

Modern Slavery  
*Statement*  
2022



# Contents

<p><b>01.</b></p> <p><b>Scope of the Statement</b> 5</p>	<p><b>03.</b></p> <p><b>Our Risks</b> 9</p> <p>Overview 9</p> <p>Summary &amp; Actions 10</p>	<p><b>05.</b></p> <p><b>Effectiveness</b> 25</p>
<p><b>02.</b></p> <p><b>Who We Are</b> 7</p> <p>Overview 7</p> <p>Snapshot of our Enterprise 8</p>	<p><b>04.</b></p> <p><b>Our Actions</b> 11</p> <p>Overview &amp; Timeline 11</p> <p>Managing Risk in our Supply Chain 14</p> <p>Managing Risk in our Extended Workforce 21</p> <p>Training &amp; Remediation 23</p>	<p><b>06.</b></p> <p><b>Consultation</b> 26</p>
		<p><b>07.</b></p> <p><b>FY23 Priorities</b> 28</p>



## Message from the Group Chief Executive Officer & Managing Director

Modern Slavery is a complex issue with global impact. The Global Slavery Index, published in September 2022, shows modern slavery has risen significantly in the last five years. In 2021, on any given day, there were 50 million people living in modern slavery, including 28 million in situations of forced labour. Alarming, 52% of all forced labour can be found in upper-middle income or high-income countries, mostly in the private sector. It is critically important for all organisations to take action and responsibility to ensure that there is no hidden human cost in doing business.

People have always been at the heart of Australia Post. In financial year 2021-2022 (FY22) more than 64,900 people were employed directly or engaged in our extended workforce, the majority in our delivery, Post Office and operational networks. As one of the nation's largest employers we take seriously our duty to ensure that no one experiences harm.

Australia Post is driven by our purpose of delivering a better tomorrow, which is underpinned by our core values of Trust, Inclusivity, Empowerment and Safety. Our new 'Post26' enterprise strategy will galvanise our business around key imperatives and ensure we deliver a sustainable future. Embedded in this strategy is our commitment to operating ethically and transparently.

In assessing modern slavery risk, we aim to prevent exploitation of our direct employees and identify potential risks to workers in our extended workforce. Importantly, we also seek to safeguard those people who supply products and services to our business operations and Post Offices – both locally and globally.

In 2020 we successfully delivered our first public Group Corporate Responsibility Plan (CR Plan), which included bold commitments to address key issues of importance to our stakeholders. The CR Plan included a focus on responsible business practices and our obligation to operate ethically and transparently. We committed to create a holistic approach to addressing modern slavery risks in our operations and extended supply chain. This ambition is carried forward in our 2025 Sustainability Roadmap available for review at: [https://auspost.com.au/content/dam/auspost\\_corp/media/documents/2025-sustainability-roadmap.pdf](https://auspost.com.au/content/dam/auspost_corp/media/documents/2025-sustainability-roadmap.pdf)

In a first for Australia Post, through the CR Plan we committed to using a pre-screen tool to assess 100% of retail merchandise suppliers and 100% of non-retail merchandise suppliers over \$150,000 per annum to identify any modern slavery red flags. I'm pleased to report that in FY22 we achieved both these goals, establishing a strong foundation that is now embedded in our procurement processes.

Based on our learnings over the past three years, we've developed new aspirations that expand the scope of our modern slavery program of work. Going forward, we will deepen our transparency of high-risk suppliers, further assess our extended workforce compliance, and continue to improve how we assess and mitigate modern slavery risks across the enterprise including global subsidiaries.

We support the Australian Government's efforts to assist the business community in addressing modern slavery and champion the drive for continuous improvement. We'll continue to take a preventative and principle-based approach to identifying modern slavery risks, and this Statement provides an overview of our ongoing efforts and how we seek to improve.

This Modern Slavery Statement was approved by the Australia Post Board.

**Paul Graham**  
Group Chief Executive Officer and Managing Director

# Achievements



## Supply chain due diligence

Our approach to supply chain due diligence continued to evolve and we met our 2020-2022 target of 100% of in-scope procurement suppliers assessed in Retail Merchandise and Group Procurement.



## Facilities

We continued to work with our outsourced property services provider to improve transparency of subcontracting and the management of modern slavery risks in their supply chain.



## Extended Workforce for Deliveries

The initial build and implementation of the Contractor Compliance Management System and associated training was completed and is now moving to business-as-usual.



## Training

We leveraged audit data to shape our training material for our Licensed Post Office team members. As issues were identified they were included in training programs to ensure materials are continuously improved.



## Australia Post Global eCommerce Solutions

We scoped modern slavery risk across our operations and supply chain, including in our overseas activity. We worked closely with Australia Post Global eCommerce Solutions (UK) to support their initiatives to assess modern slavery risks.



## Continuous Improvement

Informed by the learnings over the past three years, we developed an enterprise-wide approach to guide our approach to modern slavery risk assessment and mitigation going forward.

# 01. *Scope of the Statement*



## Purpose and scope of this Statement

This Modern Slavery Statement (Statement) is prepared by Australian Postal Corporation ABN 28 864 970 579 (Australia Post) pursuant to the *Modern Slavery Act 2018* (Cth) (Act). This Statement is a Joint Statement made by Australia Post on behalf of the Australia Post Group subsidiaries and controlled entities that are reporting entities for the purposes of the Act during the financial year ended 30 June 2022 (reporting period).

This Statement relates to the operations, subsidiaries and suppliers of Australia Post. It was approved by the Australia Post Board of Directors on 7 December 2022. The consultation, internal drafting and approval process is further outlined in Section 6.

The Statement sets out the actions taken by the Australia Post Group to address modern slavery risks in our business and supply chain throughout the reporting period. Each section in this Statement corresponds to a mandatory criteria of the Act.

## Modern slavery

Modern slavery describes situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom. Modern slavery can occur in every industry and sector and has severe consequences for victims. It includes eight types of serious exploitation including trafficking in persons, forced labour, debt bondage and the worst forms of child labour.\* Issues like underpayment and substandard labour conditions may not constitute modern slavery but are still harmful and often illegal practices which provide warning signs of modern slavery.

## Our approach

Australia Post does not tolerate modern slavery in our operations or extended supply chains. This commitment aligns to our purpose, values and ethics which encompass how we go about operating ethically and responsibly.

We recognise that addressing modern slavery means not only preventing the exploitation of our direct employees, but also addressing potential risks to workers in our extended workforce and in the products and services we procure for our business operations and retail outlets.

This Statement seeks to provide an overview of our efforts to understand and address modern slavery in our business. We recognise that this is a work in progress, and that the spirit of the Act is one of continuous improvement.

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

# 01. Scope of the Statement

*This joint Statement is made by Australia Post and **on behalf of the six wholly owned subsidiary entities** in our group structure that are reporting entities.*

## Identifying the reporting entities

These wholly owned subsidiary entities are based, or operating, in Australia with an annual consolidated revenue of over \$100m across the reporting period, therefore meeting the Act's definition of a reporting entity.

- Star Track Express Pty Ltd ACN 001 227 890
- Star Track Express Holdings Pty Ltd ACN 106 690 153
- Star Track Express Investments Pty Ltd ACN 002 454 533
- Australia Post Global eCommerce Solutions (Aust) Pty Ltd ACN 612 954 784
- Australia Post Transaction Services Pty Ltd ACN 116 164 286
- AUX Investments Pty Ltd ACN 146 824 919

While not a reporting entity for the purposes of the Act, Australia Post Global eCommerce Solutions (UK) Limited (a UK subsidiary) is required to report under the Modern Slavery Act (UK) 2015 and is also covered by this Statement for the purposes of meeting those reporting requirements.



# 02. Who We Are Overview

## What we do

As Australia’s postal service for more than 200 years, and a leading logistics and integrated services business, we are connected across every community. Our purpose is to *Deliver a better tomorrow*. We act to support our customers to grow, communities to thrive, to create products that people value and trust

As a Government Business Enterprise (GBE), Australia Post is a self-funding business with both commercial and community service obligations. We contribute to Australia’s economic growth through dividend payments to our shareholder, the Australian Government, and we reinvest any profits back into our assets and services for the benefit of the Australian community.

## Our purpose & values

Over our long history, our social purpose and commitment to the community has remained the same, building a sustainable future serving our community. We provide a service that is accessible to all Australians. We are also one of Australia’s largest employers, creating jobs across the country including through Licensed Post Offices and contracted delivery drivers.

Our values of Trust, Inclusivity, Empowerment and Safety underpin everything we do – the services we deliver, the products we provide and, importantly, how we behave. We continue to place the safety of our people as our highest priority. In 2022-2023 (FY23), we will commence rolling out our new “Post26” enterprise strategy that is designed to deliver three imperatives: supporting each other, delighting our customers and communities, and creating a sustainable future. It will be underpinned by Our AP Way cultural training to ensure our entire team can deliver on our priorities.

Australia Post has always been a customer-driven, community-centric business. We operate responsibly, ethically and profitably, generating positive outcomes for our business, our customers and the community. Looking forward, we aspire to create a modern mail, eCommerce, digital services and retail business to ensure our organisation is sustainable.

In the financial year ending June 2022, we delivered our 2020-2022 Group Corporate Responsibility Plan that addressed pertinent issues for our key stakeholders and delivered on a range of initiatives for inclusive and sustainable prosperity.

Our new 2025 Sustainability Roadmap, which came into effect from FY23, amplifies our previous ambitions and will enable us to deliver a better tomorrow. As a GBE, we support the Australian Government’s commitment to Net Zero carbon emissions by 2050. We will be undertaking a comprehensive range of initiatives that will put us on the path to Net Zero emissions by 2050, noting the interconnected nature of environmental, governance and social issues – including modern slavery.

## Our business structure

Headquartered in Melbourne, the Australia Post Group comprises Australia Post, various subsidiary and controlled entities and other interests as published in the FY22 Australia Post Annual Report.

Our main subsidiary operating entities based in Australia include the following wholly-owned entities:

- Star Track Express Pty Ltd – road and freight services;
- Star Track Retail Pty Ltd – next day air delivery and freight services
- Decipha Pty Ltd – information management services;
- POLi Payments Pty Ltd – debit payment services;
- SecurePay Pty Ltd – online payment solutions; and
- Australia Post Global eCommerce Solutions (Aust) Pty Ltd – e-commerce delivery and logistics solutions.

Australia Post Global eCommerce Solutions (UK) Limited (APG) is a supplier of cross-border eCommerce delivery and logistics solutions, based in London, United Kingdom. This entity does not carry out business in Australia.

Through Australia Post’s wholly-owned subsidiary entity AP International Holdings, we have established and hold a 49% interest in an international joint venture with China Post (China Post Logistics Company Limited), Sai Cheng Logistics International Company Limited.

Details of the Australia Post Group other domestic and international wholly-owned subsidiary entities and wholly-owned subsidiary holding company entities are published in the Australia Post [Annual Reports](#).

<b>Trust</b>	<b>Inclusivity</b>	<b>Empowerment</b>	<b>Safety</b>
Do the right thing	Respect everyone	Find a way	Be safe and well
<b>T</b>	<b>I</b>	<b>E</b>	<b>S</b>

# 02. Who We Are

## Snapshot of our Enterprise



### Our FY22 Results

**\$8,974 million**  
revenue

**\$55.3 million**  
profit before tax

**\$36.3 million**  
dividends paid to our Shareholder  
the Australian Government

**2.7 billion** items delivered

**200,000 small businesses supported**  
with MyPost Business

**902 million** customer digital visits

**220 million**  
transactions in our Post Offices



### Our People & Diversity

**64,900+ strong**  
workforce including:

**52% drivers** delivering  
to our customers

**23% retail workers** in our outlets

**14% facility or operational workers**  
such as mail sorting

**9% corporate workers** in our offices

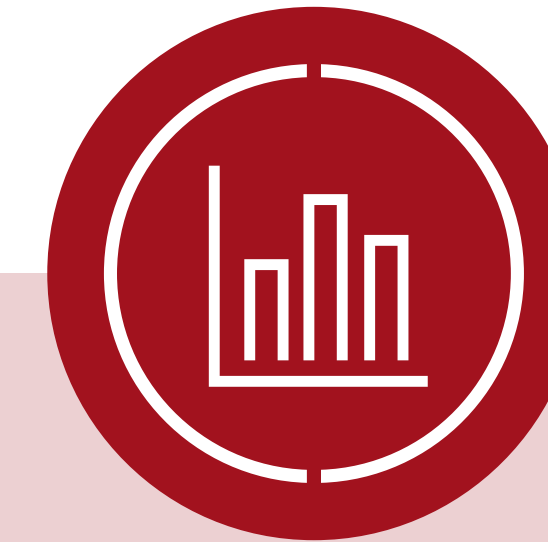
**2% sales or customer contact**  
centre workers

We're proud to be one of  
Australia's most diverse workforces.  
Our people represent:

**134**  
nationalities  
**62 languages**

**3%**  
are Aboriginal  
and Torres Strait  
Islander

**5.6%**  
have a disability



### Our Operations & Reach

**4,310**  
Post Offices

**2513**  
in regional and  
remote communities

**14,982** street posting boxes

**640 parcel locker locations**  
and more than  
**51,000 lockers**

**24 processing sites**  
for parcels and letters

**4,635** electric delivery vehicles

**23,000 solar panels**  
across **71 sites**



### Our Supply Chain

**6,395**  
suppliers

to the Australia Post Group

**6,246 suppliers**  
through Group Procurement

**149 suppliers**  
through Retail Merchandise

Just under  
**\$3 billion**  
Group Procurement spend

**\$152 million**  
Retail Merchandise spend

**3,598 Licensed Post Offices**  
and **Community Postal Agencies**  
representing **83.5%** of our  
Post Office Network



# 03. Our Risks Overview



## Our approach to identifying modern slavery risk

We apply a systematic approach to risk and compliance at Australia Post. We understand that under the Act, ‘modern slavery risk’ represents risk to *people* involved in our value chain. At the same time, we have also considered the implications of this in terms of risk to our business.

We have been formally assessing risk of modern slavery across our entire value chain since 2018. In doing so, we have considered Commonwealth Guidance\* regarding contexts and sectors in which modern slavery has been found to take place, including high-risk countries, vulnerable populations, high-risk products or industries, and high-risk work practices (such as subcontracting and outsourcing where visibility and control may be reduced). We have also leveraged our membership with Sedex (one of the world’s leading ethical trade service providers – see section 4) and our engagement in multi-stakeholder forums (see section 6), to ensure our risk assessments are informed by robust data around modern slavery prevalence and warning signs. This has provided insight into trends in modern slavery and current issues.

Within the risk areas that have been identified, we have conducted further assessment and gap analysis, as well as due diligence with suppliers of products, services or labour.

## Risk areas across our value chain

Australia Post’s core business is considered a low-risk activity in relation to modern slavery. The Sedex ‘RADAR Pre-screen’ 2022 incorporates multiple sources and concludes that postal activities in the transportation and storage sector in Australia carry low inherent risk.

Our supply chain includes Licensed Post Offices (LPO) who are independent businesses licensed under our franchise agreements and Community Postal Agencies (CPA) under direct agreements with Australia Post. We are committed to supporting our independent agencies through education concerning modern slavery risks. We recognise that modern slavery has the potential to occur in any location, industry or sector and are committed to an ongoing program of assessment and mitigation.

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

# 03. Our Risks Summary & Actions

*We have identified focus areas for **assessing modern slavery risk** across our value chain. These areas are **reflected in the membership and priorities of the Modern Slavery Working Group**.*

This table summarises the most salient risk areas across our value chain. It explains the rationale and nature of each risk, including the workers it potentially affects. And it outlines the top actions we are taking. Section 4 sets out the risks and actions in more detail.

Area	Potential Risk	Risk Explanation	Key Mitigating Actions
<b>Our people: indirect Post Office and delivery workforce</b>	Workers indirectly employed in our delivery network including sub-contractors. Workers that are employed by Licensed Post Offices and Community Post Agencies.	Our extended workforce includes 27,100 workers with whom we do not have a direct employment relationship. This gives us less control over the conditions of their engagement compared to our directly employed workforce. We also use contractors and labour hire, which are considered risk factors.*	<ul style="list-style-type: none"> <li>Contractual arrangements including limiting tiers of subcontracting in our delivery network.</li> <li>Audit and monitoring of supplier compliance with workplace laws in high-risk labour segments and vulnerable workforce groups.</li> <li>Workforce education, employee training and Whistleblower awareness and access.</li> <li>Support Australia Post Global eCommerce Solutions to improve modern slavery risk assessment across their supply chain.</li> </ul>
<b>Our people: sub-contracted service providers in our facilities</b>	Workers in service areas identified as higher risk such as cleaners, security personnel.	We have approximately 1,600 sites across Australia that are managed by our property services provider JLL who help us identify and manage risks. We know that certain services we use in our facilities, like cleaning and security, are considered high-risk industries for labour exploitation.*	<ul style="list-style-type: none"> <li>Auditing our outsourced property services provider.</li> <li>Working collaboratively to identify key risks and to implement a vendor compliance framework.</li> </ul>
<b>Our network: procurement for our business</b>	Workers producing goods and services sourced via our formal procurement process and via delegated authority.	The majority of our spend is in low-risk categories and takes place in Australia. However, we have identified some high-risk categories and suppliers requiring further due diligence. We also note a degree of potential risk in relation to our decentralised low value purchasing by staff.	<ul style="list-style-type: none"> <li>Group Procurement principles, systems and policies including supplier due diligence and risk management.</li> <li>Supplier pre-screening process to identify higher risk suppliers.</li> <li>Sedex or BSCI assessments conducted for higher risk suppliers.</li> <li>Our team is trained to better incorporate modern slavery risk into their sourcing decisions.</li> </ul>
<b>Our network: Retail Merchandise, Licensed Post Offices and Community Postal Agents</b>	Workers producing goods procured by Retail Merchandise for sale.	We source a range of goods for sale in our Corporate Post Offices, which includes a range of high-risk categories such as electronics, toys and appliances. Our Licensed Post Offices and Community Postal Agencies are operated by independent business owners who can source product through their own procurement channels. LPOs and CPAs represent 83.5% of our overall Post Office Network. This gives Australia Post limited visibility and control over their procurement standards.	<ul style="list-style-type: none"> <li>Use of Group Procurement principles, systems and policies for retail sourcing including supplier due diligence and risk management.</li> <li>Sedex or BSCI assessments conducted for higher risk suppliers.</li> <li>Merchandise team trained to better incorporate modern slavery risk assessment into their decision-making.</li> <li>Created educational materials for Licensed Post Offices and Community Postal Agencies to support Licensees and Agents to build awareness about what modern slavery is and how to identify and assess risks.</li> </ul>
<b>Our customers and community: our customer network</b>	Workers producing items that we may unknowingly carry through our network on behalf of our customers, which may have been produced using modern slavery.	Acknowledging that Australia Post is not broadly authorised to open mail, modern slavery risks associated with items we carry for customers are difficult to monitor. While this risk has been identified in our Customer Network, we are reporting in line with the Act which emphasises consideration of operations and value chain – not customer practices.	<ul style="list-style-type: none"> <li>Out of scope of the Act.</li> </ul>

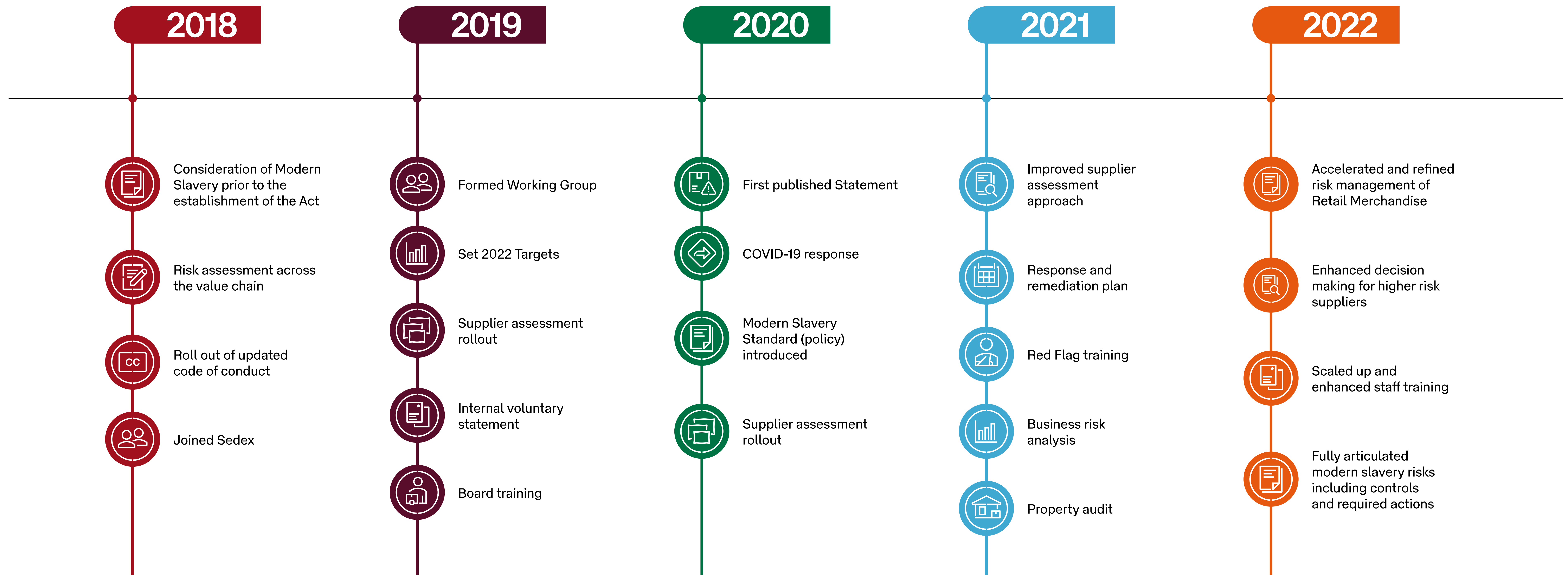
\*Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities: <https://www.homeaffairs.gov.au/criminal-justice/files/modern-slavery-reporting-entities.pdf>



# 04. Our *Actions* Overview & *Timeline*

## Timeline of our response since 2018

Whilst we have been working on social risks in our supply chain for many years now, the focus of our activity has intensified over the past five years.



## 04. Our Actions Overview & *Timeline*

*Our governance structure is aimed at **ensuring transparency and accountability** regarding modern slavery.*

### Governance & Modern Slavery Working Group

This cross-functional working group reports to an accountable Executive sponsor who provides updates to the People & Sustainability Committee and the Board. Representation includes risk and compliance, sustainability, procurement, retail merchandise, security, employee relations, governance and legal areas, and an extended forum includes additional stakeholders from across facilities management, the Retail network and other key areas.

The working group leads a business-wide program of work to address modern slavery risk. During FY22 the working group:

- Developed an annual plan with goals and objectives (see Section 5);
- Held monthly meetings with working group members, with each representative reporting on their progress
- Regularly briefed relevant leaders and executives, and reported on relevant targets to the People and Sustainability Committee and Board;
- Liaised closely with other relevant governance forums, notably in Extended Workforce Compliance;
- Held capability building sessions for working group members (see Section 4);
- Worked closely with Group Risk to integrate our modern slavery risk assessment into the enterprise risk register;
- Engaged with relevant wholly-owned subsidiaries (see Section 6);
- Delivered against the targets in the 2020 – 2022 Group Corporate Responsibility Plan of 100% of retail merchandise suppliers and 100% of non-retail merchandise suppliers over \$150K assessed by FY22, with Corrective Action Plans in place (where applicable) and actively managed;
- Contributed to the 2025 Sustainability Roadmap including a target to continually improve supply chain sustainability, traceability and transparency; and
- Worked closely with Australia Post Global eCommerce Solutions (UK) to better understand its approach to modern slavery assessment and mitigation.

# 04. Our Actions Overview & Timeline

## Our guiding policies and principles

Australia Post Group has a range of policies, programs and plans which underpin our commitment to standards of conduct and behaviour and our actions against modern slavery.

<p><b>Organisational Policies</b></p>	<ul style="list-style-type: none"> <li>• Our code of conduct, <i>Our Ethics</i>, embodies our Group-wide commitment to addressing modern slavery.</li> <li>• Our Modern Slavery Standard functions as a stand-alone policy document on modern slavery, aligned to relevant standards and principles.</li> <li>• Our workforce arrangements including our policies and procedures are developed and maintained in accordance with relevant Australian workplace laws which reflect fundamental human rights.</li> <li>• Our Group Whistleblower Policy, Guidelines and Whistleblower Hotline provide a grievance mechanism for people both within and outside our business.</li> <li>• Our Procurement policy and frameworks align to the Commonwealth Procurement Guidelines.</li> </ul>
<p><b>Sustainable Procurement Principles</b></p>	<ul style="list-style-type: none"> <li>• Our Sustainable Procurement Principles, established in 2018, are:             <ul style="list-style-type: none"> <li>- Workplace health, safety and wellbeing is never compromised</li> <li>- Zero tolerance for harassment, abuse and discrimination</li> <li>- Prioritise social enterprises, Indigenous and ethically certified goods and services</li> <li>- No exploitative or forced labour and wage practices must be fair</li> <li>- Rights to freedom of association and collective bargaining are respected</li> <li>- Environmental impacts and hazards are minimised</li> </ul> </li> </ul>
<p><b>Supplier Code of Conduct</b></p>	<ul style="list-style-type: none"> <li>• Included in all supply contracts, the Australia Post Group Supplier Code of Conduct sets out minimum expectations of our suppliers, including expectations to ensure suppliers do not use any child labour, forced labour or involuntary labour, and operate according to recognised national and/or international standards.</li> </ul>
<p><b>UN Global Compact Principles</b></p>	<ul style="list-style-type: none"> <li>• We remain committed to the principles of the United Nations (UN) Global Compact, the world’s largest voluntary corporate citizenship initiative, in alignment with our Shareholder’s objectives of good governance of GBEs. Australia Post first became a signatory in 2010. We also remain committed to good public governance, including under the Public Governance, Performance and Accountability Act 2013.</li> </ul>
<p><b>2025 Sustainability Roadmap</b></p>	<ul style="list-style-type: none"> <li>• Our 2025 Sustainability Roadmap sets out initiatives and targets aligned to the Sustainable Development Goals, including to:             <ul style="list-style-type: none"> <li>- Continually improve supply chain sustainability, traceability and transparency; and</li> <li>- Partner with suppliers to reduce environmental and modern slavery risks</li> </ul> </li> </ul>

# 04. Our Actions

## Managing Risk in our Supply Chain

### Our approach to managing supply chain risk

We take a principled and risk-based approach to assess and ensure our processes are focused on higher risk areas. We have three key stages in our approach.

### Setting Standards

Our Sustainable Procurement Principles underpin our approach

We provide our Code of Conduct to suppliers

Contractual clauses set out supplier obligations

We train procurement team members and people with purchasing authority (see later in this section)

### Assessing Risk

All suppliers over a spend threshold of \$150,000 per annum are in scope (plus all retail suppliers)

Our pre-screen assessment considers inherent risk of the product category and country of origin, using Sedex data

Suppliers with higher inherent risk are required to complete the Sedex Self Assessment Questionnaire (SAQ)

The SAQs are evaluated

### Managing Risk

If gaps are found in the supplier's practices or management of modern slavery risks, we work with the supplier to develop a Corrective Action Plan

Risks are escalated for decision-making

We conduct supplier audit where relevant and feasible

We reserve the right to review the supply relationship should supplier not improve performance

## 04. Our Actions

# Managing Risk in our Supply Chain

**Understanding and improving the transparency of our supply chain is an ongoing process.**

### Continuous improvement in our approach

In FY22 we consolidated and further embedded our risk-based approach to managing modern slavery risk into the procurement process. It is built around the following key pillars:

- Triaged higher risk suppliers for further assessment based on our pre-screen process which draws on inherent risk for supply category and country-of-origin;
- Leveraged the full Sedex assessment platform to underpin our approach, including requiring all suppliers that pre-screen medium or high-risk to complete the Sedex SAQ; and
- Broadened our approach to accept Business Social Compliance Initiative (BSCI) audits from suppliers.

Overall, we have leveraged enterprise-wide learnings from the past financial year, as well as the program of work delivered over the past five years, to formulate an evolved approach to modern slavery assessment and mitigation for the period ahead.



# 04. Our Actions

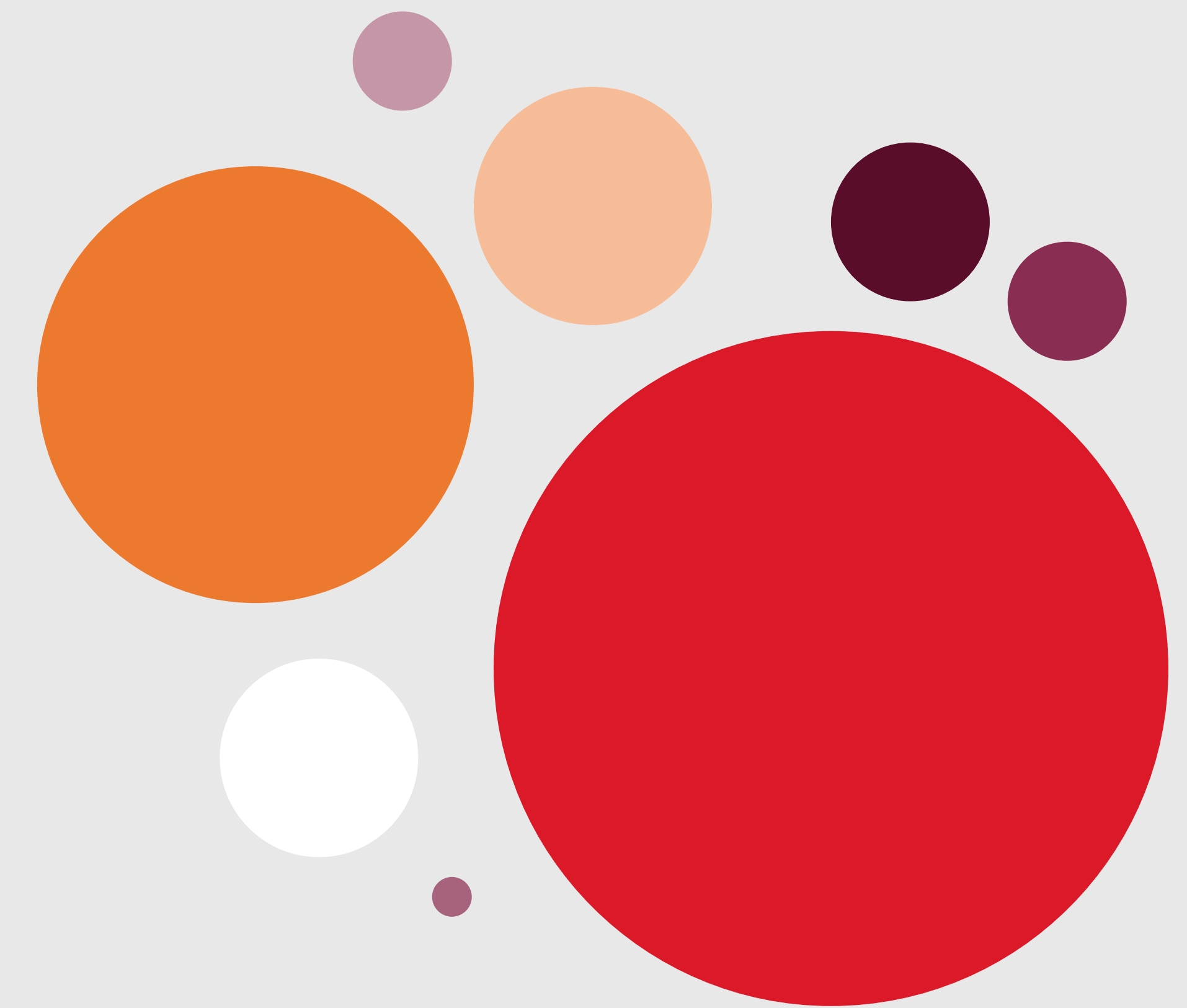
## Managing Risk in our Supply Chain

### Our supply chain in FY22

In FY22, Group Procurement spent approximately \$3 billion, procuring goods and services from 6,246 suppliers across our business operations. Key areas of spend include Logistics, Fleet, People & Professional Services, Property, Information Technology & Telecommunications and a range of Business Services.\* The majority of our spending occurs with direct suppliers in Australia (89%). We acknowledge that goods and services supplied by our direct suppliers may not be manufactured or provided in those direct suppliers' countries, but in jurisdictions that are at higher risk for modern slavery.

### Group Procurement spend by category

- 34.0% Logistics
- 22.2% Property
- 12.3% People
- 10.1% IT&T
- 8.4% Fleet
- 5.6% Automation
- 5.4% Business, Professional & Marketing Services
- 2.0% Post Office Network



### Group Procurement spend by Country of Origin

- 88.9% Australia
- 2.8% Germany
- 2.7% United States
- 2.0% Netherlands
- 1.8% China
- 1.8% Rest of World



\*FY22 Group Procurement spend data exclusions: Mail Contractors, Retail Merchandise, Non-Addressable, Medical Expenses, Workers Compensation, Tolls, Vehicle Registration, Sponsorship, Police Certificate Costs, corporate expense cards.



# 04. Our Actions Managing Risk in our Supply Chain

## Managing risk in our supply chain

Inherent risks across our main sourcing categories are outlined in the diagram to the right. In recent years, we have developed a better understanding of inherent risks within our sourcing categories by leveraging internal and industry-based experts such as Sedex. This enables us to identify and perform more in-depth due diligence on suppliers that have a greater potential risk of modern slavery practices within their own operations, thus delivering a more efficient and effective approach to risk management.

	Australia	Rest of World
High Risk	Facilities cleaning	Workwear Retail Merchandise Mail Processing Consumables
Medium Risk	Printing Packaging Post Box Maintenance Security Services Logistics	Office Stationery Packaging IT Hardware
Low Risk	Operational Labour IT Services Professional & Business Services	Fleet Automation Equipment Software

# 04. Our Actions Managing Risk in our Supply Chain

## FY22 Group Procurement Supplier Assessment Summary

FY22 was the final year of our three-year plan to assess 100% of in-scope suppliers (819 suppliers) representing 95% of our total spend of \$3 billion. We were successful in achieving this goal, which can be summarised as follows:

- 100% of in-scope suppliers, (over \$150K spend), were pre-screened.
- 64 pre-screened suppliers we deemed higher risk, requiring completion of the Sedex SAQ. All 64 suppliers successfully completed the SAQ.
- 15 of 64 suppliers (23%) generated a high-risk flag through their SAQ. See Case Study 1 for an explanation of the next steps in managing these suppliers.
- Analysis of decentralised low value purchasing by Australia Post team members yielded key learnings that will be incorporated into training materials.



### Case Study 1: Sedex SAQ – management of suppliers flagged as high risk

In FY22 we did not identify any potential instances of modern slavery. However, for some suppliers, the detailed assessment identified potential risks in the area of labour standards and health & safety management.

When risks like this are flagged through the process, we closely evaluate the assessment. We work collaboratively with each supplier to better understand their circumstances and consider potential corrections.

A consistent theme that emerged when reviewing the Sedex SAQs was that small businesses were more likely to trigger high-risk flags based on their responses to the SAQ questions. Through discussion with several of these suppliers, we learnt that there were limitations within the structure of some questions, and therefore an inability to accurately reflect their operations, that was driving many high-risk flags. We gained confidence through these discussions that these small suppliers were indeed managing their labour force and health and safety practices effectively.

These learnings have informed our revised approach for FY23 and beyond (see page 28 for details).

# 04. Our Actions

## Managing Risk in our Supply Chain

### Retail Merchandise

Our Retail Merchandise procurement operates separately from Group Procurement, however purchasing takes place under Group Procurement principles, policies and systems.

### Our risk profile

Our Post Offices are retail stores that sell a range of products as well as providing essential services. Retail merchandise spend was approximately \$152m per annum. We have centralised sourcing of retail merchandise goods from a large variety of local and overseas suppliers. Most of the products are consumer goods sourced from major international brands. Our main categories include consumer electronics, home office and stationery, gifts, toys and packaging consumables. Many of these are considered to have a high inherent risk of modern slavery – notably electronics, toys and appliances – due to the type of product and country they are sourced from.

### Retail Merchandise spend by Country of Origin

- 84.8% China
- 11.0% Australia
- 3.7% Korea
- 0.3% USA
- 0.1% Indonesia
- 0.1% Germany

## 04. Our Actions

# Managing Risk in our Supply Chain

### Our risk management approach and FY22 progress

Retail Merchandise adopts the same risk assessment approach described above. This includes pre-screening for inherent risk, and then prioritising higher risk suppliers for detailed assessment (Sedex SAQ or Sedex and BSCI audits) and further due diligence as required. The pre-screening process has been adapted to integrate retail merchandise subcategories and other criteria relevant to the categories sourced. We are embedding this process as business-as-usual.

**By the end of FY22 we pre-screened 100% of retail merchandise suppliers and conducted a detailed Sedex assessment of higher risk suppliers.**

In addition, as independent business owners, our Licensed Post Offices (LPO) and Community Postal Agents (CPA) oversee their own procurement processes. They can source goods and services both via Australia Post and independently. In FY22 we communicated with LPOs and CPAs to educate them about modern slavery risk assessment and to guide them towards making better purchasing decisions.



### Case Study 2: Retail Merchandise assessment outcomes

Our Retail Merchandise team is responsible for sourcing a range of products that are sold in our Corporate Post Offices around Australia. Products can also be bought from the Retail Merchandise team by Licensees to be sold in LPOs and CPAs. This centralised sourcing function procures goods from a large variety of local and overseas suppliers.

Our 2020-22 Group Corporate Responsibility Plan included a target to assess 100% of new and existing retail merchandise suppliers, which was met in FY22. In the process of assessing 149 suppliers, six suppliers were deemed high-risk.

The reason six suppliers were categorised as high-risk was due to their unwillingness to provide the information we requested to accurately assess their operations. Key retail team members requested either BSCI or Sedex audit reports on numerous occasions. Most of the six suppliers initially ignored our requests and did not respond.

After repeated appeals for this documentation, culminating in escalation to Category and Buying Managers to contact the suppliers, one supplier provided the information that enabled us to accurately assess them.

The remaining five non-compliant suppliers are in most instances small suppliers to Australia Post. Ultimately, based on their unwillingness to provide transparency over their operations by failing to respond to our repeated requests for information, we ceased trading with them.

Based on the high inherent risk of modern slavery within retail merchandise, due to the product category and country of origin we primarily source from, new merchandise suppliers to Australia Post will need to complete a pre-screen assessment. After receiving the relevant documentation and assurances we will raise a purchase order.

Going forward, this approach will ensure that a deeper level of modern slavery risk assessment is conducted prior to engaging with any new suppliers.

## 04. Our Actions

# Managing Risk in our Extended Workforce

### Our commitment and governance

We are committed to ensuring that every person who works for the Australia Post Group, whether as part of our directly employed or extended workforce, is engaged, paid and treated in accordance with Australian workplace laws.\* Australia Post has controls in place to ensure compliance with workforce laws, including laws aimed at protecting vulnerable workers. We have established workforce compliance forums and governance mechanisms which meet monthly. Key members of the Modern Slavery Working Group are also active in workforce compliance, allowing learnings to be shared across business units.

### Relevant actions in FY22

The following are some of the actions taken in FY22 that were most relevant to modern slavery, either because they address relevant labour protections, like fair pay, or focus on higher risk or more vulnerable worker segments, such as labour hire or visa holders.

- **New Deliveries Contractor Compliance Management System**  
In FY22, we completed building a Contractor Compliance Management System (CMS) with specific workflow processes to manage contractual compliance arrangements within our Deliveries network. An online portal allows near real time reporting of compliance processes and the monitoring of workflows to address remediation actions raised. The data captured within the CMS allows us to monitor, report and manage current or emerging non-compliance risks across our Deliveries Extended Workforce.

- **Compliance monitoring and investigation**

We undertake a risk-based approach to identifying and addressing compliance risks with our Extended Workforce, of which one risk is modern slavery. Examples of risk assessment and issue identification processes includes performing a due diligence assessment before engaging our contractors or renewing their contracts. The due diligence process assesses workforce compliance risks based on their workforce engagement model, including visa compliance, underpayment and sham contracting.

We also undertake proactive audits where we become aware of potential compliance concerns within our network to ensure Business Partners are compliant with relevant workplace laws and require remediation of any issues identified. A new Deliveries Compliance team was established in FY22 to perform these and Whistleblower reviews.

- **Whistleblower**

We investigate all Whistleblower matters related to the Deliveries and Retail Extended Workforce Network. We investigated 46 matters that were received via the Whistleblower channel in FY22 in relation to this cohort. In circumstances where allegations were wholly or in part substantiated, these were addressed accordingly.

- **Licensee monitoring and audit**

We undertake steps to assist Licensees to understand and meet their workplace law obligations and put in place a framework to monitor Licensee compliance within the network. Where we become aware of potential compliance concerns within a Licensee, a 'for cause' audit is undertaken by external auditors to ensure compliance with relevant workplace laws. Remediation of any identified issues is overseen by external auditors. We also proactively monitor Licensee compliance through random proactive audits which recommenced in FY22.

- **Limiting subcontracting**

We continued to limit subcontracting via contractual requirements on key workforce segments. In our delivery network, only one layer of subcontracting is permitted under the principal contract. In our facilities, we gained greater understanding of where subcontracting is occurring in FY22. We have improved visibility of who subcontractors are and we have not identified evidence of any instances where second tier sub-contracting is occurring. Ongoing auditing and compliance framework adherence gives us greater transparency in our supply chain to more effectively assess risk.

- **Labour hire**

We have a new panel of approved labour hire providers, with contractual arrangements that require providers to comply with all workplace laws, including labour hire licensing laws. Under these contracts, the labour hire providers are mostly required to pay their employees in line with the applicable Australia Post Group enterprise agreement for any work they perform within our business (see Case Study 3, page 22).

- **Extended workforce education and learning**

We continue to actively educate both Business Partners and their team members regarding their rights and obligations. In FY22, a Learning Management System (LMS) was deployed across our StarTrack delivery contractor network, including StarTrack Courier, Express and Premium. As part of the roll out of the Compliance Management System, extensive compliance training of both our internal and external workforce was provided and training will be continued into FY23 as we move into a business-as-usual compliance cadence.

\*Excluding any subsidiary that is operating outside of Australia and is subject to local laws of that territory.

## 04. Our Actions

# Managing Risk in our Extended Workforce



### Case Study 3: Labour hire panel and governance framework

Australia Post requires a flexible seasonal workforce to manage fluctuations and uplift in demand, primarily around major sales events and Christmas. We use labour hire companies to fill this flexible staffing requirement at our facilities. Labour hire is a risk factor for modern slavery as there may be reduced visibility over recruitment practices and workforce terms and conditions of engagement. It is our priority to ensure any workers in our business and extended workforce are paid and engaged in line with Australian law.

To ensure we work with reputable providers and promote the rights of workers, we appoint a limited number of vendors; ensuring they hold all relevant labour hire licenses required under relevant laws, agree to comply with all workplace laws and cooperate with a regular auditing regime conducted by Australia Post. Furthermore, we take precautions to ensure that the contracts offered are not at rates that might facilitate underpayment.

During FY22 we conducted and completed a thorough Request for Proposal process, finalising a panel of nine key labour hire providers at the end of the financial year. We embedded a new governance framework including compliance reports that cover pay rates, Enterprise Bargaining Agreement adherence and pre-employment screening. We closely monitor the labour hire vendors and audit compliance reports to stay alert to any warning signs. If required, these can be investigated and rectified by the labour hire provider without delay.

A vendor manager has been appointed to oversee all agency labour hire activity as well as compliance with our governance framework. Furthermore, facilities around Australia are required to utilise only the nine approved panel members. A change management program was implemented to communicate and embed this new policy.

Throughout FY22, modern slavery controls have been enhanced, with further improvements scheduled for FY23.

# 04. Our Actions

## Training & Remediation

### Training & engagement

In FY22 our focus was on relevant compliance training for all employees in addition to tailored support for procurement team members who were tasked with executing all pre-screens, Self-Answer Questionnaires and audits on our suppliers. This built on broad modern slavery training during FY21 including how to identify red flags relevant to Australia Post’s workforce as well as general awareness lunch-and-learn sessions.

The table outlines our key efforts in FY22. Our training objectives are that:

- All people have general awareness of key related areas like our TIES values, ethical behaviour and incident reporting, and can report all relevant issues and access appropriate grievance mechanisms;
- All people with purchasing authorities understand risks and make responsible buying decisions; and
- Relevant people with functional responsibilities can identify risks and warning signs and respond appropriately.

Topic	Target Participants	Key Content	Outcome
<b>Better Decisions</b>	Mandatory for all employees on commencement, with a refresher every two years.	Our enterprise policies, modern slavery, ethical decision making, incident reporting, whistleblower disclosures.	26,882 Australia Post employees completed this training in FY22.
<b>Better Decisions – Delivery Partner</b>	Mandatory for our Extended Workforce, with a refresher every two years.	Our enterprise policies, modern slavery, Ethical decision making, incident reporting, whistleblower disclosures.	1,196 Australia Post extended workforce team members completed this training in FY22.
<b>Corporate Credit Card</b>	All credit card holders and approvers.	What is modern slavery and how to make risk informed purchasing decisions.	371 employees completed this training in FY22 representing new card holders or those due for refresher training.
<b>Procurement Compliance</b>	All team members with delegated spend authority or ability to influence purchasing decisions.	What is modern slavery and how to make risk informed purchasing decisions.	1,557 employees completed this training in FY22.*
<b>Procurement team training</b>	Key procurement and retail merchandise team members.	What modern slavery is, what are the signs of potential modern slavery, refresher on our obligations under the Act and applying our updated assessment process.	To supplement training, a specific resource from the Procurement team is available to support team members on an ongoing basis.

\*Note: Procurement Compliance training was a new module launched in 2020 with refresher training scheduled to be completed every two years. The great majority of Australia Post employees completed this training in FY21. 7700+ employees are due to complete their refresher training in FY23.

## 04. Our Actions

# Training & Remediation

### Remediation & response

We have an established remediation approach to improve our readiness to deal appropriately with a potential modern slavery incident, should one arise in our extended workforce or broader supply chain. It was developed by the Modern Slavery Working Group, in consultation with stakeholders across the business and civil society representatives. In line with Commonwealth guidance, the remediation approach is based on the UN Guiding Principles. It fulfils the requirement to establish processes by which businesses can remediate, or 'make good' on any adverse impacts on people such as modern slavery. This work complements our existing mechanisms to remediate compliance issues in our direct or extended workforce.

This means it considers both a *process* (ensuring we have effective grievance, reporting and escalation mechanisms in place to find out if there is an issue), and an *outcome* (ensuring we are equipped to act responsibly and address any adverse impacts). Key aspects include:

- Guiding principles including for safeguarding victims or affected persons throughout any response
- A reporting, triage, escalation and referral process including strengthening the capability of our whistleblower function as our key grievance mechanism, and defining operational and supply chain 'red flags' that require escalation
- Considering potential actions to take, dependent on the degree to which we may have caused, contributed to or been linked to an incident and our degree of leverage





# 05. Effectiveness

*The Modern Slavery Working Group is a key mechanism in ensuring effectiveness of our actions. It allows concerted planning and mutual accountability. For example, data on supplier assessments and workforce controls are shared monthly, and plans are shared with the group for approval.*

This fosters continuous improvement – in the spirit of the Act and an underlying principle to our efforts. We recognise that unearthing risks or issues in order to address them is the intent of this work.

During FY22 we created a work plan with set goals against which we have assigned activities and metrics as relevant. At the same time as

being results-focused, our work is iterative and responsive to issues and opportunities as they arise. Some of our measures are more outcomes-focused, while others point to implementation of agreed processes. They are outlined in the table below and described fully in Section 4.

Area	Goal	Relevant KPIs or measures
<b>Governance, Planning &amp; Reporting</b>	We have appropriate policies, systems and processes to manage and report on modern slavery risk across the enterprise.	<ul style="list-style-type: none"> <li>• Policy documents.</li> <li>• Functioning governance mechanisms.</li> <li>• Transparent consultative reporting.</li> </ul>
<b>Assessing &amp; Managing Risks</b>	We effectively scope and understand modern slavery risks across our business.	<ul style="list-style-type: none"> <li>• Regular macro risk assessment.</li> <li>• External engagement to inform risks.</li> <li>• Enterprise risk register.</li> </ul>
	We effectively scope and manage modern slavery risk to people in our extended workforce, including with those in facilities management.	<ul style="list-style-type: none"> <li>• Deployment of CMS to assess contractor compliance.</li> <li>• Audit completion rates – Australia Post audits our suppliers and our suppliers audit their vendors.</li> <li>• Implementing contractual controls with suppliers, including in relation to limiting subcontracting.</li> <li>• A two-way Supplier Performance Assessment/Scorecard for high-risk suppliers as part of an agreed vendor compliance framework.</li> </ul>
	We effectively scope and manage modern slavery risk in procurement and retail merchandise.	<ul style="list-style-type: none"> <li>• Embedded risk based due diligence approach.</li> <li>• 100% of in scope suppliers assessed, meeting our FY22 target.</li> <li>• Implemented internal audit recommendations.</li> </ul>
<b>Internal Engagement &amp; Training</b>	Our people know how to identify, reduce and report modern slavery risk.	<ul style="list-style-type: none"> <li>• Specialised training delivered to team members with relevant responsibilities.</li> <li>• Team participation rates, feedback and learning outcome surveys.</li> <li>• Whistleblower engagement/training.</li> </ul>
<b>Response &amp; Remediation</b>	We are prepared to detect and respond appropriately to potential or existing cases of modern slavery.	<ul style="list-style-type: none"> <li>• Remediation plan embedded.</li> <li>• Red flags defined and key team members aware of escalation and management process.</li> </ul>

# 06. Consultation



## Consultation

Australia Post is committed to refining and evolving a Group-wide response to modern slavery. In the context of modern slavery risks across the Group, wholly owned subsidiary operating entities (listed in Section 2) are able to access Australia Post's shared services including Group Risk, Finance, Procurement, Legal, Tax, Treasury and Employee Relations. In addition, the Australia Post Group risk assessment and mitigation practices underpin our work on modern slavery (including Australia Post's policies and Australia Post Group team training and due diligence practices with suppliers and labour providers). As a result of this integrated approach Australia Post's expectations on minimising modern slavery risks are embedded across the Group.

Whilst Australia Post Global eCommerce Solutions (UK) is not a reporting entity for the purposes of the Act, members of the Australia Post Modern Slavery Working Group and APG have shared details of our respective modern slavery risks, programs of work and reporting requirements over the past three years. Moving forward, Australia Post will have a greater focus on collaborating with APG on the preparation of our Australia Post Group Modern Slavery Statement.

As part of the consultation process, reports were provided to the boards of the reporting entities, and the Australian main operating entities, which included: an overview of the reporting requirements; information regarding the Modern Slavery Working Group; updates on the Working Group's initiatives; New South Wales' modern slavery laws developments relevant to reporting entities based in New South Wales and the ongoing development of the Statement by the Working Group.

Unions will be provided with a copy of the Statement, as part of Australia Post's ongoing engagement with workers and representatives.

## Statement approval

This Statement has been approved by the principal governing body, the Board of Directors of Australia Post, also on behalf of relevant subsidiary reporting entities. The Modern Slavery Working Group, described in Section 4, developed this Statement, led by the Group Sustainability Office. Leaders and Executives from the functions represented in the Working Group were consulted – including from Group Risk, Group Legal, Group Finance, Group Procurement, People & Culture and Retail. In addition, we consulted the Corporate Secretary, small to medium enterprises and leaders representing the other relevant areas (such as Property Management, Retail engagement and Learning & Development). Relevant subsidiaries that are reporting entities were provided the Statement for endorsement prior to final approval. Finally, the People and Sustainability Committee of the Board endorsed a draft of this Statement before approval by the Board of Directors.

## 06. Consultation

*As underscored in our 2020-22 Group Corporate Responsibility Plan and reinforced in our 2025 Sustainability Roadmap, **we recognise the importance of collaboration and multi-stakeholder partnerships.***

### External engagement & partnering

We gain modern slavery insights and feedback on our response by engaging externally with a range of stakeholders including government, civil society, business, and experts in the field.

- We actively participate in the Global Compact Network Australia Modern Slavery Community of Practice, a peer network for Australian businesses to share learnings in relation to the Act.
- Representatives from Australia Post are regularly invited to engage in external forums on sustainability issues including modern slavery. Working Group members regularly attend industry events, conferences and round tables dedicated to understanding modern slavery in supply chain procurement and other areas.
- In the development of our remediation approach, we engaged a range of civil society representatives.
- In our supply chain, our partnership with Sedex provides us with a valued resource and network, and a platform for supplier engagement.
- We also engage our suppliers directly and proactively to ensure they understand our requirements, and they are supported in our approach.
- We proactively engage our customers and support them to meet their modern slavery requirements.



# 07. FY23 *Priorities*

The Australia Post Group is committed to continuously improving our efforts to combat modern slavery. We recognise that this requires an ongoing year-on-year commitment to a multifaceted program of work. Through our Modern Slavery Working Group, we will continue to identify and manage modern slavery risks, and we will report these transparently.

FY22 was a year of consolidation. We made significant progress, particularly in improving our due diligence mechanisms and meeting our stated targets. The modern slavery program of work, commenced five years ago, has now been embedded as business-as-usual. It serves as a strong base from which to evolve and improve going forward.

Key priorities for FY23 are outlined in our enterprise-wide program of work.

**Deepen transparency of high-risk procurement suppliers through implementing a targeted audit program, including;**

- Amend Request for Proposal documentation to provide greater transparency of high-risk suppliers within Group Procurement contract cycles.
- Progress beyond Tier 1 to audit Tier 2 suppliers, focussing on factories that supply Australia Post own branded and private label retail products.

**Expand assessment of modern slavery red flags in our extended workforce, including;**

- Improve transparency of supply chain risks and any policy gaps of the vendors of our outsourced property services provider. To achieve this, we will continue to support our property services provider, JLL, to assess vendors operating in high-risk industries that may be vulnerable to modern slavery risk. This will include the development and implementation of a compliance framework, a vendor audit program and vendor survey.
- Identify and further assess areas of risk using the new Contractor Compliance Management System for our deliveries extended workforce.
- Roll out standardised reporting requirements for labour hire panel members to assess the effectiveness of the compliance framework.
- Expand extended workforce compliance through a proactive targeted and random audit program to set a benchmark for identifying issues and risks. The audit program will investigate underpayment, visa compliance and appropriate documentation.

**Deliver enterprise-wide initiatives to improve proactive management of modern slavery risks, including;**

- Collaborate with Australia Post Global eCommerce Solutions (UK) on their actions to assess and address modern slavery risk in their supply chain. Actively pursue opportunities to share knowledge and learnings from Australia Post to enhance their processes.
- Review and update the Modern Slavery Risk profile regularly to accommodate changes in business operations, emerging areas of potential exposure and to enhance the effective proactive management of modern slavery risk.
- Enhance training for relevant team cohorts including;
  - Develop a training and communication strategy to upskill team members with purchasing authority and influence on the use of preferred suppliers and how this helps us mitigate modern slavery risk.
  - Refresh training modules, develop quick guides and videos, and build multiple Learning Management System modules for Business Partners and Australia Post team members with support from external content developers.
  - Embed sustainability content within sales team training modules.
  - Upskill Licensed Post Office and Our Customer Network team members.
  - Update core modern slavery training modules for procurement teams.