG and Shred-X businesses, especially within the areas of production, operations and service delivery. We recognise that, without appropriate due diligence processes, the nature of our work may heighten the risk of modern slavery. Peak periods and temporary labour requirements tend to attract a higher rate of migrant workers, and the time pressures associated with these periods could lead to increased pressure to minimise our costs.

The use of recruitment agents has also been associated with increased risks of forced labour and debt bondage for migrant workers in Australia. These risk factors, if left uncontrolled, may lead to a risk that we are causing modern slavery ourselves, or contributing to modern slavery through relationships with recruitment agencies. To maintain strict security controls for our information management services, we hire our casual labour directly, rather than hiring a contingent workforce via a recruitment agency. We recognise that contingent labour has limited job security and are not afforded the same employment benefits as workers employed on a full or part time basis, such as annual leave, sick leave and public holidays, and are therefore more vulnerable to modern slavery. Therefore, our Australian entities try to sparingly use outsourced labour from third-party labour providers where possible, allowing us to have increased oversight over our workforce and their employment terms, therefore minimising any labour rights risks, security risks, and privacy risks associated with outsourced labour.

Risks in our supply chains

The main areas of modern slavery risk in our supply chains, based on the highest risk industries, include:

- **Diversified support services, which includes cleaning, maintenance and catering services:** Cleaning, catering and maintenance services provide manual-based labour, which is typically low paid, and therefore attracts low skilled, temporary and often migrant labour. Workers are often employed on a contingent basis, meaning they have limited job security and are not entitled to employment benefits, such as annual leave, sick leave and public holidays. As a result, workers providing these services are vulnerable to labour exploitation and modern slavery.
- **Freight & logistics:** Precarious forms of employment, specifically jobs characterised by low wages, unstable work arrangements, temporary employment contracts, absence of employment benefits, and a lack of legal and

regulatory protections, are common in the freight & logistics sector. As a result, employees often have less rights and bargaining power and are therefore vulnerable to labour exploitation and modern slavery.

- **Hardware & Electronics:** The manufacturing industry is one of the highest risk industries for modern slavery due to the low profit margins and tiered production systems. Manufacturing typically takes place in countries with minimal legal and regulatory protections, hence there is less oversight and control of workers and their working conditions. The raw materials used to manufacture these products, such as copper, gold, aluminium, zinc, iron and nickel, may be sourced from countries where workers are subject to labour exploitation and modern slavery.
- **Office services and supplies:** Office services and supplies are considered higher risk for modern slavery due to low profit margins and complex and opaque supply chains. Manufacturing is typically outsourced to manufacturing hubs, located in developing countries, where legal protections and regulatory environments are weak. As such, workers are vulnerable to labour exploitation and modern slavery.
- **IT and data processing services:** Typically, IT service providers are located overseas, often in countries where minimal legal and regulatory protections exist. This, paired with a lack of oversight, means these workers are often at risk of labour exploitation, for example, underpayment of wages, excessive working hours, retention of personal identification documents, and so on, and modern slavery.
- **Health Care Services & Supplies:** Health care services & supplies have been identified as services and products at higher risk of modern slavery due to low profit margins and complex supply chains. A number of recent investigations, stemming from COVID-19, have exposed instances of modern slavery in the supply chains of the world's largest distributors of medical supplies. Manufacturing of these products typically takes place in countries with minimal legal and regulatory protections, hence there is less oversight and control of workers and their working conditions. Accordingly, workers in these manufacturing facilities are at risk of labour exploitation and modern slavery.

There is a risk that we could contribute to or be directly linked to modern slavery through our relationships with the suppliers in the above industries. As such, Freightways continues to implement and strengthen its systems and processes to further assess the risks of modern slavery in our existing direct suppliers and take steps to mitigate identified risks and remediate impacts. For example, in FY21, we developed a supplier questionnaire aimed at helping us better understand our modern slavery exposure for existing or new suppliers, as well as develop a Supplier Code of Conduct setting out our expectations on a range of issues, which is to be rolled out in FY22.

Our Approach to modern slavery risk management

While the Modern Slavery Act is still relatively new, Freightways has a long history and culture of doing the right thing by our people and our suppliers. Freightways has an established risk management approach to our operation and supply chains, and each of our entities have implemented effective systems and processes to ensure that we are protecting our people, our business, our suppliers and our communities. Freightways' existing processes provides a strong foundation that can be leveraged for effective modern slavery risk management.

Governance

Freightways is committed to the highest standard of corporate governance and ethical behaviour, both in form and substance, amongst its Directors and its people. The management of risk is a core management responsibility. All management and employees are accountable to employ risk management processes within their area of control to aid in the achievement of business objectives. The Board ensures adequate risk management strategies are in place and monitors the integrity of management information and the timeliness of reporting to shareholders and other stakeholder groups.

In FY21, the responsibility for managing modern slavery risk within the business was assigned to Freightways' Chief Financial Officer ("CFO"), who periodically reports to the Board on progress achieved. Freightways also established a MS Working Group, which is responsible for implementing strategies and undertaking activities to achieve our modern slavery commitments as outlined within this Statement, under the oversight and management of the CFO. The MS Working Group meets on a regular basis to work through the action plan necessary to achieve these commitments.

Policies

We have several policies and procedures in place that give effect to our commitment to combatting modern slavery within our business and across our supply chains. These policies are available on the Freightways website and include:

- Code of Ethics
- Disclosure & Communication Policy
- Diversity and Inclusion Policy
- Protected Disclosure (Whistleblower) Policy (one each for New Zealand and Australia)
- Risk Management Policy

In FY21, our Code of Ethics was updated to formalise our commitment to combatting modern slavery within our operations and supply chains. In addition, we developed a Supplier Code of Conduct to communicate our minimum expectations on a range of issues including human and labour rights, health and safety, the environment, and governance and compliance. The Code of Conduct is currently being finalised and will be rolled out in FY22.

Due diligence

While our existing operational and supply chain due diligence has not been specifically deployed to manage modern slavery risks, we believe our current policies and procedures provide a strong foundation for us to build our approach on. Our Australian entities are currently in the process of reviewing and improving our due diligence approach to ensure our systems are appropriately identifying, assessing and addressing modern slavery risks and impacts in their operations and supply chains.

Risk Identification and Assessment

Operations

To ensure compliance with the requirements of the Fair Work Act and the National Employment Standards, our People & Culture team perform thorough checks during recruitment to make sure applicants have the right to work and are of the appropriate age. For foreign labour, we confirm applicants meet their Visa requirements and have been granted the right to work in Australia. Our approach to the recruitment process is outlined in our Recruitment Policy.

If undertaking an acquisition, Freightways performs thorough due diligence activities prior to purchase to ensure the acquisition target meets our requirements. Following acquisition, and leveraging this due diligence process, Freightways reviews and updates all existing employment contracts so that they align with the minimum award.

Our People and Culture team will continue to assess the English proficiency of all new recruits and, if required, look to translate employment contracts and relevant employee documentation, such as the Employee Handbook and Code of Ethics, to ensure all employment rights and conditions are clearly understood.

Supply chains

In order to identify and assess risks within supply chains, each of our Australian entities have implemented a supplier self-assessment questionnaire (a *Supplier Evaluation Questionnaire* for all Shred-X suppliers, and a *Critical Supplier Evaluation Form* for 'critical' suppliers to TIMG). Such questionnaires are quite extensive and were recently extended to incorporate modern slavery. However, due to the poor response rate from suppliers which is likely a result of the time commitment required to complete the questionnaire, we have pivoted and developed a targeted and consequently shorter questionnaire to specifically deal with modern slavery risks. We believe this new approach, which will be rolled out in FY22, will achieve the right level of engagement to better understand our modern slavery exposure for existing or new suppliers. The procurement categories identified as high risk (refer to Risks in our operations section noted above) will be used to target suppliers supplying goods and services within these categories. Ultimately, our aim is to map our supply chain beyond Tier 1 to enable the businesses to follow the risk down our supply chain to the source.

To further strengthen our process, a specific third-party training programme has been selected and implemented to upskill employees across the Australian businesses to increase their awareness of modern slavery in our supply chains. Up to the date of this report, only 10 persons, namely those in the MS Working Group, have successfully completed the training programme. In FY22, the training programme will be significantly expanded to include the Australian leadership team and middle management, along with key employees who are involved in procurement and recruitment of personnel.

Risk Mitigation

Operations

Recognising the risks associated with a temporary workforce, we ensure that the majority of our workforce are directly hired by the business, rather than employed through a third-party labour provider. This approach ensures that we have sufficient oversight to monitor and manage the working conditions of our employees and ensure all relevant labour standards are met. The People & Culture team implemented a system in late FY20 to monitor employee working hours. Our site managers are responsible for reconciling employees working hours to ensure the business is aligning with the industry award and no employee is working excessive hours. To manage risks associated with our migrant workforce, we monitor visa compliance to ensure our employees are abiding by their visa conditions. If an employee's visa expires and they lose the right to work, the People & Culture team will be alerted via the ticketing system and will perform an investigation to remediate the issue.

The People & Culture team has recently implemented a new HR system that will further enhance our knowledge of our workforce and allow for better monitoring of potential risks.

Supply chain

Our businesses regularly engage with our suppliers and maintain strong relationships. These relationships are pivotal to preventing and mitigating risks in our supply chains. Ongoing supplier performance management processes are implemented throughout both Shred-X and TIMG to ensure that supplier performance is measured and analysed throughout the contract period.

Leveraging upon the existing supplier performance management processes, we intend to use these capabilities to perform retrospective due diligence on high-risk suppliers in FY22 (as noted above). The due diligence will initially consist of suppliers completing a short questionnaire aimed at assessing their policies and practices to identify, assess and mitigate modern slavery risks in their supply chains and operations. The responses supplied will allow us to better understand the supplier's operations and how they are addressing modern slavery risks. By applying a metric to the responses received, it will also allow us to gauge the level of modern slavery risks each supplier has. Those found to be at high risk will trigger further review, with the relevant business working in collaboration with the supplier to address any weaknesses in their modern slavery risk management approach. Due to the impact of COVID over the last 12 months, the limitation of resources available has meant that we were unable to complete these retrospective due diligence assessments in FY21.

Grievance Mechanisms and Remediation

We recognise the importance of establishing a formal grievance mechanism to bring about effective remediation, should instances where we have caused or contributed to modern slavery be identified.

Freightways has a Protected Disclosure (Whistleblower) Policy for each of New Zealand and Australia that applies to all subsidiary entities within the Group. All employees and contractors are able to raise grievances directly to managers or delegated persons, or via the Whistleblower hotline. No modern slavery related complaints were received via any of these mechanisms in FY21. The Policy sets out the Company's internal procedures for how a protected disclosure can be made and how the disclosure will be investigated. All employees within the TIMG and Shred-X businesses received training on the Whistleblower Policy, specifically the process of lodging a grievance, and all managers received training on processing grievances and the requirements of a fair hearing.

In FY21, the Whistleblower Policy for each country was expanded to cover human rights violations within supply chains and incorporate suppliers. No modern slavery related complaints were received from suppliers in FY21

Where adverse impacts in operations or supply chains are identified (either directly or indirectly), we recognise the need to engage with affected stakeholders to remediate any harm caused.

Evaluating Effectiveness

We recognise the value of understanding how effective our actions are in addressing modern slavery risks. Based on the FY20 modern slavery risk assessment, we have implemented a number of key initiatives during FY21 and will continue to improve our processes in FY22 and beyond to improve our current approach.

Measures implemented in FY21	How this helps us to measure our effectiveness
Established a process for senior management to regularly review the actions taken by Freightways in response to modern slavery.	Assists senior management to track progress in response to modern slavery.
Implemented a high-level review of the risk assessment process.	Helps ensure that new risks are not missed. For example, when operations and supply chain relationships are commenced in a high-risk country or region.
Established periodic reviews between the CFO and MS Working Group to discuss modern slavery response and progress.	Helps enable dialogue around progress to promote accountability and proactive response to modern slavery.
Selected and implemented a training programme to raise awareness of modern slavery risks and ensure that all relevant staff have done the training.	Assists in monitoring steps taken and their impact over time.
Considered any trends in cases reported through grievance mechanisms and how these cases were handled.	Improves the integrity of grievance mechanisms to ensure fair and timely responses and resolutions.

The Way Forward

We recognise that we are only part way through our journey and acknowledge that more needs to be done in the short, medium and long term to improve our approach to modern slavery risk management.

Focus area	Actions within the next reporting period	Longer term goals
Commitment	<ul style="list-style-type: none"> Review and update as relevant our commitment to addressing and combatting modern slavery within our operations and supply chains. 	<ul style="list-style-type: none"> Review our commitment annually and revise it as necessary
Governance	<ul style="list-style-type: none"> Ensure that the MS Working Group, with representatives from the Relevant businesses, continuously review existing processes and suggests ways to strengthen our risk identification and management. 	<ul style="list-style-type: none"> Formulate strategies and increase understanding and awareness throughout the business.
Risk assessment	<ul style="list-style-type: none"> Perform regular due diligence over our highest risk suppliers, as identified in the risk assessment. Strengthen the new Supplier selection and induction process and ensure a consistent approach is applied to supplier evaluation across the Relevant businesses. Annually review the Protected Disclosure (Whistleblower) Policy to make sure it provides an adequate cover to manage potential modern slavery risk. 	<ul style="list-style-type: none"> Leveraging our strong supplier relationships, map tier 2 and 3 of our supply chains, and perform an assessment of risk at each of these levels.

Focus area	Actions within the next reporting period	Longer term goals
Risk management	<ul style="list-style-type: none"> • Develop a risk-based supplier management framework for Australian entities that will inform management controls required for suppliers. • Finalise and roll-out the Suppliers' Code of Conduct that will be shared with all suppliers and well understood by them. • Update all new and existing supplier contracts, as required, to integrate modern slavery clauses. • Work with suppliers to check how they are progressing with any actions they have put in place to address modern slavery risks. 	<ul style="list-style-type: none"> • Extend the scope of our proactive supplier risk management beyond tier 1 for high-risk suppliers
Training	<ul style="list-style-type: none"> • Roll-out modern slavery training to the Australian leadership team and middle management, along with key employees who are involved in procurement and recruitment of all personnel 	<ul style="list-style-type: none"> • Invest in long term training and awareness raising across the business.

Appendix 1: Freightways Group Structure

NB: All subsidiaries of Freightways Limited are 100% owned, unless indicated.

