



Freightways Modern Slavery Statement  
1 July 2019 – 30 June 2020

## 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”).

Within the Freightways Group, the businesses operated by The Information Management Group Pty Ltd (TIMG), LitSupport Pty Ltd (LitSupport), Shred-X Pty Ltd (Shred-X), Med-X Pty Ltd (Med-X), Databank Escrow Services Pty Ltd (Databank Escrow), Southwest Onsite Data Backup Management Pty Ltd (BackOnline) are collectively a reporting entity (on a consolidated basis) under the Act, and the information contained in this statement relates to the operations and supply chains of these entities. In preparing this statement, on behalf of this reporting entity, Freightways consulted with key personnel in the relevant business units of each entity, including the People & Culture Team, the Procurement Team and the Finance Team. This consultation process involved conducting interviews with key personnel to understand the way in which policies and procedures are implemented in practice and what existing controls and initiatives are in place. As it was Freightways’ first year of reporting, the purpose of the consultation process was to communicate expectations to each of the process owners, build awareness amongst the businesses and understand their approach to risk management.

This Statement was approved by the Board of Directors of Freightways (‘the Board’) on 29 October 2020. 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”

|  |   |
|--|---|
| <br>CEO – Mark Troghear<br>Date 29 October 2020 | <br>Chairman – Mark Verbiest<br>Date 29 October 2020 |
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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

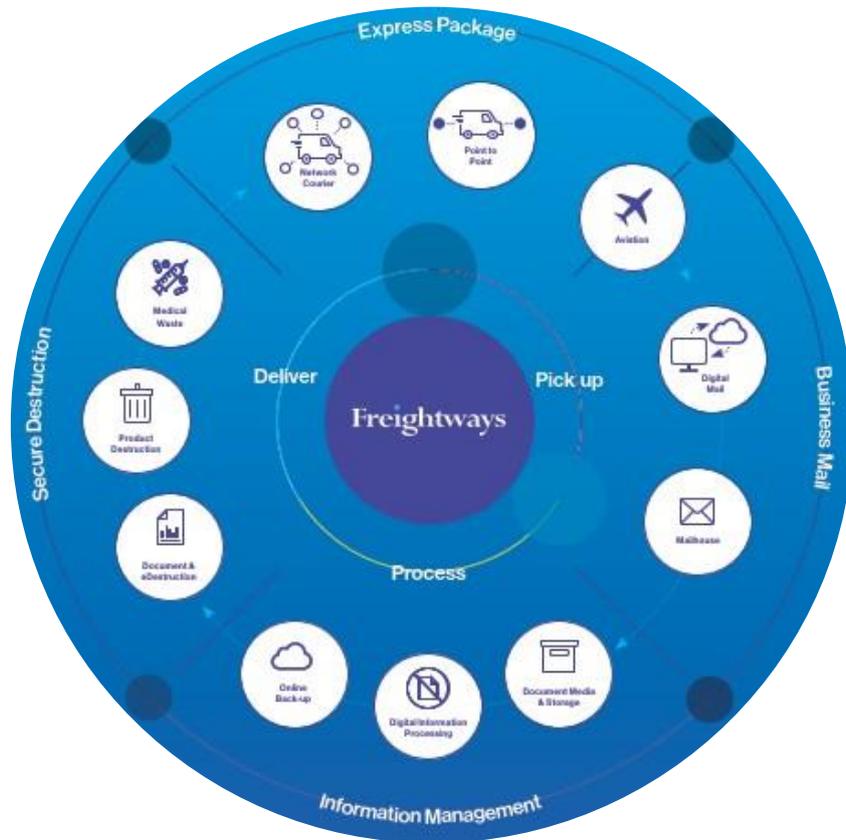
Freightways has always been an entrepreneurial company. From our core express package & business mail services, we've successfully expanded into information management, building a diverse selection of digital and physical brands in Australia and New Zealand that are steadily increasing our revenue and 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

Freightways Limited, together with its subsidiaries (the "Group"), provides express package (including chilled delivery), business mail, information management and destruction services mostly 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, 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 (TIMG), BackOnline, Databank Escrow Services and LitSupport, and *in destruction*: 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.

The businesses operated by the Freightways Australian subsidiaries of The Information Management Group Pty Ltd (TIMG), LitSupport Pty Ltd (LitSupport), Shred-X Pty Ltd (Shred-X), Med-X Pty Ltd (Med-X), Databank Escrow Services Pty Ltd (Databank Escrow), Southwest Onsite Data Backup Management Pty Ltd (BackOnline) are collectively the reporting entity (on a consolidated basis) within the scope of the Act.



## Australian Operations

Our Australian entities which form the reporting entity under the Act include the trading businesses of TIMG, LitSupport, BackOnline, Shred-X and Med-X. The trading businesses are responsible for 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:

|  |   |  |
|--|---|--|
| <b>The Information Management Group (TIMG)</b> | 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.  |
| <b>LitSupport</b>                              |   | Sits within TIMG and helps law firms, corporations and government agencies within Australia find, process and present information.   |
| <b>Shred-X</b>                                 | National business operating in all state and territories of Australia, except Northern Territory. | 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. |
| <b>Med-X Healthcare Solutions</b>              | 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 June 30 2020, we employed over 900 people across our Australian business, with 502 working on full-time basis, 45 on a part-time basis, and 371 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:

| TIMG (including Litsupport) |        |            |         |                   |           |
|-----------------------------|--------|------------|---------|-------------------|-----------|
|                             | Bureau | Operations | Support | Sales & Marketing | eBusiness |
| <b>Full-time</b>            | 75     | 108        | 39      | 19                | 25        |
| <b>Part-time</b>            | 4      | 8          | 3       | 4                 | 4         |
| <b>Casual</b>               | 39     | 255        | 0       | 0                 | 39        |
| <b>Total</b>                | 118    | 371        | 42      | 23                | 68        |

| Shred-X (including Med-X) |            |                  |         |       |
|---------------------------|------------|------------------|---------|-------|
|                           | Production | Service Delivery | Support | Sales |
| <b>Full-time</b>          | 42         | 124              | 41      | 29    |
| <b>Part-time</b>          | 0          | 6                | 4       | 12    |
| <b>Casual</b>             | 16         | 19               | 0       | 3     |
| <b>Total employees</b>    | 58         | 149              | 45      | 44    |

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

During FY20, we worked with 1929 suppliers, across 17 countries worldwide, who supply us with a broad range of products and services. Our total procurement spend was A\$60,436,418 and approximately 96.9% of this spend was with suppliers located within Australia, which reflects our commitment to supporting local businesses. 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% |

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 and the assessment commenced late in the reporting period. While the risk assessment was not completed during the reporting period, we have included in this statement some of the initial results as they are informing our evolving understanding of the risks in our operations and supply chains.

The risk assessment 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 will be used 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 relate to our temporary or casual workforce. While most of our employees are employed on a part-time or full-time basis, our workforce also comprises a number of temporary workers. In order to account for peak periods, both TIMG and Shred-X need to maintain a flexible workforce, hence the majority of employees in production, operations and service delivery are hired on a casual basis. 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 have 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 outsource labour to third-party labour providers sparingly and as a result, we 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

We have identified a number of areas of modern slavery risk in our supply chains. The highest risk industries identified were:

- **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 is implementing, and will continue to strengthen, 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.

## Our Approach to modern slavery risk management

While compliance with the Modern Slavery Act is new for Freightways, doing the right thing by our people and our suppliers is not. 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 provide 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.

Previously, modern slavery risks have been managed by subsidiary management, with both TIMG and Shred-X implementing risk management processes within their relevant business functions. While the Australian procurement functions remain decentralised, the People & Culture function was centralised during FY20. Going forward, the business intends to explore aggregating the Australian procurement functions in order to form a more consistent approach to risk management. Further to this, responsibility for modern slavery risks within the business will be assigned to Freightways' Chief Financial Officer ("CFO"), who will periodically report on progress to the Board. Freightways also plans to establish a working group, comprised of representatives from each relevant business function, who will be responsible for implementing strategies and undertaking activities to achieve our Modern Slavery commitments, as outlined within this Statement.

### 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, we plan to formalise our commitment to combatting modern slavery within our operations and supply chains by updating our Code of Ethics. In addition, we plan to develop and establish Supplier Code of Conduct to communicate our minimum expectations of ethical compliance and supply chain due diligence performance with our suppliers.

### Due diligence

Our existing operational and supply chain due diligence has historically 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 to modern slavery risk management. 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 we are compliant with the requirements of the Fair Work Act and the National Employment Standards, our People & Culture team perform thorough checks during recruitment to ensure applicants have the right to work and are of the appropriate age. For foreign labour, we ensure 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 to ensure that they align with the minimum award.

Going forward, our recruitment team will assess the English proficiency of all new recruits and, if required, 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). Once the completed questionnaire has been evaluated, Shred-X will then facilitate a discussion with the supplier and either conduct further bespoke due diligence or, if approved, negotiate the terms and conditions of the contractual agreement and add the supplier to the Approved Supplier Index. For TIMG suppliers, depending on the criticality of the supplier, further due diligence may take place, which may include, but is not limited to, reviewing relevant compliance certificates and requiring the supplier to sign a non-disclosure agreement and agree to TIMG's Security Terms. Once the supplier has been fully evaluated, contractual negotiations take place and standard criterion or KPIs are established, then the approved supplier is added to the Approved Critical Supplier List.

Currently, neither system sufficiently considers or evaluates the risk of modern slavery, and as such, in FY21 we plan to revise and update our supplier screening processes to ensure the consideration of modern slavery risks is included. As noted, the outcomes from the risk assessment performed during FY21 will be used to direct and prioritise ongoing due diligence. Specifically, the procurement categories identified as high risk (see Risks in our operations) will be used to identify higher risk sourcing events and trigger further assessment of modern slavery risk. To ensure this assessment captures and accounts for all risks in our operations and supply chains, we plan to update this assessment on an annual basis. Ultimately, our aim is to map our supply chain beyond Tier 1 to enable the business to follow the risk down our supply chain to the source.

## **Risk Mitigation**

### **Operations**

Recognising the risks associated with a temporary workforce, we ensure 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. In May of 2020, the People & Culture team implemented a system 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.

During calendar 2020, the People & Culture team plan to implement a new HR system that will further enhance monitoring processes.

### **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.

In Shred-X, supplier performance is continuously monitored against contractual obligations and reviewed throughout the contract period. Those suppliers identified as high risk are subject to closer monitoring processes. To supplement this process, Shred-X annually nominate several high-spend suppliers on a sample basis for performance evaluation. Using the Supplier Evaluation Questionnaire, Shred-X assess the supplier's performance and evaluates their compliance with the key criteria. The results of this evaluation are summarised in an annual supplier evaluation report. This year, eight Tier 1 suppliers were evaluated, and no non-conformance was identified through the process.

In cases where the Annual Supplier Evaluation Report or the Supplier Evaluation Questionnaire identify areas of risk, Shred-X then requests the supplier to undergo an on-site assessment, which is typically conducted internally. As a result of COVID-19, Shred-X was unable to undertake supplier audits for a large proportion of the financial year and in response performed bespoke desktop-based assessments instead. Supplier performance is evaluated at management's periodic review meetings and, should non-conformance or risk be identified, management develops corrective action plans to address the risk. The supplier's performance against the correction action plan is closely monitored by the contract owner to ensure that the identified issues are effectively closed out within the specified timeframe. Should a supplier fail to rectify the issue, Shred-X may terminate the relationship and remove the supplier from the Approved Supplier Index.

In TIMG, supplier performance is continuously monitored against the standard criterion and/or KPIs, as set out in a service level agreement, and reviewed throughout the delivery of products and/or services. Poor performance can be identified using a reporting process from the internal ticketing system. Should an incident, non-compliance or risk be identified, the contract owner will lodge a ticket using the standard ticketing system. TIMG will use performance benchmarks and/or establish a corrective action plan to track and eliminate identified issues and risks. The supplier's response is closely monitored to ensure that the identified issues are closed out within a satisfactory timeframe, however, should a supplier fail to address the risk within the specified timeframe, TIMG may remove the supplier from the Approved Critical Supplier List and discontinue the relationship.

In FY21 we plan to consider centralising our risk management processes and developing a risk-based supplier management framework that will inform management controls required for suppliers. In addition, we plan to update all new and existing supplier contracts and integrate modern slavery clauses and KPIs, if required.

### 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 FY20. The Policy sets out the Company's internal procedures for how a protected disclosure can be made and how the disclosure will be investigated. During FY20, all employees within the TIMG and Shred-X 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.

Currently our Protected Disclosure (Whistleblower) Policy applies to employees and contractors, however we recognise that it is possible for human rights violations to occur within supply chains and, as such, we are committed to expanding the scope and application of this Policy to encompass our suppliers.

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 the harm.

## Evaluating Effectiveness

We recognise the value of understanding how effective our actions are in addressing modern slavery risks. As such, during FY20, we engaged an independent consultancy to undertake an assessment of our current approach to modern slavery risk management. Based on the outcomes of this assessment, we plan to implement a number of key initiatives during the financial year and beyond to improve our current approach.

| Measure to be implemented in FY21  | How this will help us to measure our effectiveness  |
|--|---|
| Establish a process for senior management to regularly review the actions taken by Freightways in response to modern slavery.                      | This will help us senior management to track progress in response to modern slavery.  |
| Monitor compliance with the risk assessment process and update the process on an annual basis to ensure all new risks are identified and assessed. | This will ensure that new risks are not missed. For example, when operations and supply chain relationships are commenced in a high-risk country or region. |
| Establish periodic reviews between the CFO and working group to discuss modern slavery response and progress.                                      | This will enable dialogue around progress to promote accountability and proactive response to modern slavery.   |
| Track the actions taken to assess and address modern slavery and measure their impact.   | This will help in monitoring steps taken and their impact over time.  |
| Work with suppliers to check how they are progressing with any actions they have put in place to address modern slavery risks.                     | Proactive supplier engagement will support trust and understanding of expectations.   |

Consider any trends in cases reported through grievance mechanisms and how these cases were handled.

This will help to improve the integrity of grievance mechanisms to ensure fair and timely responses and resolutions.

## The Way Forward

We recognise that our approach is not as comprehensive as it needs to be and acknowledge that more needs to be done in the immediate, medium and long term to improve our approach to modern slavery risk management.

| Focus area             | Actions within the next reporting period   | Longer term goals   |
|------------------------|--|---|
| <b>Commitment</b>      | <ul style="list-style-type: none"> <li>Formalise our commitment to addressing and combatting modern slavery within our operations and supply chains, by updating our existing Code of Ethics.</li> <li>Develop a mechanism through which minimum expectations of ethical compliance and supply chain due diligence performance are communicated to suppliers.</li> </ul>   | <ul style="list-style-type: none"> <li>Review our commitment annually and revise it as necessary</li> </ul>   |
| <b>Governance</b>      | <ul style="list-style-type: none"> <li>Establish a Modern Slavery Working Group, with representatives from People &amp; Culture and Procurement, who will be responsible for undertaking activities to achieve our Modern Slavery commitments.</li> <li>Assign responsibility for implementation of the modern slavery strategy and commitment to the Freightways CFO.</li> </ul>  | <ul style="list-style-type: none"> <li>Establish a steering committee to work alongside the working group and to support business areas to strengthen governance, monitor progress, resolve issues, formulate strategies and increase understanding and awareness throughout the business.</li> </ul> |
| <b>Risk assessment</b> | <ul style="list-style-type: none"> <li>Perform retrospective due diligence over our highest risk suppliers, as identified in the risk assessment.</li> <li>Develop a preliminary risk identification mechanism to identify high risk suppliers.</li> <li>Establish a consistent approach to supplier evaluation. Update the existing Supplier Evaluation Questionnaire, at both Shred-X and TIMG, and include more detailed modern slavery questions to determine a potential supplier's conformance with Freightways' modern slavery commitments.</li> <li>Expand the scope and application of the Protected Disclosure (Whistleblower) Policy to encompass suppliers.</li> </ul> | <ul style="list-style-type: none"> <li>Leveraging our strong supplier relationships, map tier 2 and 3 of our supply chain, and perform an assessment of risk at each of these levels.</li> </ul>  |
| <b>Risk management</b> | <ul style="list-style-type: none"> <li>Develop a risk-based supplier management framework for Australian entities that will inform management controls required for suppliers.</li> <li>Update all new and existing supplier contracts, as required, and integrate modern slavery clauses.</li> </ul>  | <ul style="list-style-type: none"> <li>Extend the scope of our proactive supplier risk management beyond tier 1 for high risk suppliers</li> </ul>  |
| <b>Training</b>        | <ul style="list-style-type: none"> <li>Develop and roll-out modern slavery training to key business functions involved in decision making where modern slavery may be a consideration, for example the People &amp; Culture and Procurement teams.</li> </ul>  | <ul style="list-style-type: none"> <li>Invest in long term training and awareness raising across the business.</li> </ul>   |

## Effectiveness

- Develop a mechanism for an annual assessment of the effectiveness and application of internal controls relating to modern slavery and performance against the workplan.
- Develop a modern slavery strategy that sets out how Freightways will systematically identify, assess and mitigate its modern slavery risks and remediate any adverse impacts. Develop an annual workplan to underpin the strategy, which sets out a clear roadmap to addressing modern slavery in the business' operations and supply chains.
- Develop an approach to performance monitoring that include 3<sup>rd</sup> party auditing, where necessary.
- Provide training for auditors on human rights to improve the value derived from 2<sup>nd</sup> and 3<sup>rd</sup> party audits.

## Appendix 1: Freightways Group

