



Freightways Modern Slavery Statement  
1 July 2022 – 30 June 2023

## About this Statement

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

Freightways, a New Zealand company listed on the New Zealand and Australian Stock Exchange, has operations in both New Zealand and Australia, across four core market segments, namely, express package, business mail, information management and waste renewal. In Australia, Freightways operates in each of these core market segments other than business mail. Freightways owns and operates the following Australian businesses: Allied Express Transport Pty Ltd and Allied Overnight Express Pty Ltd (collectively, “**Allied Express**”), The Information Management Group Pty Ltd (“**TIMG**”), LitSupport Pty Ltd (“**LitSupport**”), Shred-X Pty Ltd (“**Shred-X**”), Med-X Pty Ltd (“**Med-X**”), Databank Escrow Services Pty Ltd (“**Databank Escrow**”), and Southwest Onsite Data Backup Management Pty Ltd (“**BackOnline**”) (the “**Relevant Businesses**”). Allied Express and its wholly owned subsidiaries joined the Freightways Group on 30 September 2022.

Freightways Group is the “reporting entity” for the purposes of the Act, and the information contained in this Statement relates to the operations and supply chains of Freightways and the Relevant Businesses only.

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

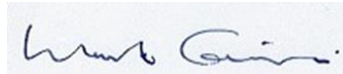
Terms defined in this section shall have those meanings throughout this Statement. References in this Statement to “**we**”, “**us**”, “**our**” and any derivatives are references to the Freightways Group unless the context requires otherwise.

This Statement, covering the 12 months ended 30 June 2023 (FY23), was approved by the Board of Directors of Freightways (“**the Board**”) on 30 November 2023. It was reviewed and endorsed by the management of each business in the reporting entity.



CEO – Mark Trougher

Date: 30 November 2023



Chairman – Mark Cairns

Date: 30 November 2023



## Table of Contents

About this Statement .....	1
Our Business .....	3
Structure .....	3
Australian Operations .....	3
Operations and People .....	4
Our Supply Chain .....	5
Modern Slavery Commitment .....	6
Modern slavery risks in our operations and supply chains .....	6
Operational risks .....	6
Supply chain risks .....	6
Our approach to modern slavery risk management .....	8
Governance .....	8
Policies .....	9
Due diligence .....	9
Risk Identification and Assessment .....	9
Risk Mitigation .....	10
Grievance Mechanisms and Remediation .....	11
Evaluating Effectiveness .....	11
The Way Forward .....	11
Appendices .....	14

# Freightways

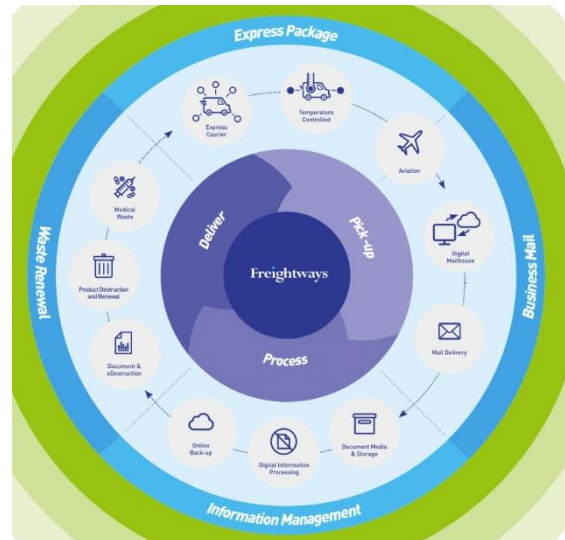
We recognise that, through our operations, supply chains and business relationships, we have the potential to cause or contribute to modern slavery in all its forms. We are committed to respecting and upholding the fundamental rights of our employees and suppliers and seek to combat modern slavery within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

## Our Business

The Freightways Group provides express package (including chilled delivery), business mail, information management and waste renewal services in New Zealand and Australia. Ours is a long history of consistent, time-sensitive delivery for New Zealanders and Australians across industries, regions, and borders. It is a history that has honed our business skills and appetite for innovation in lateral ways, helping us to build our presence in emerging sectors where our core strengths enable us to compete meaningfully and profitably.

The Freightways Group has always been entrepreneurial. From our core express package and business mail services, we have successfully expanded into information management and waste renewal, building a diverse selection of digital and physical brands in Australia and New Zealand that steadily increase our revenue and scope of operations.

Freightways has achieved growth through both organic and acquisition opportunities. Our core capabilities are in pick-up, processing and delivery. Whether it be packages, mail, waste or data, we understand how to perform these tasks efficiently, accurately and at scale. Freightways has demonstrated the ability to acquire and execute in areas that complement these capabilities to broaden our business. In FY23, we expanded our Australian footprint by acquiring Allied Express, one of Australia's largest independently owned courier and express freight providers. This transaction creates a third horizon of growth for us, marking a significant entry point to the Australian market and enhancing our services with Allied Express' specialised logistics capabilities.



## Structure

In FY23, the Freightways Group operated many brands across the following service lines:

- **Express package:** New Zealand Couriers, Post Haste, Allied Express, Castle Parcels, NOW Couriers, SUB60, Security Express, Kiwi Express, Stuck, Pass the Parcel, Big Chill Distribution, Produce Pronto, Parcelair and Parceline.
- **Business mail:** DX Mail and Dataprint.
- **Information management:** TIMG, BackOnline, Databank Escrow and Litsupport.
- **Waste renewal:** Shred-X, Med-X and TIMG (New Zealand only).

The brands are all supported by a number of internal service provision companies in respect of Information Technology ('IT'), linehaul, property, treasury and corporate services. An overview of our business structure is provided in Appendix 1.

The remainder of this Statement covers only the Relevant Businesses for the FY23 reporting period.

## Australian Operations

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

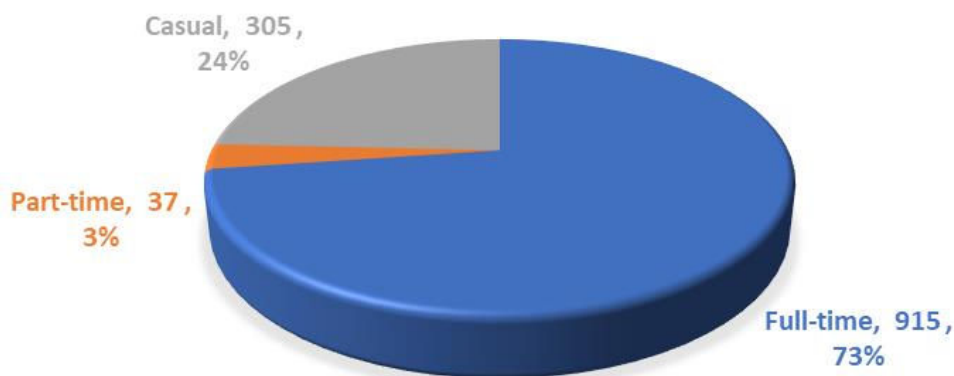
Relevant Business	Location of operations	Description of operations
<b>Allied Express</b>	National business operating in all states of Australia other than Tasmania	Provides a broad range of express transport and distribution solutions, from courier and taxi trucks, to intra and interstate road and air services, as well as third party logistics. Allied Express partners with an agency network of approx. 50 different partners along with key line haulers and airlines to achieve its national reach. <a href="http://www.alliedexpress.com.au">www.alliedexpress.com.au</a>
<b>TIMG</b>	National business operating in all states and territories of Australia.	Provides physical storage and information management services, as well as digital information processing services such as digitisation, business process outsourcing, online back-up, escrow services and eDiscovery services. <a href="http://www.timg.com">www.timg.com</a>
<b>LitSupport</b>		Sits within TIMG and helps law firms, corporations and government agencies within Australia find, process and present information.
<b>Shred-X</b>	National business operating in all states and territories of Australia.	Offers a Privacy Act compliant service for the collection, transportation and destruction of sensitive data with the most extensive direct service coverage in the industry. The Shred-X service includes document destruction, e-waste, media and hard drive destruction, archive box and purge destruction, textile and product destruction. <a href="http://www.shred-x.com.au">www.shred-x.com.au</a>
<b>Med-X</b>	Victoria, New South Wales and Queensland	Sits within Shred-X and provides safe and secure handling, treatment and disposal of clinical waste and related services including sharps, washroom and hygiene services and chemical waste and pharmaceutical disposal in Australia. <a href="http://www.med-xsolutions.com.au">www.med-xsolutions.com.au</a>

For further details on the services we offer, refer to the websites noted in the table above.

## Operations and People

Our people are fundamental to our business, and we work as a family, prioritising their safety and wellbeing and by doing everything we can to ensure they get home safe each day. We strive to create a workplace that welcomes, acknowledges and values diversity in its people. We see the variety of people who work for us – with their many different skills, beliefs, diverse backgrounds and ways of thinking – as key to our past and future success. As of 30 June 2023, we employed 1,257 people across the Relevant Businesses (Graph 1).

Graph 1 Number of Employee by Category and Percentage of Workforce



## Our Supply Chain

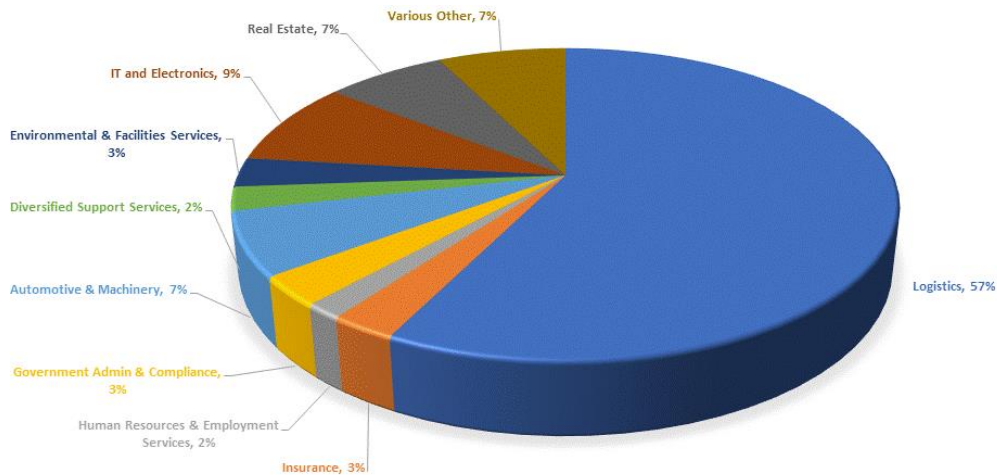
Freightways’ supply chain includes a large and diverse range of suppliers spanning various countries and industries, as well as independent contractor drivers (“**contractors**”) (Graph 2 & 3). We pride ourselves on our strong supplier and contractor relationships and have worked with many of our suppliers and contractors for over a decade. We believe these strong relationships are essential for collaborative and effective risk management within the supply chain.

In FY23, our total supplier spend (including contractors) was AU\$264 million, spread across 3,366 suppliers and contractors in 19 different countries. The vast majority of our direct (or tier 1) suppliers and contractors are located in Australia, with approximately 99% of FY23 procurement spend located in Australia, reflecting our commitment to supporting local businesses, both small and large.

Graph 2 Freightways’ Procurement of Goods and Services in FY23 – Number of Suppliers<sup>^</sup> per Country and Percentage of Total Spend<sup>^^</sup>



Graph 3 Freightways’ Procurement of Goods and Services in FY23 – Spend<sup>^^</sup> by Key Industries



<sup>^</sup> Total number of suppliers is inclusive of contractors

<sup>^^</sup> Spend based on Freightways’ FY23 procurement data. While Allied Express only joined the Freightways Group from 30 September 2022, their entire 12 month spend for FY23 has been included.

We acknowledge that our direct suppliers may have operations in or may source goods or services from other jurisdictions which may have a higher risk for modern slavery.

## Modern Slavery Commitment

Freightways has a long history and culture of doing the right thing by our people, suppliers and contractors. Freightways has an established risk management approach to our operations and supply chains, and each of our entities have implemented effective systems and processes to ensure that we are protecting our people, our business, our suppliers, our contractors and our communities. Freightways' existing processes, including an annual review of our risk register, provides a strong foundation that can be leveraged for effective modern slavery risk management.

Our commitment to modern slavery risk management is guided by our **Freightways' Visions and Principles** (Figure 1) which underpins our approach to managing modern slavery risks in our operations and supply chain. Together these provide the governance and corporate structure required to implement our priority modern slavery actions.

Figure 1: Freightways' Vision & Principles

**Why we do this**

Better outcomes won't just happen. It takes a conscious effort from our team to move things forward for our customers, our team, our shareholders and our communities.

Our "why" is to *move you to a better place.*

**Our principles & capabilities:**

**How we work**

Three principles guide how our teams and our partners deliver.

- *We take ownership* and responsibility at every level for what we do and what we can improve.
- *We think commercially* about the deals we make so that they make sense for our customers, our contractors, our business and our shareholders.
- *We work as a family* by supporting people, by prioritising their safety and wellbeing and by doing everything we can to ensure they get home safe each day.

## Modern slavery risks in our operations and supply chains

### Operational risks

Due to the nature of our business and the industries in which we operate, the main modern slavery risks in our operations relate to our temporary or casual workforce. While 76% of our workforce is employed on a part-time or full-time basis, there is a reasonable percentage of the workforce engaged on a casual basis, who support our business in areas such as freight handling and sortation, waste renewal and processing, digitisation and service delivery. Temporary labour requirements tend to attract a higher rate of migrant workers, and time pressures associated with peak periods could lead to increased pressure to minimise our costs. We recognise that there are inherent modern slavery risks for casual, temporary and migrant workers, and without appropriate due diligence processes and remedial actions, the nature of our work could potentially increase these modern slavery risks. Casual, temporary and migrant workers may not have the knowledge, and bargaining power, to speak up and assert their rights. This often leaves such workers exposed to risks such as deliberate withholding of wages, underpayment, excessive working hours, debt bondage and fraudulent contracting through third-party labour hire arrangements such as recruitment agencies.

Freightways hires most of its casual labour force directly, rather than hiring a contingent workforce through a recruitment agency. This removes most of the potential risks around the use of recruitment agents, which has been associated with increased risks of forced labour and debt bondage for migrant workers in Australia. Through contingent labour, employees have limited job security and are not afforded the same employment benefits as workers employed on a full-time or part-time basis, such as annual leave, sick leave and public holidays. If left uncontrolled, Freightways could face a risk that we are aiding modern slavery ourselves or contributing to modern slavery through our relationships with recruitment agencies.

In FY23, we used outsourced labour sparingly from third-party labour providers, allowing us to have increased oversight over our workforce and their employment terms. This minimises any labour rights, security and privacy risks associated with outsourced labour.

### Supply chain risks

Utilising our latest procurement data and leveraging upon prior year's methodology and assumptions around modern slavery risk, we have updated our supplier risk assessment for FY23, incorporating Allied Express for the first time. Key findings from the assessment (Table 1) included:

- None of our suppliers (inclusive of contractors) have an inherently high risk of modern slavery. Our suppliers were distributed across the medium-low, medium and medium-high categories, reflecting that inherent modern slavery risks reside across all the industries we procure from, but never to an extreme extent.
- 98% of our suppliers have a medium or medium-low inherent risk rating. This is largely due to their location, as most of our suppliers are in Australia which has a relatively low inherent modern slavery risk.

- 2% of suppliers had a medium-high inherent risk rating, representing 37 individual suppliers out of 3,366. The higher risk rating for these suppliers was driven by their industries, with the majority operating in the Technology Hardware sector. Our approach to dealing with these risks and working with these suppliers is outlined in this Statement.

Table 1 Freightways' Supplier Risk Assessment Results in FY23

Risk Threshold	Number of suppliers (incl. contactors)	Percentage of suppliers (incl. contactors)	Total spend (AUD)	% of total spend
High	0	0%	\$0	0%
Medium-High	37	1%	\$6 million	2%
Medium	2,729	81%	\$185 million	70%
Medium-Low	600	18%	\$73 million	28%
Low	0	0%	\$0	0%

Same as last year, the majority of Freightways' suppliers continue to sit within the medium and medium-low risk category and no suppliers sit within the highest risk categories. With the inclusion of Allied Express procurement data for the first time, there is a higher percentage of suppliers that sit within the medium risk category (34% of spend was in the medium category in FY22, up to 70% in FY23), driven by these suppliers operating in higher risk industries such as air freight and logistics as detailed below.

The outcomes of this assessment continue to be utilised to inform ongoing due diligence, specifically what activities should be prioritised and what depth of due diligence is most appropriate. The medium-high risk suppliers are, for the most part, already being managed more closely by Freightways for modern slavery risks. This tells us that our remedial actions are focused on the areas of highest exposure.

### What are the highest risk areas in our supply chain?

The majority of our medium-high risk suppliers were in the **technology hardware** category of goods and services. The electronic manufacturing industry has been linked with numerous instances of labour exploitation which present themselves deep within the complex supply chains, from the mining of the raw minerals required to make the components within these products to the manufacture of electronic products. The industry is at higher risk for forced labour and human trafficking throughout its supply chain including the use of migrant labour. Other risks associated with the industry lie in the sourcing of commodities which are associated with forced labour and exploitation, limiting the control over modern slavery risk within the electronic supply chains. Most of our suppliers in this procurement category are located in higher risk countries, so this sector emerged as the most significant driver of modern slavery risks within our supply chain.

There are other high-risk industries within our supply chain, beyond technology hardware, that increase inherent modern slavery risks especially when located in higher risk countries. The other procurement categories of our medium-high risk suppliers and the likely indicators that drive their inherent risk rating are:

- **Diversified support services, including cleaning, maintenance and catering services:** Cleaning, catering and maintenance services provide manual-based labour which tends to attract low-skilled, temporary or migrant labour. Workers are often employed on a contingent basis with limited job security and entitlement to employment benefits such as sick leave. Additionally, they are usually contracted to third-party labour agencies which further increases the risk of modern slavery as there is a lack of transparency and accountability which limits visibility into how the workforce is managed. As a result, workers providing these services are vulnerable to labour exploitation and modern slavery.
- **IT Consulting and other services:** The IT consulting and other services industry is at higher risk for forced labour. This risk is further exacerbated when services within this industry are outsourced by a company to service providers based in geographical locations where labour standards and costs are lower. This may pose challenges in monitoring the way the workforce is managed and potential higher risk practices, such as further outsourcing or labour hire.

Other higher risk industries that exist within our supply chain are listed below. These were less significant drivers of the modern slavery risk ratings because these suppliers are nearly all located in Australia, which is a low-risk country.



- **Air freight and logistics:** Insecure forms of employment, specifically jobs characterised by low wages, unstable work arrangements, temporary employment contracts, absence of employment benefits, and a lack of legal and regulatory protections, are common in the air freight & logistics sector. As a result, employees often have less rights and bargaining power and are therefore vulnerable to labour exploitation and modern slavery.
- **Construction and engineering:** Modern slavery risks exist within the sourcing of labour and procurement of building materials and products. With high amounts of subcontracting and the possibility of using third-party labour agencies, there is limited visibility into hiring processes and working conditions. This is further exacerbated by the the low-skilled nature of work, which is likely to attract migrant labour or others who may not have the knowledge, and bargaining power, to speak up and assert their rights. Companies may also unintentionally support forced labour through the procurement of building materials due to the complexity and a lack of transparency within the full supply chain.
- **Human resources and employment services:** There is limited visibility into external human resources agency practices which may exclude pre-employment checks and a lack awareness of modern slavery during recruitment. This increases the risk of hiring trafficked employees under conditions of debt bondage and forced labour – where victims are put to work against their will without any other option. This is especially relevant for sectors such as logistics, waste management and construction.
- **Office supplies:** Office supplies are considered higher risk for modern slavery due to low profit margins and complex and opaque supply chains. Manufacturing of office supplies is typically outsourced to manufacturing hubs, located in developing countries, where legal protections and regulatory environments are weak. As such, workers are vulnerable to labour exploitation and modern slavery.
- **Health care services and supplies:** The manufacturing of health care supplies has been identified as higher risk of modern slavery due to low profit margins and complex supply chains. A number of recent investigations, stemming from COVID-19, have exposed instances of modern slavery in the supply chains of the world’s largest distributors of medical supplies. Manufacturing of these supplies typically takes place in countries with minimal legal and regulatory protections, hence there is less oversight and control of workers and their working conditions. Accordingly, workers in these manufacturing facilities are at risk of labour exploitation and modern slavery. Health care services are also a risk for modern slavery, particularly during the COVID-19 pandemic when working conditions of frontline staff came under significant pressure.

## Our approach to modern slavery risk management

Our approach to modern slavery risk management is driven by our MS Working Group and consists of the actions and processes across the following categories:

### Governance

Freightways is committed to the highest standard of corporate governance and ethical behaviour. The Board are responsible for overseeing the management of risks, including those related to modern slavery. The Board ensures adequate risk management strategies are in place and monitors the integrity of management information and the timeliness of reporting to shareholders and other stakeholder groups. Responsibility for overseeing modern slavery risks is also assigned to the Senior Leadership Team.

Freightways’ Chief Financial Officer (“CFO”) takes responsibility for assessing and managing modern slavery risks at a corporate level. As part of this role, the CFO reports to the Board and is engaged in structuring Freightways’ modern slavery management approach. The CFO works across each business unit to ensure modern slavery considerations are integrated into policies, frameworks and action plans.

Managing modern slavery risks is also a core management responsibility. All management and employees are accountable for employing risk management processes within their area of control.

### MS Working Group

Freightways’ MS Working Group operates across all business units and is made up of representatives from the Senior Leadership Team. The MS Working Group members include 2-3 representatives from most of the Australian businesses. The MS Working Group, with support from the CFO, is tasked with providing governance and leadership and to deliver on Freightways’ modern slavery commitments.

Throughout FY23, the MS Working Group met on a regular basis and made the following key achievements:

- **Policies** – Continued to develop our Human Rights Policy and Supplier Code of Conduct.

- **Training** – Extended the roll-out of training beyond senior management, middle management and key stakeholders to also include operational staff for most of the Australian businesses
- **Supplier due diligence** – Continued the roll-out of tailored supplier questionnaires to address modern slavery risk, focusing specifically on high-risk suppliers. New software solutions were also explored and investigated with a view to streamlining our supplier due diligence process, along with providing greater visibility, transparency, and reporting capabilities on our supply chain across our Australian businesses.

In FY24, we will work to finalise the Human Rights Policy and Supplier Code of Conduct, as well as strengthen our governance by establishing a MS Working Group charter, which will include clear roles and responsibilities, reporting mechanisms, key actions and metrics.

## Policies

We have several policies and procedures in place that give effect to our commitment to combatting modern slavery within our operations and supply chain. The Working Group, senior management and the Board are responsible for driving regular reviews and updates to each policy. These policies are available on the Freightways website and include:

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

Once the Supplier Code of Conduct has been finalised, we will include it in supplier sourcing and tender documentation and will also ensure it is included in the new supplier onboarding process.

## Due diligence

While our existing operational and supply chain due diligence processes have not been specifically deployed to manage modern slavery risks, they do provide for us a strong foundation upon which we can build our approach. Our Australian entities have continued to review and improve our due diligence approach throughout FY23 to ensure our systems are appropriately identifying, assessing and addressing modern slavery risks and impacts in their operations and supply chains.

### Risk Identification and Assessment

#### **Operations**

To ensure compliance with the requirements of the Fair Work Act and the National Employment Standards, our P&C team and management perform thorough pre-employment checks during the recruitment process to make sure applicants have the right to work and are of the appropriate age. For all foreign labour, we perform visa checks to confirm applicants meet their visa requirements and have been granted the right to work in Australia. Our approach to the recruitment process is outlined in our Recruitment Policy. The same recruitment process (including pre-employment checks) applies regardless of whether the applicant is applying for a full-time, part-time or casual position. Labour sourced from third-party labour providers, regardless of employment type, also undergo pre-employment checks prior to commencement.

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

Our P&C team and management continue to assess the English proficiency of all new recruits and, if required, engage a translator to facilitate and assist with the translation of employment contracts and other relevant employee documentation, such as the Employee Handbook and Code of Ethics, to ensure all employment rights and conditions are clearly understood. Employees are offered and provided literacy skills and training if necessary.

#### **Supply chains**

To identify and assess risks within our supply chain, most of our Australian businesses have a supplier self-assessment questionnaire. These questionnaires are targeted and sent to higher-risk suppliers so that we can better understand any potential modern slavery exposure for that specific supplier. In respect of our current supplier base, we have rolled out 69 questionnaires to higher-risk suppliers, of which we received 34 responses. It continues to be an on-going challenge to obtain responses from suppliers, despite consistent follow up by the team. While the response rate has been much lower than expected, the responses we did receive provided some valuable insights into how some of our high-risk suppliers

were tackling and mitigating the risk of modern slavery in their operations and supply chain. Where no supplier responses were received, the MS Working Group undertook their own due diligence on these suppliers using publicly available information to assess their modern slavery risk where possible.

During FY23, new software solutions were explored and investigated with a view to streamlining our supplier due diligence process, along with providing greater visibility, transparency, and reporting capabilities on our supply chain across our Australian businesses. The implementation of this new software platform in FY24 is expected to enable us to expand our due diligence process to cover more tier 1 suppliers, particularly those operating in high-risk industries identified above, and will also help improve our response rate. The new platform should also provide more granularity and visibility, helping us to expand our assessment to tier 2 suppliers (i.e. the suppliers of our high-risk tier 1 suppliers) and give us greater insights of the risks down our supply chain to the source.

## Risk Mitigation

### **Operations**

Recognising the risks associated with a temporary workforce, we ensure that the majority of our workforce is directly hired by the business, rather than being employed through a third-party labour provider. This approach ensures that we have sufficient oversight to monitor and manage the working conditions of our employees and ensure all relevant labour standards are met.

Various systems and processes are in place to monitor employee working hours. Our site managers are responsible for reconciling and approving employee working hours to ensure the business is aligning with the industry award and no employee is working excessive hours. Audit trail reports from payroll systems and timesheet summaries are also regularly reviewed by our Finance teams, in combination with the use of technology such as digital scanners (where available) to help monitor and track employee working hours.

To manage risks associated with our migrant workforce, we regularly monitor visa compliance to ensure our employees are abiding by their visa conditions. If an employee's visa is due to expire, updated visa checks are performed and in the event that an employee loses their right to work, the P&C team and management will work with employee to remediate the issue.

For most of our Australian businesses, the P&C team utilises an integrated HR system which enables them to closely monitor potential risks around application of correct award levels, pay rates and right to work, and also allows them to complete thorough and consistent background checks on applicants.

A mix of specific third-party and internal training programmes are utilised across the Australian businesses to upskill and increase employee awareness of modern slavery in our supply chains. This modern slavery training is mandatory for employees in roles that have regular touchpoints with potential human rights risks throughout our supply chains, for example, procurement and recruitment functions.

In FY23, we continued providing modern slavery training, extending it from just the senior and middle management teams and key stakeholders (procurement, HR and recruitment functions) to also include operational staff for most of the Australian businesses. Out of these staff, we achieved a 62% completion rate of the modern slavery training prescribed.

### **Supply chain**

Freightways continues to implement and strengthen its systems and processes to further assess the risks of modern slavery in our existing direct suppliers, allowing us to take steps to mitigate identified risks and remediate impacts. Our businesses regularly engage with our suppliers and contractors to maintain strong relationships. These relationships are pivotal to preventing and mitigating risks in our supply chains. Ongoing performance management processes are implemented throughout the Relevant Businesses to ensure that supplier and contractor performance is measured and analysed throughout the contract period.

Leveraging upon the existing performance management processes, we will continue using these capabilities to perform due diligence on high-risk suppliers. So far, the due diligence has consisted of suppliers completing a questionnaire aimed at assessing their policies and practices to identify, assess and mitigate modern slavery risks in their supply chains and operations. As mentioned previously, the response rate in FY23 has continued to be low, albeit, those that we have received have mostly come from high-risk suppliers, giving us more oversight of potential risks. Going forward, the responses will allow us to estimate a residual risk rating for each supplier and identify any suppliers with a medium-high or high residual risk, which may trigger further review. The respective business will then work in collaboration with the supplier to address any weaknesses in their modern slavery risk management approach.

## Grievance Mechanisms and Remediation

We recognise the importance of providing a formal grievance mechanism to bring about effective remediation should instances where we have caused or contributed to modern slavery be identified. Freightways has a Protected Disclosure (Whistleblower) Policy that applies to all subsidiary entities within the Group. All employees and contractors are able to raise grievances directly to managers or delegated persons, or via the Whistleblower hotline. The Policy sets out the Company's internal procedures for how a protected disclosure can be made and how the disclosure will be investigated. Where adverse impacts in operations or supply chains are identified (either directly or indirectly), we recognise the need to engage with affected stakeholders to remediate any harm caused.

No modern slavery related complaints were received via the hotline or any other channels during FY23. Freightways recognises that given the inherent modern slavery risks identified in our supply chain, it is possible that there were grievances around modern slavery during FY23 which were not communicated via the hotline or other channels. We recognise that the grievance mechanism requires continuous monitoring and improvement to ensure its accessibility and functionality.

In FY24, we will continue to provide training to staff to increase their ability to identify instances of modern slavery and inform them of how to respond to these using our grievance mechanism. This ensures that staff, contractors and suppliers understand what can be raised through the hotline.

## Evaluating Effectiveness

We recognise the value of understanding how effective our actions are in addressing modern slavery risks. The key initiatives undertaken in FY23, and a description of how they help us to measure our effectiveness, are provided below. To better assess our progress, we are also considering quantifiable metrics, such as the number of responses to our supplier questionnaire and percentage of high-risk suppliers engaging in corrective actions. These are a focus area for FY24.

Initiatives undertaken in FY23	How this helps us to measure our effectiveness
<b>Expanded the modern slavery training programme to operational staff and also provided refresher courses to senior management, middle management and key stakeholders in most Australian businesses to increase awareness of modern slavery risks.</b>	Assists in monitoring steps taken and their impact over time.
<b>Explored and investigated new software solutions to streamline the supplier due diligence process, as well as provide greater visibility, transparency and reporting on our supply chain across our Australian businesses.</b>	Assist us in monitoring our suppliers and re-evaluate a supplier's risk profile upon completion of questionnaires, as well as engaging with suppliers on corrective actions as required.
<b>Continued periodic reviews between the CFO and MS Working Group to discuss modern slavery responses and progress.</b>	Helps enable dialogue around progress to promote accountability and a proactive response to modern slavery.

## The Way Forward

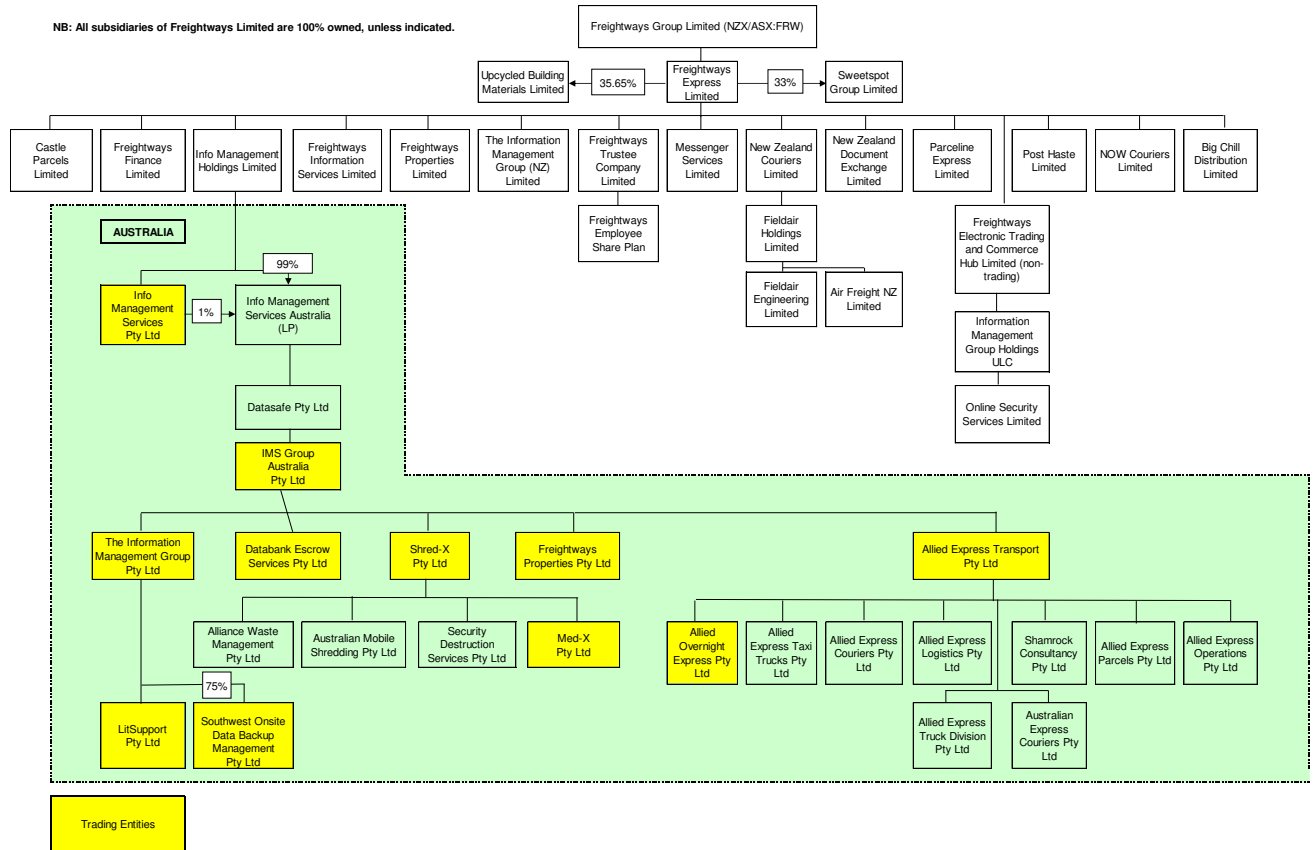
We recognise that we are on a journey, and we aspire to improve and advance our approach to modern slavery risk management over the short, medium and long term. We also recognised that the recently Allied Express business is not at the same level of maturity as our existing Australian business from a modern slavery journey perspective and work will be required over the next 12 months or so to get them to or at a similar level. Our current and future approach is described below.

Focus Area	Actions for FY24	Longer term goals
<b>Commitment</b>	<ul style="list-style-type: none"> <li>Address and combat modern slavery within our operations and supply chains through implementation of our actions and reporting on key achievements.</li> </ul>	<ul style="list-style-type: none"> <li>Collaborate with civil society and other initiatives to cross-share expertise and support, such as Know the Chain, Stronger Together.</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>Ensure that the Working Group, with representatives from the relevant businesses (including recently acquired businesses), continuously reviews existing processes and suggests ways to strengthen our risk identification and management.</li> <li>Finalise and implement Human Rights Policy.</li> <li>Develop and establish a charter for the MS Working Group.</li> </ul>	<ul style="list-style-type: none"> <li>Set up a formal mechanism/forum to engage periodically with supplier/vendor/stakeholder networks and understand concerns relating to modern slavery engagement. This may be an expansion of the existing MS Working Group.</li> <li>Invest in creating a modern slavery roadmap, consisting of review plans on effectiveness of policies and procedures. This may include outcome measurement on long term goals, as opposed to setting KPIs.</li> </ul>
<b>Risk Assessment</b>	<ul style="list-style-type: none"> <li>Continue to perform regular due diligence on highest risk suppliers, as identified in the risk assessment and expand process to incorporate recently acquired Australian businesses.</li> <li>Implement new software platform to streamline due diligence process.</li> </ul>	<ul style="list-style-type: none"> <li>Introduce a tiered due diligence framework with corrective actions for low/medium/ high risk suppliers.</li> <li>Leveraging off our strong supplier relationships, map our tier 2 suppliers (i.e. the suppliers of our material, highest risk tier 1 suppliers) and perform a risk assessment of these tier 2 suppliers where it is feasibly and practically possible.</li> <li>Obtain independent audit over high-risk suppliers' processes where it is feasibly possible.</li> </ul>
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>Develop a risk-based supplier management framework for Australian entities that will inform management of controls required for suppliers to deal with modern slavery.</li> <li>Finalise the Supplier Code of Conduct and share it across the supplier network. Include communications to educate supplier and vendor network of changes due to the Supplier Code of Conduct.</li> <li>Include Supplier Code of Conduct in supplier sourcing/tender documentation and in new supplier onboarding processes and procedures.</li> <li>Include modern slavery clauses in all new supplier contracts and progressively update existing supplier contracts as they come up for renewal.</li> <li>Commit to signing up the majority of Freightways' tier 1 suppliers (based on spend) to the Supplier Code of Conduct.</li> </ul>	<ul style="list-style-type: none"> <li>Formalise the framework by FY25.</li> <li>Include clauses on modern slavery considerations within supplier tender process.</li> <li>Work towards having all of Freightways' tier 1 suppliers signed up to the Supplier Code of Conduct, starting with the highest risk suppliers.</li> <li>Remediate any instances of non-compliance with the modern slavery clauses in the supplier contracts.</li> </ul>
<b>Grievance and Remediation</b>	<ul style="list-style-type: none"> <li>Continue to review the effectiveness of the grievance mechanism.</li> <li>Expand the communication of our internal grievance and remediation mechanisms to incorporate external parties, as required.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to review the Protected Disclosure (Whistleblower) Policy in accordance with Freightways' policy review cycle.</li> </ul>

Focus Area	Actions for FY24	Longer term goals
<b>Training</b>	<ul style="list-style-type: none"> <li>• Roll-out modern slavery training to recently acquired Australian businesses, specifically focusing on the leadership team and middle management, as well as key employees involved in procurement and recruitment of personnel.</li> <li>• Continue to develop refresher courses and sessions relating to Modern Slavery 101</li> </ul>	<ul style="list-style-type: none"> <li>• Invest in long term training and awareness-raising of modern slavery across the business for both new and existing employees.</li> </ul>
<b>Monitoring and Reporting</b>	<ul style="list-style-type: none"> <li>• Establish key metrics to track our performance and set tangible targets where applicable.</li> <li>• Increase visibility and transparency into supply chain through implementation of new software platform</li> </ul>	<ul style="list-style-type: none"> <li>• Formalise the process to report on status of due diligence activities and operational and supplier performance to the Leadership Team.</li> </ul>

## Appendices

### Appendix 1: Freightways Group Structure



## Appendix 2: Australian Modern Slavery Act 2018 Index

Freightways Group prepared its 2023 Modern Slavery Statement in accordance with the mandatory criteria listed in s16(1) of the Australian *Modern Slavery Act 2018*. The table below lists the criteria and the sections in our Statement that address each.

Reference	Australian Modern Slavery Act 2018 (Cth) mandatory reporting requirement	Location of information
s 16(1)(a)	Identify the reporting entity	Page 1 – About this Statement Page 3-4 – Australian Operations
s 16(1)(b)	Describe the structure, operations, and supply chains of the reporting entity	Page 1 – About this Statement Page 3 – Our Business
s 16(1)(c)	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	Page 6-8 – Modern slavery risks in our operations and supply chains
s 16(1)(d)	Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	Page 8-11 – Our approach to modern slavery risk management
s 16(1)(e)	Describe how the reporting entity assesses the effectiveness of such actions	Page 11 – Evaluating Effectiveness
s 16(1)(f)	Describe the process of consultation with: i) any entities that the reporting entity owns or controls; and ii) in the case of a reporting entity covered by a Statement under section 14 – the entity giving the Statement	Page 8-9 – Modern Slavery Working Group
s 16(1)(g)	Include any other information that the reporting entity, or the entity giving the Statement, considers relevant	Page 6 – Modern Slavery Commitment Page 11-13 – The Way Forward Page 14 – Appendix 1: Freightways Group Structure