

Modern Slavery Statement

Financial year ended 30 June 2021

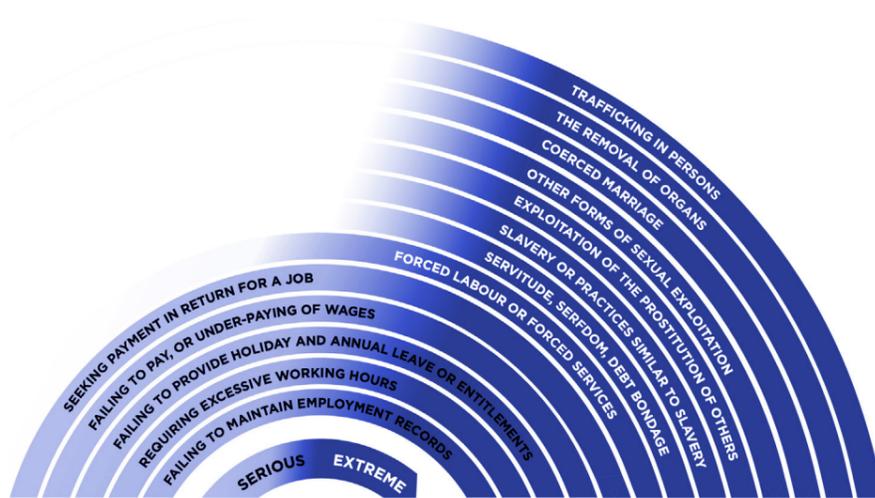
1. Purpose of this statement & Reporting Entity



The Modern Slavery Act 2018 (Cth) (the “Act”) requires entities with an annual consolidated revenue of at least \$100 million, and which are either an Australian entity or an entity carrying on business in Australia to prepare a modern slavery statement. Each section in this Statement corresponds to a mandatory criterion of the Act. This Modern Slavery Statement has been prepared by New Zealand Post Limited for the reporting year which ended 30 June 2021. This Statement applies to the wholly owned operating subsidiaries of New Zealand Post Limited, including its extended workforce. For the purpose of this statement NZ Post refers to NZ Post and its wholly owned subsidiaries. It does not extend to NZ Post’s shareholding in Kiwi Group Holdings Ltd and its subsidiaries.

Modern Slavery

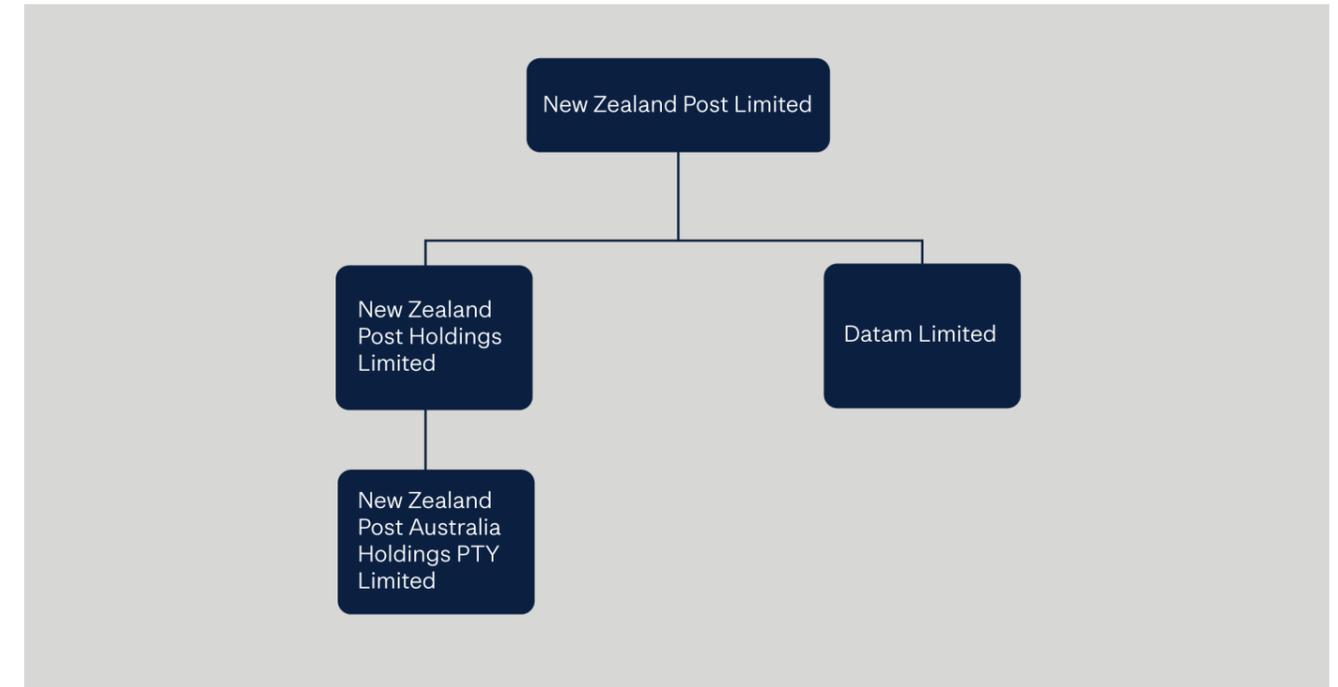
The Australian Act defines modern slavery as “situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom. Practices that constitute modern slavery include human trafficking, slavery, forced labour, debt bondage, forced marriage and the worst forms of child labour.” The New Zealand Ministry of Business Innovation and Employment (MBIE) has stated that modern slavery occurs on a 'continuum of exploitation'. Labour related exploitation includes a variety of practices that range from serious to extreme. Modern slavery focuses on exploitation at the extreme end of the spectrum. However, by putting in controls to mitigate the risk of modern slavery, other forms of labour exploitation may also be addressed.



A range of practices referenced in the diagram above are criminalised in New Zealand’s legislation, including the *Immigration Act 2009* and *Crimes Act 1961*. [MBIE ‘Continuum of Exploitation’](https://www.mbie.govt.nz/dmsdocument/13568-combatting-modern-forms-of-slavery-plan-of-action-against-forced-labour-people-trafficking-slavery)

¹ [Combating Modern Forms of Slavery: https://www.mbie.govt.nz/dmsdocument/13568-combatting-modern-forms-of-slavery-plan-of-action-against-forced-labour-people-trafficking-slavery](https://www.mbie.govt.nz/dmsdocument/13568-combatting-modern-forms-of-slavery-plan-of-action-against-forced-labour-people-trafficking-slavery)

2. Description of Structure, Operations and Supply Chains



For the purposes of this Modern Slavery Statement, the reporting entity is New Zealand Post Limited (NZ Post). NZ Post is primarily a logistics and delivery business operating across New Zealand, Australia and Internationally. In this section, we provide a description of our entity structure, operations, and supply chains.

NZ Post is an incorporated company under the Companies Act 1993, and a State-Owned Enterprise (SOE) under the State-Owned Enterprises Act 1986, which means that it is required to be a good employer and to exhibit a sense of social responsibility.

As an SOE, NZ Post is responsible to the shareholding Ministers (Minister of Finance and Minister for State-Owned Enterprises). The Minister for Digital Economy and Communications is the Minister responsible for postal services.

Overview of our Entity Structure

- **New Zealand Post Limited:** is a registered company in the New Zealand Companies Office NZBN 9429039700766, and is a State-Owned Enterprise.

As at the date of this Modern Slavery Statement, there are approximately 4700 employees that work for NZ Post (including permanent, fixed term, and on-call delivery contractors). NZ Post services are also delivered by over 1700 delivery contractors.

Headquartered in Wellington, NZ Post operates across the whole of New Zealand.

- **New Zealand Post Holdings Limited:** Registered in New Zealand, (NZBN: 9429037213435), New Zealand Post Holdings Limited is the holding company for New Zealand Post Australia Holdings PTY Limited.
- **New Zealand Post Australia Holdings PTY Limited:** located in New South Wales, New Zealand Post Australia Holdings PTY Limited (NZPAH) (ABN: 97 086 383 904) has a team of full-time employees who are located at the NSW office. NZPAH is responsible for developing, implementing, and championing New Zealand Post’s inbound and offshore customer service offerings. This encompasses the matrix of managing wholesale, direct entry, direct marketing, courier, freight and UPU, coordination and market-flow.
- **Datam Limited:** Registered in New Zealand (NZBN: 942 9039585677), is no longer a trading entity.

Our Operations

Courier and Parcel Post:

We offer a tiered range of courier solutions – Courier and Express – through our networks, depending on the speed and the customer experience required. We engage small businesses and independent contractors using vans to provide Courier and Express delivery services to our customers. ParcelPost is our standard parcel delivery service for consumers that is delivered through the Mail network.

Mail:

Mail has been the historical backbone of the NZ Post business, dating back to the 1840s. This includes residential “postie” delivery, rural delivery and connections with international postal operators. Delivery mode in higher density urban areas is primarily mid-range electric delivery vehicles, complemented by some walking, cycling and motorbike runs, while in rural areas vans are the delivery mode. NZ Post engages independent contractors to provide rural delivery services. NZ Post is New Zealand’s designated Universal Postal Union (UPU) postal operator which means it accepts and delivers mail sent from other overseas UPU members.

Transport:

Transport is responsible for the national road and air bulk transport operations that connect all major towns and cities throughout New Zealand; many of these functions are provided by outsource partners providing services under contract. A core team of employees work alongside aviation suppliers, road transport contractors, and third-party support partners, to coordinate and manage the Transport functions.

Contract Logistics:

Contract Logistics is NZ Post’s third-party logistics business unit, providing warehousing, order and fulfilment services to NZ Post and a select group of external customers.

Retail Operations:

The Retail team primarily supports the agents that comprise the vast majority of NZ Post’s retail network, providing onboarding, training and operational functions to deliver services consistently nationwide. The team also operate a small number of company-operated outlets including staffing and related end-to-end management. As at 30 June 2021, NZ Post had 25 company-operated outlets and 816 agency operated (licensed) outlets.

Datam:

Datam is NZ Post’s print and mail house which provides services to a range of business customers.

Box Lobby Services:

The supply of postal storage facilities by means of Private Bags and Post Boxes across our box lobby network.

Stamps & Coins:

The supply of collectable Stamps and Coins which are sold via NZ Post’s store network and website.

Our Operations in Australia and Overseas:

The NZPAH team working with our New Zealand and Singapore Teams manages our off-shore customer-base, customer returns, sales, and directs activities over inbound and offshore products. The Team provides a solutions suite that reflects global markets delivery trends in order to deliver seamless cross-border eCommerce by facilitating end-to-end supply chain solutions for our customers.

International Freight and Warehousing:

International freight forwarding and warehousing. This includes our redelivery service, YouShop.



Sustainability & Supply Chains

Sustainability

The way that we undertake our work is aimed at reflecting our commitment to the people that work at NZ Post, the communities that we serve, the environment, as well as our values. We understand our choices and actions matter today and in the future, so we’re taking action to reduce our negative impact and maximise our positive impact on our communities and the planet.

We’re committed to reducing absolute scope 1, 2 and 3 greenhouse gas emissions 32% by FY2030 from a FY2018 base year. Our carbon reduction target is a science-based target, validated by the Science Based Targets initiative (SBTi) and we are one of the first three NZ-based businesses to achieve this. NZ Post has also committed to be carbon neutral, business-wide from 2030.

“Being carbon neutral means we will reduce our carbon emissions by 32%.”

Being carbon neutral means we will reduce our carbon emissions by 32% first and from 2030 will purchase carbon credits to offset any remaining unavoidable emissions. We will achieve this by funding low carbon activities, reducing the emissions from our fleet, reducing the energy from our buildings and delivering climate action through our people.

We are taking action to support the people in the local communities where we live and work. We do this through:

- Our collaboration with the New Zealand Red Cross to help build strong, resilient and connected communities;
- Launching our ‘Delivering for Good programme’ which provides free domestic courier services to community organisations who are working to connect communities and improve belonging and inclusion;
- Our diversity & inclusion policy and supporting programmes, and;
- Our social procurement strategy and staff volunteering.

We are active members of The Sustainable Business Council, Sustainable Business Network, The Climate Leaders Coalition, Business for Societal Impact, The Packaging Forum-Soft Plastics Programme. As well we are participating in the Science Based Targets initiative and The Race to Zero.



Our Supply Chains

NZ Post works with around 350 1st tier vendors.*

When we engage with new suppliers, we require them to enter into supplier agreements, adhere to the laws of New Zealand and our Supplier Code of Conduct. From 2021 this has included a modern slavery clause. NZ Post buys products and services needed to operate its business. This includes, but is not limited to, transportation and fuel, uniforms, machinery and equipment, recruitment services, air cargo services, marketing services, IT (hardware, software and services and infrastructure), property services, and finance systems.

*vendors that NZ Post works directly with, not including delivery contractors



3. Modern slavery risks

NZ Post undertook a workshop with representatives from its sustainability, risk, property and facilities, retail and procurement functions to identify NZ Post's modern slavery risk areas.

To determine the most 'at risk' areas of modern-day slavery, NZ Post tiered aspects of its value chain against a criteria of category risk areas (industries which have previously been affected by human and labour rights issues; low-paid, migrant workers, young or elderly workers; unskilled, temporary and/or seasonal labour), geographic risk (countries with a high prevalence of modern slavery), significance of spend and our ability to influence suppliers. This criteria was developed in accordance with the recommendations from the Australian Commonwealth Guidance¹ on risk areas, sectors, countries, industries, and work practices.

Using this criteria, NZ Post identified suppliers from the following categories as higher risk:

Higher Risk Suppliers



Contractors
and subcontractors that provide services to NZ Post



Cleaning, office commodities and security



Uniform Suppliers



Offshore Product Manufacturing



Technology & IT Providers



Retail Agencies

NZ Post appreciates that we still have work to do to further understand our key risks, particularly around our Tier 2 and 3 suppliers. This is a shared issue recognised by other organisations. We aim to continue to collaborate with other organisations to develop a 'best practice' approach and mature our risk assessment approach.

¹Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities: <https://www.homeaffairs.gov.au/criminal-justice/files/modern-slavery-reporting-entities.pdf>

4. Actions taken to assess and address modern slavery risks

NZ Post undertook a workshop and a tiering process to identify the areas of our value chain most at risk of modern slavery. In this section, we have outlined what actions we plan to undertake to mitigate these risks.

NZ Post did not develop and distribute a self-assessment questionnaire as stated we would do in the FY20 Modern Slavery Statement. Covid-19 caused a significant escalation of parcel growth for the business, and other demands were prioritised. We are in the process of determining what resourcing will be required for the effective management of the modern slavery programme so that in FY23 we can begin to develop and undertake our supply chain auditing process and strategy with a three year view.

Policies, Programmes and Governance

The following actions have been established to mitigate the risk of modern slavery, exploitation, and coercion across our value chain.

Supplier Code of Conduct

The Supplier Code of Conduct sets out NZ Post's minimum expectations that suppliers provide services with integrity and compliance with all applicable law, regulations and ethical standards of the country where they are doing business. The supplier code of conduct has been updated to include compliance with anti-slavery laws and practices.

Whistleblower Policy

This policy and hotline provides people working for NZ Post with a mechanism to whistle blow on behaviour that falls below the ethical standards expected of a person working at NZ Post, is contrary to legislation or regulation, or other serious misconduct or non-compliance.

Procurement Policy and Principles

NZ Post procurement is guided by the New Zealand Government Procurement Charter and Principles of Procurement, to ensure that we get the right value-for-money outcome following fair and transparent processes while also considering social, sustainable and environmental outcomes.

FY 2022 Plan

Actions to be taken in FY22 onwards

Our aim is to undergo continuous improvement to reduce the risks of modern slavery. The following actions will be undertaken from FY22 onwards. The risk categories identified above fall into one of the following risk areas:

Risk Areas	Actions
Last Mile Delivery Contractors – Courier, Express, Rural and Provincial Delivery	<ul style="list-style-type: none"> Recruit a Last Mile Delivery Contract compliance assurance role. Responsibilities relevant to modern slavery work include: <ul style="list-style-type: none"> Ensuring Delivery Contractors are compliant with all legal requirements, including modern slavery and corruption. Overseeing a schedule of field visits to build constructive relationships with contractors, assess compliance, provide ongoing training, review and evaluate business performance, appraise and reinforce standards, advance/develop the contractor's business. Developing and maintaining a positive NZ Post contract relationship and culture. Develop robust contractor management systems and capabilities. This will include training for contractors on key compliance requirements, including modern slavery and exploitation.
Suppliers	<ul style="list-style-type: none"> Continue to ensure all new and at-risk suppliers are provided with the updated supplier code of conduct requirements. Undertake a supplier workshop with most at-risk suppliers indicating what modern slavery is and the relevant legislation they need to be aware of. At this workshop we will inform them that in FY23 we will be developing a strategy to collaborate with our suppliers to address exploitation and modern slavery. Determine resources required to manage the auditing process from FY23.
Retail	<ul style="list-style-type: none"> Explore a roll out of a compliance module with retail partners. Determine if agreements with retail partners for providing postal and payment services should be updated to include modern slavery and exploitation clauses.

Risk Areas	Actions
Other Activities	<ul style="list-style-type: none"> Establish a Modern Slavery Working Group. Develop an E-module on modern slavery and exploitation compliance for relevant parties across the business. Keep up to date on modern slavery legislation and best practice approaches. Provide updates to the NZ Post Board and Executive Team and others, as required
FY23 Onwards	<ul style="list-style-type: none"> Roll-out an assessment approach for our most at-risk suppliers. Plan a remediation/correction action plan if risks are identified. Strengthen NZ Post Board and Executive Team understanding of modern slavery, exploitation, and labour rights issues. Develop a 3-year strategy.



5. Measurement of modern slavery risk

We are currently considering the best way to deploy effective on-going measurements to assess potential exposures to risks of human slavery in our supply-chain and operations.

The Modern Slavery Working Group will be responsible for ensuring the Modern Slavery Strategy is creating meaningful action year on year. Each relevant business unit will be responsible for the effective implementation of the actions outlined above, with support from the wider business.

6. Modern Slavery Consultation

In preparing this Modern Slavery Statement, NZ Post has consulted with the NZPAH team. This consultation has included NZPAH reviewing and providing comments on this Modern Slavery Statement prior to publication; and engagement through our internal working groups and teams across NZ Post.

NZ Post has engaged with several Australian and New Zealand based entities that must comply with the Modern Slavery Act 2018 (Cth) in the preparation of this Modern Slavery Statement. NZ Post has also joined two external Modern Slavery Working Groups to share knowledge and best practice approaches.

As stated earlier, NZ Post intends to continue engaging with its suppliers and contractors on the risks of modern slavery.

This statement was approved by the NZ Post Board of Directors (principle governing body, situated outside of Australia) on the 25th of November 2021. Signed on behalf of NZ Post by Chief Executive Officer Dave Walsh:

