

# MODERN SLAVERY STATEMENT

# Introduction

Pursuant to our obligations under the Modern Slavery Act 2018 (Cth) this Modern Slavery Statement is made by NZ Post and describes:

- Who we are at NZ Post;
- Our Structure, Operations, and Supply Chain;
- Our Risk Assessment over our Operations and Supply Chains;
- Actions Taken: Due Diligence and Remediation Action;
- Measuring Our Effectiveness;
- Consultations;
- Other Relevant Information.

It sets out the steps we have taken to assess and address the risk of modern slavery within our operations and supply chains in the financial year ended June 2020. It also describes how we assess the effectiveness of our actions and the future steps that we aim to put in place.

## Who we are at NZ Post

NZ Post has been in the postal business for approximately 180 years. As New Zealand's Universal Postal Union (**UPU**) Designated Operator, we take pride in ensuring that our services connect individuals and businesses throughout New Zealand and across the globe.

The way that we undertake our work is aimed at reflecting our commitment to the people that work at NZ Post and the communities that we serve, as well as our values. Our values are built upon our commitment towards sustainability by limiting our environmental and social impact through our work. As Members of the London Benchmarking Group Framework (now known as Business for Social Impact), we measure our social impact according to the Benchmark's Management System. We also hold Memberships with the Sustainable Business Council, Climate Leaders Coalition, Sustainable Business Network, and the Packaging Forums: Soft Plastics Recycling Programme. As part of our membership of the International Integrated Reporting Council pilot, we were the first organisation in New Zealand to produce an integrated report in 2013. Our integrated report covers our pre-financial and financial impacts over the short, medium and long term.

For our efforts, we were awarded the Fleet Champion of Year award at the 2019 EV World New Zealand Awards and we were the Supreme Winners of the Sustainable Network Awards in 2017. Additionally, we are committed to being carbon neutral from 2030 and are working to reduce our carbon emissions in the interim by growing our electric vehicle fleet, reducing energy usage in our buildings and focusing on sustainable packaging solutions. We aim to create a positive social impact through our social procurement scheme, offering our staff volunteering days and developing partnerships with community groups and charities.

We also have a focused social procurement programme that is aimed at supporting New Zealand's social enterprise businesses towards growth. Partnering with these businesses in our supply chain makes use of our procurement spend to deliver broader outcomes - creating jobs and opportunities where it matters most. In 2018 we were awarded the Supreme Award at the EY Procurement Awards for our work in social procurement. In FY20 NZ Post spent \$250k with 12 social enterprise businesses. We are continually looking for ways to partner with these businesses to create positive social or environmental impact.

# Our structure, operations and supply chain

In this section we provide a description of our entity structure, operations and supply chains.

## Our Structure

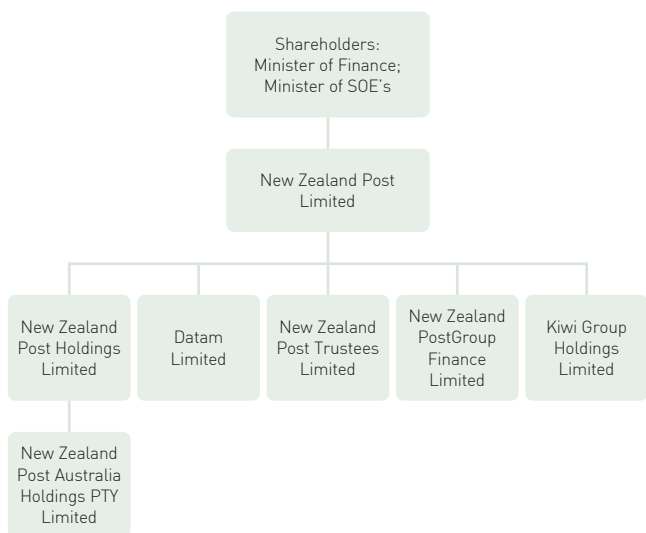
For the purposes of this Modern Slavery Statement, the reporting entity is New Zealand Post Limited (NZ Post). The following section outlines our structure and subsidiaries.

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) and it is subject to the laws that apply to registered companies and SOEs in New Zealand. The Minister for the Digital Economy and Communications is the Minister responsible for postal services.

Other regulatory requirements governing NZ Post business are outlined in the Postal Services Act 1988.

### 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 4800 employees that work for NZ Post (including permanent, fixed term, and on-call). NZ Post services are also delivered by over 1600 contracted partners.

Headquartered in Wellington, NZ Post operates across the whole of New Zealand including Auckland, Wellington and Christchurch. NZ Post also owns or has an investment in a range of other entities, as shown in the entity structure above:

- **New Zealand Post Holdings Limited:** located in Wellington, New Zealand, (NZBN: 9429037213435),

New Zealand Post Holdings Limited operates as 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:** located in Wellington, New Zealand (NZBN: 942 9039585677), is no longer a trading entity;
- **New Zealand Post Trustees Limited:** located in Wellington, New Zealand, (NZBN: 9429042218203), New Zealand Post Trustees Limited was established in 2016 as the Plan's corporate trustee for New Zealand Post's Superannuation Retirement Plan.

- **New Zealand Post Group Finance Limited:** located in Wellington, New Zealand, (NZBN: 9429032369649), New Zealand Post Group Finance Limited (NZPGF) is the issuer of Finance Notes which are direct, unsecured, subordinated, redeemable, cumulative, interest bearing debt obligations of NZPGF.

- **Kiwi Group Holdings Limited:** located in Wellington, New Zealand (NZBN: 9429032307696), New Zealand Post Limited holds 53% shares in this holding company for the banking group.

**New Zealand Post Governance Structure:** Our governance structure is as follows:

- NZ Post Board, which has 6 directors that are responsible for the overall direction, objectives and strategies;
- NZ Post Human Resources Committee, which is responsible for overseeing the human resources strategy for NZ Post including its health and safety programme; and
- NZ Post Finance, Risk & Investment Committee, which assists the Board in fulfilling its corporate governance responsibilities relating to the NZ Post risk management framework, internal control framework, financial reporting, integrated reporting and internal and external audit activities.

Our Chief Executive Officer reports to the Board and is supported by the members of the Executive Leadership Team (each manage their own teams) that comprises:

- Chief Financial Officer;
- Chief International, Data & Technology Officer (**CIDTO**);
- Chief People Officer;
- Chief Operations Officer;
- Chief Governance and Sustainability Officer;

1 Our current Statement of Corporate Intent (01 July 2020 – 30 June 2023) is available at: <https://www.nzpost.co.nz/sites/nz/files/uploads/shared/statement-corporate-intent/statement-of-corporate-intent-2020-2023.pdf>  
2 Our Statement of Corporate Governance is available at: <https://www.nzpost.co.nz/sites/nz/files/uploads/shared/statement-corporate-intent/statement-corporate-governance-2014.pdf>

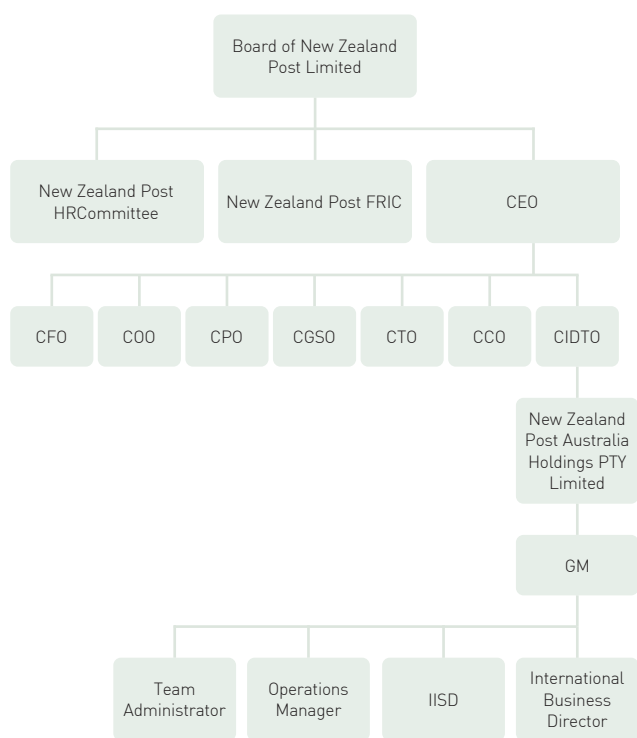
# Our structure, operations and supply chain

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- Chief Transformation Officer; and
- Chief Customer Officer.

While NZ Post Board and CEO govern NZPAH in New South Wales, it is the CIDTO that oversees NZPAH's operations, supported by the Australian General Manager and the management team (each manage their own team) that comprises:

- Team Administrator;
- International Business Director;
- Operational Manager; and
- International Inbound Solutions Director (IISD)



## Our operations

**Parcels:** CourierPost is our parcel and package pick-up and delivery service. It is based in the New Zealand domestic market although there are connections with overseas locations through a mix of third-party relationships and / or the NZ Post International business unit. The majority of freight movements are based on an overnight level of service, while a three-day option is also available.

PACE is another parcel and package pick-up and delivery service within the NZ Post network although it is differentiated by its service model, which is based on a point-to-point urgent mode, rather than designated territory with an overnight and same-day service level.

We engage small businesses and independent contractors to provide CourierPost and PACE services to our customers.

ParcelPost is our standard parcel delivery service for consumers.

**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, whereas in rural areas vans are the delivery mode. We engage independent contractors to provide rural delivery services.

**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.

**Transport & Logistics:** Transport and logistics is responsible for the national road and air bulk transport operations that connects 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 and Logistics functions.

**Retail Operations:** Our Retail team primarily supports the agents that comprise the majority of our retail network, providing onboarding, training and operational functions to deliver our services consistently nationwide. They also operate a small number of company-operated outlets including staffing and related end-to-end management.

As at the date of compiling this Modern Slavery Statement, NZ Post had 19 company-operated outlets and 817 agency-operated (licenced) outlets.

Comprehensive training is provided to retail agents and they must comply with the terms of their agency agreement with NZ Post.

**Customer Communications Management (CCM):** CCM is NZ Post's print and mail house which provides services to a range of business customers.

**Our Operations in Australia:** The NZPAH team working with our New Zealand and Singapore teams manages our off-shore customer-base, 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.

## Our supply chains

As described above, NZ Post is primarily a logistics and delivery business operating across New Zealand, Australia and Internationally.

NZ Post works with around 295 suppliers across our supply chain. When we engage with new suppliers, we require them to enter into supplier agreements and adhere to the laws of New Zealand and our Supplier Code of Conduct.

NZ Post buys products and services needed to operate its business. This includes transportation and fuel, uniforms, machinery and equipment, recruitment services, air cargo, marketing, IT (hardware, software and services and infrastructure), property services, and finance systems. NZ Post has a wide and complex supply chain matrix.

## Our structure, operations and supply chain

*continued*

The majority of our Tier 1 suppliers are located within New Zealand and as part of NZ Post's modern slavery work, we aim to begin assessing our supply chain by quantifying Tier 1, 2, 3 (explained in our 'Actions Taken' section below) New Zealand-based suppliers and overseas suppliers. Specifically, we aim to ascertain the following information:

- Localities of our overseas suppliers
- The percentages of our:
  - o Tier 1, 2, and 3 suppliers that are situated overseas
  - o total expenditure attributed to overseas suppliers
  - o Expenditure that is concentrated in each supplier country

For the management of procurement needs, NZ Post has its own procurement and supply-chain solutions teams, which operates in compliance with New Zealand Post's procurement policies and guided by the New Zealand Government's Procurement Charter and Principles of Procurement.





# Risk assessment

In this section we describe the risks of modern slavery that may be present in our operations and supply chains.

## Operations and Supply Chains

NZ Post is beginning the work of assessing the risk of exposure to modern slavery within its operations and supply chains. The scale and complexity of its operations makes this process a challenging one.

When undertaking this assessment, NZ Post will pay particular attention to areas of its operations that may present a risk of modern slavery. For example, the potential for a lack of transparency in its delivery contractor and retail partner networks. Where any risks are identified, NZ Post aims to implement a plan to assess and mitigate the risks.

While NZ Post is currently assessing its operations and supply chain for risk, at this stage we have identified that our Tier 1 risks will need priority and that those risks may include:

- Contractors and subcontractors that supply delivery services to NZ Post;
- Technology and IT hardware procurement (noting the risks electronic goods pose to all businesses - both because of possible modern slavery involved in the mining of necessary materials (such as cobalt) and in their manufacture);
- Uniforms procured (primarily for customer facing employees and contractors (noting the risks often associated with the poor working conditions of clothing manufacturers that are based overseas));

- Items procured for retail outlets to provide NZ Post services e.g. postal delivery bags or stationery (noting the risks that there may be links between the manufacturing of materials and forced labour);
- Cleaning, security, office commodities, and other services procured for NZ Post building uses; and
- Other suppliers of services that assist NZ Post to provide its services to its business customers and consumers.

## Other risks

We are currently reviewing NZ Post's complex supply chain matrix and working towards defining high, medium and low risk suppliers within Tier 1, 2, and 3. Upon completion of this identification, NZ Post will begin working with suppliers in order to engage and assess the risks of human slavery in those supply chains.

We appreciate that as we begin our risk assessment, other risks may come to light which may require the use of other categories beyond Tier 1, 2 and 3. We aim to assess the best way to ensure that our risk assessment methodology is flexible enough to capture unanticipated risks as we progress through our assessment.



# Actions taken: Due diligence and remediation action

In this section we describe our due diligence and remediation actions that we, and our subsidiaries, have put in place to assess and address the potential risks identified in our operations and supply chains

## Actions taken to assess and address modern slavery risks

In order to assess NZ Post's risks relating to modern slavery and with a view to mitigating the risks of modern slavery in our supply chains, NZ Post anticipates planning a programme that will undertake the following:

- An internal workshop to educate, train and evaluate exposure to modern slavery;
- Identify and define Tier 1, 2, and 3 suppliers that provide services to NZ Post, where:
  - o Tier 1 Suppliers: supply services directly to New Zealand Post;
  - o Tier 2 Suppliers: are processing suppliers; and
  - o Tier 3 Suppliers: are raw material suppliers, and
- Develop and distribute Self-Assessment Questionnaires that all NZ Post suppliers must complete which will also require suppliers at all Tier levels, to provide evidence in support of answers.

## Policies, Processes and Governance

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.

**Achieving Better Outcomes:** NZ Post strives to ensure its procurement processes are robust, fair, transparent and drive towards achieving against the New Zealand Government's **broader outcomes**. We approach procurement with a significant focus on delivering value through **social procurement**. Social procurement happens when we buy from businesses who deliver social and environmental impact. We are harnessing the money we're already spending to promote inclusive growth, reduce our environmental footprint, help deliver what people care about and build resilience in our communities.

Additionally, NZ Post expects all suppliers to abide by its **Supplier Code of Conduct**. The Supplier Code of Conduct sets out NZ Post's minimum expectations that suppliers provide services:

- with integrity;
- in compliance with all applicable law, regulations and ethical standards of the country where they are doing business;
- without engaging in any form of corruption, bribery, facilitation payments, extortion, money laundering; and
- with transparency about their practices and active engagement with their sustainable policies and processes.

**Ethical Business:** NZ Post's ethical business reflects its ongoing goal towards ensuring that it works or partners with suppliers that are aware of the risks of slavery, trafficking and other abuses that may occur within their own supply chains.

In conjunction with our Ethical Business expectations, NZ Post also requires suppliers to:

- adhere to human rights standards in their own workplace and monitor or address such standards in their supply chains;
- comply with New Zealand's employment laws and standards;
- maintain a workplace that is free from unlawful discrimination;
- ensure employees are treated equally and respect employees' rights to freedoms;
- provide sufficient health and safety and security policies and procedures;
- adopt better practices that minimise social and environmental impacts, towards better sustainability practices;
- conduct business in a way that minimises their impact to the environment; and
- be a good corporate citizen that is aware of its social responsibilities by paying subcontractors promptly and consider including local, Maori, Pasifika or Social Enterprise businesses to deliver their services.

**Ongoing Work:** NZ Post will continue to take steps to address the risk of slavery within its operations and supply chain. While in any event we require suppliers to adhere to the Supplier Code of Conduct, we are specifically focussed on our approach to assessing, addressing and mitigating the risk of modern slavery within our operations and supply chains.

Importantly, our Supplier Code of Conduct includes our human rights and labour standards and expectations and requires suppliers to:

- adhere to international human rights standards in their workplace and monitor and address these standards within their supply chain – for example employment practices, human rights, discrimination, harassment, equal opportunities, and global labour standards;
- respect employees' right to freedom of association and collective bargaining and negotiation on key conditions of employment; and
- comply with legal requirements on working hours, including minimum wage, overtime and maximum hours.

Consistent with our obligations under the Modern Slavery Act 2018, NZ Post also has the following internal policies and processes in place:

- **New Zealand Post Ethics:** Across the organisation, NZ Post expects employees and contractors to maintain the highest standards of ethical and professional behaviour when undertaking their duties, responsibilities and work for

# Actions taken: Due diligence and remediation action *continued*

NZ Post. This policy sets out the standard required, as a benchmark, across the organisation.

- **Whistleblowing Policy:** This policy provides people working for NZ Post a framework to whistle blow on behaviour that falls below the ethical standards expected of a person working at NZ Post, legislation or regulation, as well as misconduct or non-compliance. A Freephone number has been established and a procedure that assures the protection of anyone who uses the whistle blowing process to make confidential reports.

- **Anti-Money Laundering Countering of the Finance of Terrorism policy:** In New Zealand the Anti-Money Laundering and Countering of the Finance of Terrorism Act 2009 (NZ), requires organisations to comply with regulations that aim to mitigate and eliminate using legitimate businesses and business means as a way to launder illegally obtained money. NZ Post has a Risk Assessment and Risk Programme in place to provide guidance and structure to everyone that operates under the NZ Post organisation.

- **Recruitment and Selection Policy:** NZ Post always has been, and always will be, about people. Our people are committed to being the best at what they do, and delivering what people care about. As an organisation with a clear purpose and aspiration for the future, we look to on board people who share our values and who can help us to be the best delivery business for New Zealand. To make sure we have the right people for our future, we recognise the importance of having talent acquisition and selection processes that are robust, fair, impartial and free from bias.

- **Diversity and Inclusion Policy:** NZ Post's commitment to its people and this policy implements an equal opportunities pathway. It lays out a process that provides a zero-tolerance approach to unfair discrimination or harassment within its organisation by providing a framework that leaders must follow to ensure an inclusive and safe culture at NZ Post.

- **Safety & Wellbeing Statement of Commitment:** Our Statement of Commitment (**SoC**) is our pledge to the safety and wellbeing of all NZ Post workers, visitors and customers. Our SoC is designed to hold NZ Post to account, to ensure all relevant pieces of legislation, standards and codes of practice are implemented across all NZ Post sites. We continue to strive for continuous improvement and actively instil SHED values (Safe Home Every Day). Our SoC binds all other S&W documentation & systems to ensure we are kept honest & transparent.

- **Employee Relations:** NZ Post strives to be a good employer and to maintain an environment of constructive employee relations. As part of its aim, NZ Post has established an Employee Relations Policy that provides a framework for it to engage fairly and in good faith with its people. The Policy sets out key responsibilities of NZ Post's Human Resources provided across the organisation. This policy is coupled with NZ Post's **Equal Opportunities Policy** which sets out the organisation's equitable principles that apply in areas of recruitment, selection, conditions of employment and career development and advancement.

The policy stipulates that no current or prospective employee or contractor will be unfairly disadvantaged in employment based on: gender; marital status; religious or ethical beliefs; colour; race; ethnic or national origin; disability; age; political opinion; employment status; or sexual orientation.

- **Procurement:** NZ Post's Procurement team proactively manages the processes to mitigate risk and to deliver commercially robust outcomes for NZ Post. As part of its process, NZ Post complies with a number of legislative obligations that are set by the New Zealand Government and apply to NZ Post as a State-Owned Enterprise.

- **Governance Policy:** This policy sets out the NZ Post Board's overall responsibility for all decision-making and implementation within NZ Post including its wholly owned subsidiaries and business units.

- **Environment:** NZ Post is committed to understanding, managing and measuring our environmental impacts to ensure a sustainable future for our business, our shareholders, our people, our customers and our communities. Consistent with our purpose, ambition, vision and values we commit to minimising environmental impacts associated with our activities.

- **Sustainability:** NZ Post is committed to ensuring sustainability is prioritised within our business. We undertake an integrated thinking and reporting approach across our business to understand how we create value in each of our six threads (customers, environment, people, networks, partnerships and commercial), and how we plan to keep doing so over the medium and long term.

## Training and Capacity Building

NZ Post understands the importance of providing learning to its people around the concept and risks of modern slavery. For this reason, NZ Post will be considering the option of developing an awareness programme to help build and raise our peoples' understanding of modern slavery.

Key elements of this learning will likely address the following:

- Defining modern slavery;
- The realities of the potential of modern slavery within supply chains and operations;
- The impact modern slavery has to individuals using real life cases;
- The impact that modern slavery has to our environment, which is not sustainable;
- What NZ Post is doing about the risks of modern slavery in its supply chain and operations; and
- What NZ Post people need to be aware of, on the lookout for, how our people can help to minimise the risk, and can escalate issues.

## Reviewing Our Operations and Supply Chains

NZ Post has a large supply chain that includes both domestic

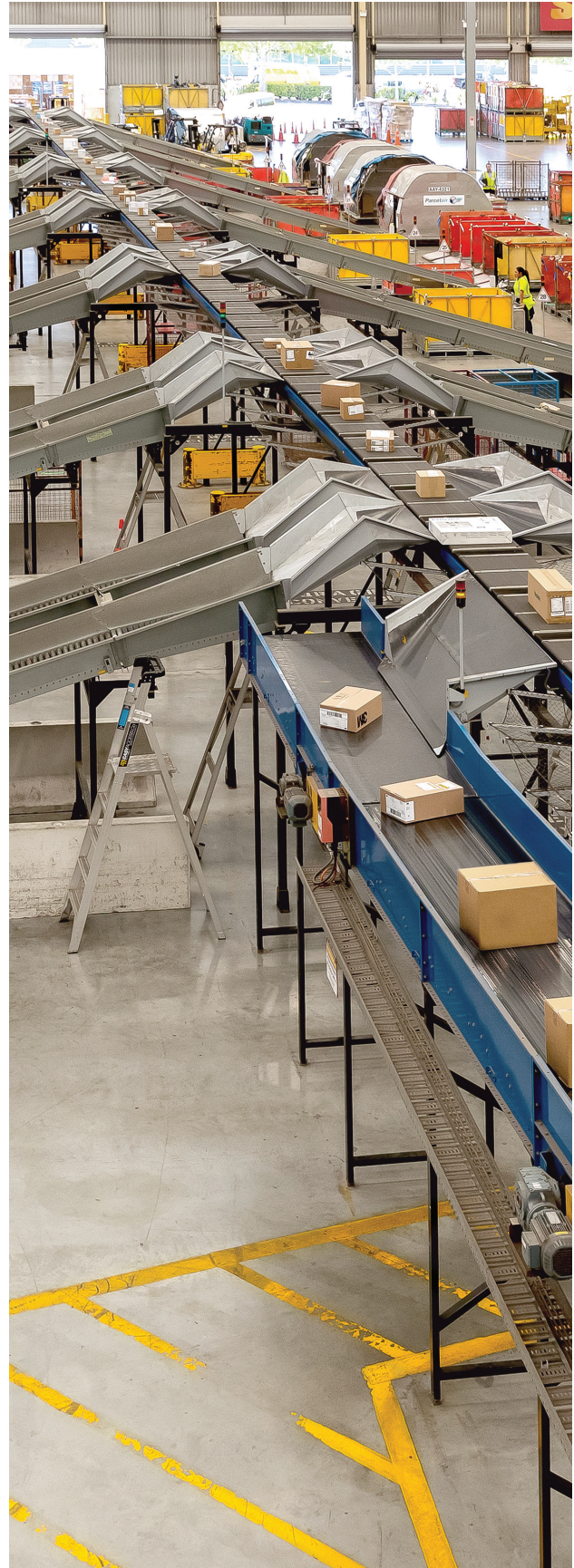


## Actions taken: Due diligence and remediation action *continued*

and international suppliers. The products and services that we procure are mostly generic, in that they are not specifically designed and manufactured exclusively for NZ Post. However, we have recently undertaken a risk assessment to identify those suppliers manufacturing bespoke products for NZ Post offshore, where we have a greater corporate responsibility due to our connection to the workers and influence in the manufacturing environment. The risk assessment identified several suppliers manufacturing bespoke items for NZ Post offshore. Further work is planned in 2021 to engage with these suppliers and deepen our knowledge of their manufacturing processes and countries of operation.

To enhance our understanding of supplier Corporate Social Responsibility credentials and ethical business practices (including modern day slavery) we aim to encourage these suppliers to undertake internationally recognised independent audits. Engaging with an independent auditor and recognised framework, such as the **SMETA audit methodology** (covering Sedex's four pillars of Labour, Health and Safety, Environment and Business Ethics) will assist our commitment to addressing human rights issues such as human trafficking, forced labour, bonded labour and child labour.

Following our engagement with suppliers that pose a risk, we aim to take a broader approach to tackling modern day slavery which will include our Tier 1 suppliers in the first instance.



# Measuring our effectiveness, consultations, other relevant information and approval

In this section we outline how we aim to assess the effectiveness of our due diligence and remediation actions.

## How we will measure

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.

We aim to work towards understanding a fuller picture of NZ Post's risks and how it can implement meaningful measurements; for example:

- Supplier Assessment Questionnaires that ask suppliers to provide evaluations on their own supply chain and operations and overall governance structures outlining decisions-making responsibilities and accountabilities as well as employment relations and policies, use of, and the hiring of, contractors and subcontractors;
- maintaining a record of completed employee training in this area;
- reviewing our contractual clauses with a view towards the drafting and inclusion of a modern slavery clause within our contracts; and
- additional controls that will assist towards mitigating modern slavery.

## Consultations

In preparing this Modern Slavery Statement, NZ Post has consulted with NZPAH. 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 a number of 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 intends to continue the 'conversation' with those entities and engage with its suppliers on the risks of Modern Slavery.

## Other relevant information

Covid-19 restricted the movement of people, services and goods internationally. Whilst border closures and population lockdowns were put in place to slow the spread of the virus, the effect on NZ Post included impacts upon both our supply chains and operations. For example, the demand for the delivery of goods nationally and internationally increased significantly; however, within the context of new safety controls and lockdown restrictions, this caused a tailback of parcels for delivery which resulted in significant parcel delivery delays during the 2020 nationwide level 4 lockdown in New Zealand.

As a result, our staff were deployed into different sections of our business to assist with this demand for example:

- our corporate staff were deployed to the processing floor, to assist with parcel sortation into delivery vehicles or into

our customer care centre to assist with the significant increase in customer phone calls; and

- we sourced PPE and implemented new training in the use of PPE and new safety protocols including social distancing; and
- we sourced health and safety compliant containers from overseas to assist with the storage of significant volumes of parcels that needed to be staged ahead of processing and delivery.

NZ Post leadership teams monitored their respective teams and 'checked-in' with staff regularly through videoconferencing. As part of the 'check-in', leaders assessed staff well-being, workloads and overall safety practices.

## Approval

This Modern Slavery Statement was approved by the Board of New Zealand Post in **February** 2021.



**David Walsh**  
CEO

