



2023 Modern Slavery Statement

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Message from the

Group CEO & Managing Director



People have always been at the heart of Australia Post. Our extended workforce team members, who contribute to our value chain or are part of our community should be treated with dignity and respect, whether they are based in Australia or overseas. Australia Post is committed to protecting, respecting and remediating any adverse human rights impacts. As one of Australia's largest workforces, the safety of our people is our top priority.

Our 2025 Sustainability Roadmap (**Roadmap**) outlines our plan to deliver a sustainable future that benefits all Australians. It includes our commitment to continually improve supply chain sustainability, traceability and transparency. The Roadmap is underpinned by our Post26 strategy that guides our commitment to operating ethically and transparently, ensuring we deliver a sustainable future.

Released in May, the Global Slavery Index 2023 reported that an estimated 50 million people are living in modern slavery globally. Of great concern is that more than 40,000 people in Australia live in modern slavery, representing a doubling over the past four years. This dire statistic demonstrates that our job is not done; that we must continually evolve and enhance the way we assess and mitigate modern slavery risk factors.

In 2018 Australia Post established a Modern Slavery Working Group tasked with this challenge. Including representatives from across the enterprise, the Working Group concentrates on protecting people who are employees or are engaged in our extended workforce, and people who make the products we procure through our supply chain, whether they are used within the business, sold online or through our retail Post Office Network.

Incident preparedness was a key focus in FY23. We delivered updated modern slavery red flag training to over 90 employees, selected as those likely to be closest to potential incidents of modern slavery.

Another key focus was the establishment of a framework and the commencement of deeper assessments on Tier 1 and Tier 2 suppliers, as we acknowledge that modern slavery is likely to occur deep within complex supply chains. We're committed to continuous improvement and driving deeper supply chain transparency year-on-year so we can play our role in eradicating this hidden crime.

Australia Post supports the Australian Government's efforts to assist the business community in addressing modern slavery and to champion the drive for continuous improvement. We will 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.

A handwritten signature in black ink, appearing to read 'Paul Graham', written over a horizontal line.

Paul Graham
Group CEO and Managing Director

2023 Achievements



Modern Slavery Working Group

Undertook a review of the Working Group, resulting in the addition of new members to represent higher-risk areas across our extended workforce, including; our Licensees, Delivery and Courier networks, Facilities Management and Labour Hire.



Supply Chain Due Diligence

Evolved our approach to supply chain due diligence with a focus on establishing a framework to conduct deeper assessments on Tier 1 and Tier 2 suppliers. Further, 100% of all in scope contracts were assessed for Modern Slavery Risk.



Our Workforce

Delivered updated modern slavery red flag training for more than 90 employees who are most likely to be the first line in dealing with reports of potential incidents of modern slavery.



Facilities Management

A compliance review of all the facility management vendors for Australia Post was completed by our outsourced property services provider, resulting in greater visibility of subcontracting and improved modern slavery risk management.



Our Licensees

Assisted our Licensees to better understand and meet their workplace laws obligations through supplying updated training and support material. Enhanced our framework to monitor Licensee compliance within the network.



Labour Hire

Dedicated responsibility from Group Procurement, namely Procurement Lead and Vendor Manager to conduct audits and manage compliance with workplace laws across our labour hire panel.



Extended Workforce for Deliveries

Evolved our compliance program with a newly formed Network Partners compliance team. Completed 120 proactive compliance audits on Australia Post Delivery Business Partners.

1. Scope of the Statement

Purpose and scope of this Statement

This FY23 Modern Slavery Statement (**Statement**) is prepared by Australian Postal Corporation ABN 28 864 970 579 (**Australia Post**) pursuant to the Australian Modern Slavery Act 2018 (Cth) (Act). This Statement is a Joint Statement also made by Australia Post on behalf of the Australia Post Group subsidiaries that are reporting entities for the purposes of the Act during the financial year ended 30 June 2023 (reporting period). Those entities are detailed further in Section 2.

This Statement relates to the operations, subsidiaries and suppliers of Australia Post. It was approved by the Australia Post Board of Directors on 21 November 2023. The consultation, internal drafting and approval process is further outlined in Section 6.

The Statement sets out the actions taken by Australia Post to address modern slavery risks in our business and supply chain throughout the reporting period. Each section in this Statement corresponds to a mandatory criterion 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.¹ 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

At Australia Post we're committed to protecting, respecting and remediating adverse human rights impacts including addressing the risk of modern slavery. 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 employees, but also addressing potential risks to workers in our extended workforce and those faced by the labour force involved in producing the products and delivering 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.



¹ Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities: <https://modernslaveryregister.gov.au/resources/>

1. 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 Limited ACN 001 227 890
- Star Track Express Holdings Pty Limited ACN 106 690 153
- Star Track Express Investments Pty Limited 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

Australia Post Global eCommerce Solutions (UK) Limited (a wholly owned subsidiary registered in the United Kingdom) is required to report under the *Modern Slavery Act 2015* (UK). While not a reporting entity for the purposes of the *Australian Modern Slavery Act 2018* (Cth), we consult with Australia Post Global eCommerce Solutions (UK) Limited, sharing knowledge and learnings from Australia Post.



2. 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 in the nation. We are continually evolving to meet the changing expectations of our customers and communities and to deliver a better tomorrow.

Australia Post is a Government Business Enterprise (GBE). This means we are an entirely self-funded business, with both commercial and community service obligations. Any profit we earn is either used to pay a dividend to our shareholder (the Australian Government) or reinvested in our assets and services, so that we’re equipped to meet the changing needs of customers and communities.

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 customers and communities. We provide a service that is accessible to all Australians. We also have one of Australia’s largest and most diverse workforces, creating jobs across the country including through Licensed Post Offices and contracted delivery drivers. Our TIES values of Trust, Inclusivity, Empowerment and Safety underpin everything we do – the services we deliver, the products we provide, and importantly how we behave and communicate with each other and our customers. We trust our people to do the right thing. We respect everyone. We find a way and we support each other so that everyone feels safe and well.

In FY24, we will continue to deliver against our “Post26” enterprise strategy that is designed to deliver three imperatives: supporting each other, delighting our customers and communities, and creating a sustainable future.



Our 2025 Sustainability Roadmap amplifies our previous ambitions and outlines how we’re going to keep improving by embedding sustainability throughout the enterprise. Driven by our purpose of delivering a better tomorrow, it’s based on six initiatives to create positive social, environmental and economic outcomes. The Roadmap directly supports and is underpinned by the UN Sustainable Development Goals – the globally recognised blueprint to ensure people live in a safer, cleaner, more equal and prosperous world. 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

With our national support centre based in Melbourne, the Australia Post Group comprises Australian Postal Corporation, and various domestic and international subsidiaries and shareholdings. Our Australian based operating entities include:

- Star Track Express Pty Limited – road and freight services;
- StarTrack 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 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 AP International Holdings Pty Ltd, 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 other Australia Post Group domestic and international subsidiaries and shareholdings are published in the Australia Post Annual Report.

* In FY23 we announced the planned closure of Decipha Pty Ltd by 30 June 2025.

** As of 10 October 2023, POLi Payments Pty Ltd is no longer an operating entity of Australia Post however it was for the duration of FY23.

2. Who We Are

Snapshot of our Enterprise



Our FY23 Results

\$8,965 million
revenue

\$200.3 million
loss before tax

2.5 billion items
delivered around Australia

234,000 small businesses supported
with MyPost Business

813 million customer digital visits

202 million
million visits to our Post Offices



Our People & Diversity

64,000+ team
team members and
extended workforce
members, comprising:

50% drivers delivering
to our customers

24% retail workers in our outlets

15% facility or operational workers
such as mail sorting

9% corporate team members in our
support offices

2% sales or customer contact
centre team members

Our people represent 148 nationalities,
with 3% identifying as Aboriginal and
Torres Strait Islander people and close
to 6% living with disability



Our Operations & Reach

4,271
Post Offices

2,507
in rural and
remote communities

14,934 street posting boxes

710 banks of parcel lockers
and more than
57,000 lockers

5,098 electric delivery vehicles

27% increase
in our own **solar generation**



Our Supply Chain

4,866
suppliers

to the Australia Post Group

4,728 suppliers
through Group Procurement

138 suppliers
through Retail Merchandise

Just under
\$3 billion
Group Procurement spend

\$116 million
Retail Merchandise spend

**3,571 Licensed Post Offices
and Community Postal Agencies**
who oversee their own
procurement

3. 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 Guidance² 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

The majority of new supplier contracts assessed in FY23 generated an inherent Low Risk rating utilising our Pre-Screen Assessment (which leverages Sedex’s Pre-Screen tool). This is consistent with previous years’ assessments and supports the assertion that Australia Post operates in an inherently low risk sector for modern slavery risk.

Due to the visibility of our direct workforce, there is a low risk of modern slavery with direct employees. Moderately higher-risk areas where we focus our efforts to assess and address modern slavery risks are therefore targeted at our extended workforce.

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.

² Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities: <https://modernslaveryregister.gov.au/resources/>

3. Our Risks

Summary of Risks & 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
Our people: indirect Post Office and delivery workforce	Workers indirectly engaged in our delivery and courier networks including sub-contractors. Workers that are employed by Licensees who operate Licensed Post Offices and Community Postal Agents.	Workers in our extended workforce with whom we do not have an employment relationship pose a higher-risk as we have less control over the conditions of their engagement, compared to our employed workforce. We also use contractors, agents and labour hire, which are considered risk factors. ³	<ul style="list-style-type: none"> • Strong contractual arrangements including limiting tiers of subcontracting in our delivery network. • Due diligence processes to assess risk of non-compliance before delivery services are accepted, and in the event a principal courier is engaging personnel. • Assist Licensees to understand and meet their workplace laws obligations and a framework to monitor Licensee compliance within the network. • Audit and monitoring of supplier compliance with workplace laws in higher-risk labour segments and vulnerable workforce groups. • Workforce education, employee training and Whistleblower awareness and access.
Our people: sub-contracted service providers in our facilities	Workers in service areas identified as higher-risk such as cleaners and security personnel.	We have approximately 1600 sites across Australia that are managed by our Property Services Provider who helps us identify and manage risks. Approximately 30 sites are managed by another supplier for specialised guarding and air cargo screening. We know that certain services, like cleaning and security, are considered high-risk industries for labour exploitation. ³	<ul style="list-style-type: none"> • Auditing our outsourced Property Services Provider. • Working collaboratively to identify key risks and the implementation of a vendor compliance framework.
Our network: procurement for our business	Workers producing goods and services sourced via our formal procurement process and via delegated authority.	The majority of our procurement 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 (see Section 4). We also note a degree of potential risk in relation to our decentralised low value purchasing by team members.	<ul style="list-style-type: none"> • Group Procurement principles, systems and policies including supplier due diligence and risk management. • Supplier pre-screening process to identify high-risk suppliers. • Sedex or BSCI assessments conducted for high-risk suppliers. • Our team is trained to better incorporate modern slavery risk into their sourcing decisions.
Our network: Retail Merchandise, Licensed Post Offices and Community Postal Agents	Workers producing goods procured by Retail Merchandise for sale in our outlets or procured directly by Licensed Post Offices and Community Postal Agents.	We source a range of goods for sale in our stores, which includes a range of high-risk categories such as electronics, toys and appliances. In addition, Licensees who operate our Licensed Post Offices are independent business owners and can source product through independent channels. This gives Australia Post limited visibility and control over their sourcing standards.	<ul style="list-style-type: none"> • Use of Group Procurement principles, systems and policies for retail sourcing including supplier due diligence and risk management. • We do not commercially engage suppliers unwilling to provide the required documentation as they are deemed high-risk. • Ongoing training is conducted to incorporate modern slavery risk assessment into decision-making about our product range and how it's sourced. • Educational materials are shared with Licensees and Community Postal Agents to support raising awareness of modern slavery.
Our customers and community: our customer network	Workers producing items that we may carry through our network on behalf of our customers.	Acknowledging that Australia Post is only permitted by law to open and examine the contents of mail items in limited circumstances, 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"> • Out of scope of the Act.

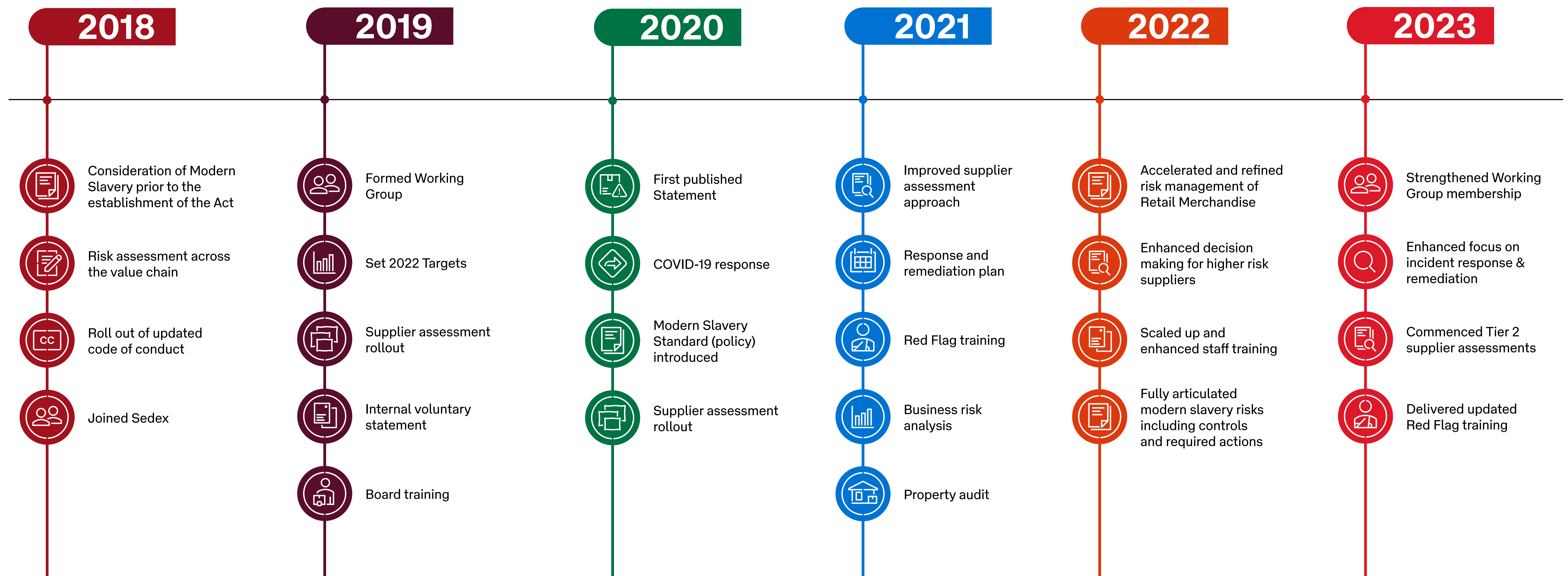
³ Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities: <https://modernslaveryregister.gov.au/resources/>

4. 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 six years.



4. 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 and provides updates to the Audit & Risk Committee (prior to May 2023 updates were provided to the People & Sustainability Committee) and the Board through sustainability reporting. In FY23 we undertook a review of the Working Group to ensure its members adequately represented the maturity of our program of work and the higher-risk areas across our operations and supply chain - resulting in additional members joining. Representation now includes risk and compliance, sustainability, procurement, retail merchandise, security, employee relations, retail network, delivery network, facilities management, governance and legal team members.

The group leads a business-wide program of work to address modern slavery risk. During FY23 the Working Group:

- Developed an annual plan with goals and objectives (see Section 5);
- Held regular meetings with Working Group members, with each representative reporting on their progress;
- Held capability building sessions for Working Group members (see Section 4);
- Regularly briefed relevant leaders and executives, and reported on relevant targets to the Audit & Risk Committee;
- Worked closely with Group Risk to review and update our modern slavery risk assessment and controls in the enterprise risk register;
- Engaged with relevant wholly-owned subsidiaries to keep them informed and updated on our program of work (see Section 6);
- Continued to engage Australia Post Global eCommerce Solutions (UK) to better understand its approach to modern slavery assessment and mitigation, and;
- Focused on delivering the 2025 Sustainability Roadmap including our commitment to continually improve supply chain sustainability, traceability and transparency.



4. Our Actions

Overview & Timeline

Our guiding policies and principles

Australia Post 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>Organisational Policies</p>	<ul style="list-style-type: none"> • Our code of conduct, <i>Our Ethics</i>, embodies our Group-wide commitment to addressing modern slavery. • Our Modern Slavery Standard functions as a stand-alone policy document on modern slavery, aligned to relevant standards and principles. • Our workforce arrangements including our policies and procedures are developed and maintained in accordance with relevant Australian workplace laws which reflect fundamental human rights. • Our Group Whistleblower Policy, Guidelines and Whistleblower Hotline provide a grievance reporting mechanism for people both within and outside our business, including our extended workforce. • Our Procurement policy and frameworks provide guidance on ethical purchasing.
<p>Sustainable Procurement Principles</p>	<ul style="list-style-type: none"> • Our Sustainable Procurement Principles, established in 2018, are: <ul style="list-style-type: none"> - Workplace health, safety and wellbeing is never compromised - Zero tolerance for harassment, abuse and discrimination - Prioritise social enterprises, Indigenous and ethically certified goods and services - No exploitative or forced labour and wage practices must be fair - Rights to freedom of association and collective bargaining are respected - Environmental impacts and hazards are minimised
<p>Supplier Code of Conduct</p>	<ul style="list-style-type: none"> • 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.
<p>UN Global Compact Principles</p>	<ul style="list-style-type: none"> • 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.
<p>2025 Sustainability Roadmap</p>	<ul style="list-style-type: none"> • Our 2025 Sustainability Roadmap sets out initiatives and targets aligned to the Sustainable Development Goals, including to: <ul style="list-style-type: none"> - Continually improve supply chain sustainability, traceability and transparency; and - Partner with suppliers to reduce environmental and modern slavery risks

4. 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	Assessing Risk	Managing Risk
<p>Our Sustainable Procurement Principles underpin our approach</p>	<p>All new contracts with a value greater than \$250,000 per annum or \$500,000 total contract value are in scope (plus all retail suppliers)</p>	<p>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</p>
<p>We provide our Code of Conduct to suppliers</p>	<p>Our pre-screen assessment considers inherent risk of the product category and country of origin, using Sedex data</p>	<p>Risks are escalated for decision-making</p>
<p>Contractual clauses set out supplier obligations</p>	<p>Suppliers with higher inherent risk are required to complete the Sedex Self Assessment Questionnaire (SAQ)</p>	<p>We conduct supplier audit where relevant and feasible</p>
<p>We train procurement team members and people with purchasing authority (see page 22)</p>	<p>The SAQs are evaluated</p>	<p>We reserve the right to review the supply relationship should supplier not improve performance</p>

4. 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 FY23 we maintained our risk-based approach to managing modern slavery risk in the procurement process. It is built around the following key pillars:

- Triage high-risk suppliers for further assessment based on our pre-screen process which draws on inherent risk according to supply category and country-of-origin; and
- Leverage the full Sedex assessment platform to underpin our approach, including requiring all suppliers that pre-screen as medium or high-risk to complete the Sedex Self Assessment Questionnaire (SAQ).

As part of an ongoing commitment to continuously improve our supplier assessment framework, we have updated our framework to conduct deeper assessments within categories that consistently generated high-risk ratings through pre-screening and SAQs.

This framework includes additional questions in our tender documents that focus on gaining deeper transparency on Tier 1 and Tier 2 suppliers, including the requirement for Tier 2 manufacturing facilities to provide copies of Labour Standards audits and related corrective action reports (e.g. Sedex Members Ethical Trade Audit (SMETA) or Business Social Compliance Initiative (BSCI) as part of our due-diligence process for new contracts.

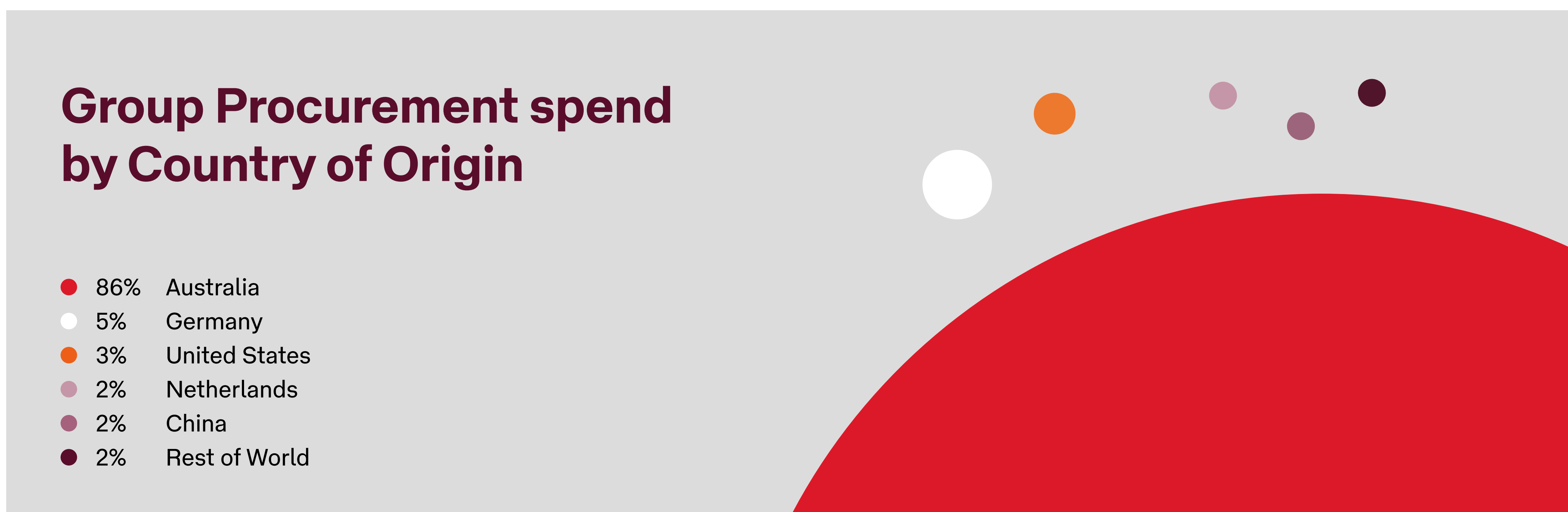


4. Our Actions

Managing Risk in our Supply Chain

Our supply chain in FY23

In FY23, Australia Post Group spent approximately \$3 billion, procuring goods and services from more than 4,700 suppliers across our business operations. Key areas of spend include Logistics, Fleet, People & Professional Services, Property, Information Technology & Telecommunications (IT&T) and a range of Business Services.⁴ The majority of our spending occurs with direct suppliers in Australia (86%). 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.



⁴ FY23 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.

4. Our Actions

Managing Risk in our Supply Chain

Managing risk in our supply chain

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 and has informed the design of our framework to begin performing deeper assessments on Tier 2 suppliers.

The table sets out inherent risks across our main sourcing categories.

	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

4. Our Actions

Managing Risk in our Supply Chain

FY23 Supplier Assessment Summary

Having successfully achieved our previous goal of assessing all existing suppliers last financial year, this year the approach was dedicated to focusing on assessments of new contracts. This resulted in:

- 100% of in-scope suppliers linked to new contracts being pre-screened (169 suppliers).
- 19 pre-screened suppliers were deemed high-risk, requiring completion of the Sedex Self-Assessment Questionnaire (SAQ). All 19 suppliers successfully completed the SAQ.
- 2 out of the 19 suppliers (11%) generated a high-risk flag through their SAQ, indicating areas of potential risk. Through further investigation of these SAQs, the suppliers satisfactorily passed, effectively managing labour force and health and safety practices.
- These assessments did not identify any instances of modern slavery.
- Implementation of an enhanced framework to perform deeper assessments of Tier 2 manufacturing facilities within our highest-risk categories. See Case Study 1 for further details.



Case Study 1: Deeper assessment of Tier 2 manufacturing facilities through the tender process

Our approach to date has focused on conducting assessments of our Tier 1 suppliers. The next phase of our maturity has been to gain greater transparency of Tier 2 suppliers, with a focus on manufacturing facilities linked to our high-risk categories.

To achieve this, we designed an approach to target these categories during the tender evaluation process. This proactive approach means modern slavery risk considerations are included as part of the selection criteria. The first purchasing event utilising this approach was the operations and retail uniforms tender, which was released to market in the second half of FY23.

The updated tender documentation now requests additional information pertaining to evidence and reporting of the supplier's modern slavery risk management frameworks, as well as copies of relevant audit reports and any associated corrective actions (eg SMETA or BSCI) from their third-party manufacturing partners.

At the time of writing this report the operations and retail uniforms tender was still in the supplier evaluation stage. We are encouraged by the transparency and quality of the information provided by the tendering organisations.

We plan to replicate this approach for other key tenders across high-risk categories throughout FY24.

4. Our Actions

Managing Risk in our Supply Chain

Retail Merchandise

Our Retail Merchandise function ‘Retail Merchandise’ operates separately from the Group Procurement Function ‘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 \$116m in FY23. 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.

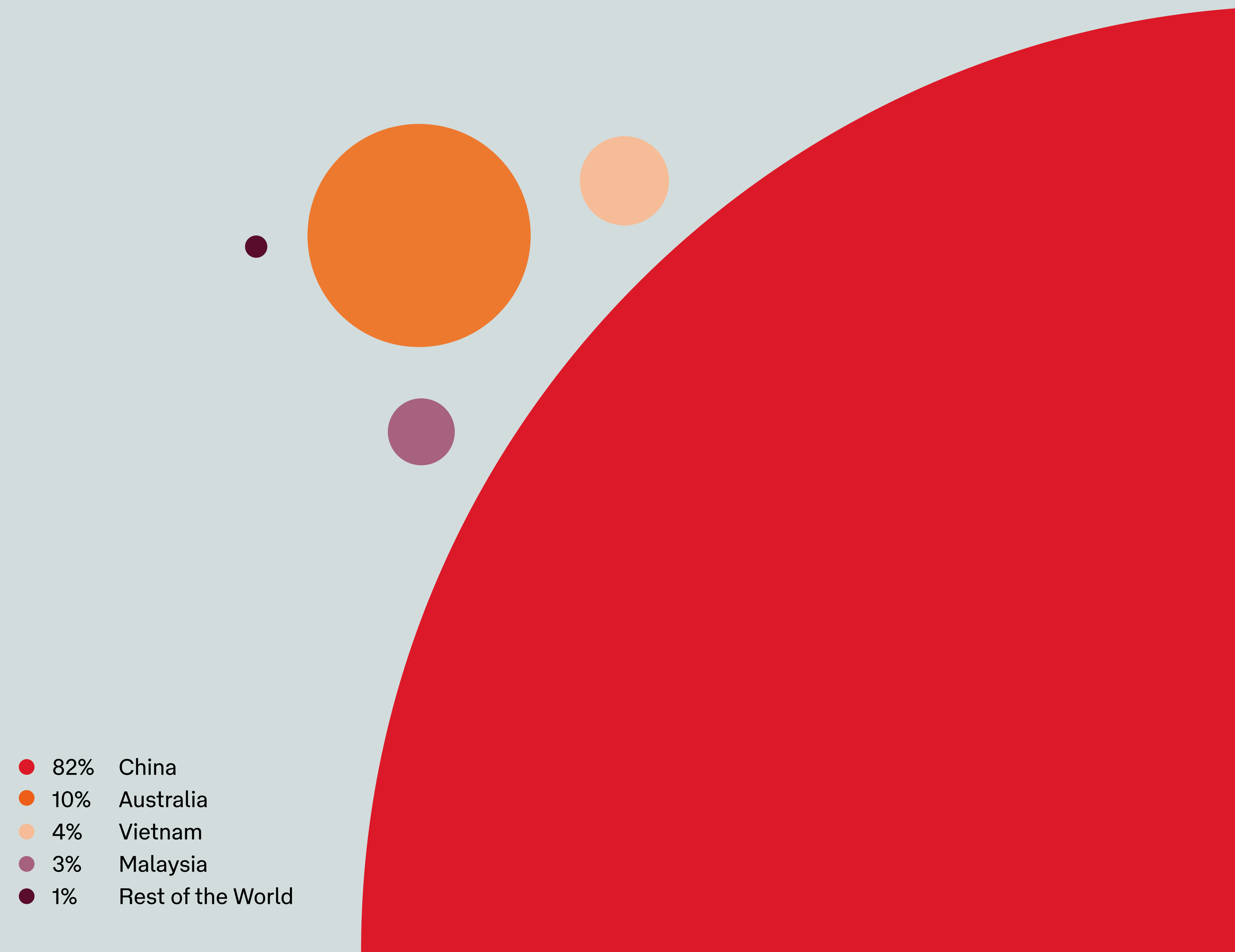
Our risk management approach and FY23 progress

Retail Merchandise adopts the same risk assessment approach as Group Procurement. This includes pre-screening for inherent risk, and then prioritising higher-risk suppliers for detailed assessment 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.

In FY23 we focused on range rationalisation and reducing the number of suppliers with whom we are partnering. This contributed to an overall reduction in our modern slavery risk. In FY24 we will continue to ensure all new suppliers provide copies of Labour Standards audits and related corrective action reports (e.g. SMETA or BSCI), with additional focus on a) revisiting current supplier assessments to ensure audit information is current and b) conducting deeper supply chain due diligence on higher-risk suppliers, assessing in scope Tier 2 suppliers and factories that supply Australia Post own branded and private label retail products.

In addition, as independent business owners, our Licensees and Community Postal Agents oversee their own procurement processes. They can source goods and services both via Australia Post and independently. We will continue to engage and educate our Licensees about modern slavery risk assessment and guide them towards making better purchasing decisions.

Retail Merchandise spend by Country of Origin



4. Our Actions

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 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.

Relevant actions in FY23

The following details key actions taken in FY23 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.

- Workforce education and awareness raising:** Delivered updated modern slavery red flag training to more than 90 employees who are most likely to be the first line in dealing with reports of potential incidents of modern slavery.
- Workforce compliance:** We are committed to ensuring our direct and extended workforce are being paid fairly for the work they perform (including receiving all legal entitlements) and that we have systems and controls in place to identify and address any non-compliance with workplace laws. In 2021 we conducted a review of our systems for managing the risks of non-compliance with laws relating to workers and have implemented improvements to our systems and controls arising from this review.
- Delivery Contractor Compliance Management System (CMS):** CMS is an online portal that allows near real-time reporting of compliance processes and workflow management to address remediation actions raised. Our focus during FY23 was training Delivery Partners and operational management via self-service modules, on-line and in-person training to support the effective use of CMS. The data captured within the CMS allows us to monitor, report and manage current or emerging non-compliance risks across our Deliveries Extended Workforce.
- Deliveries compliance monitoring and investigation:** We performed 120 proactive compliance audits across our delivery service providers using a risk-based approach. Our audits assessed for underpayment, sham contracting and in FY24 we will recommence assessing visa compliance given the Commonwealth Government has reintroduced visa work hour restrictions (i.e. caps on hours of work for student visa holders) from 1 July 2023. We undertake due diligence assessments before engaging our contractors or renewing their contracts, assessing workforce compliance risks around their workforce engagement model, including; visa compliance, underpayment, and sham contracting.
- Whistleblower investigations:** We investigate all Whistleblower matters. In FY23 we received and investigated 45 matters (46 in FY22) related to our Deliveries and Retail Extended Workforce Networks. 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 laws obligations and put in place a framework to monitor Licensee compliance within the network. The mandatory training and support resources we supply Licensees was refreshed and updated in FY23. Where we become aware of potential compliance concerns within a Licensed Post Office, a 'for cause' audit is undertaken by independent auditors to ensure compliance with relevant workplace laws. Should remediation of any identified issues be required, it is likewise overseen by independent auditors. We also proactively monitor Licensee compliance through random proactive audits and assessments. If Licensees seek approval to hold an additional LPO licence to operate another LPO, an independent assessment is undertaken of the Licensee's compliance with workplace laws in the current LPO. 278 Licensees have now been subject to an independent assessment of their compliance with their workplace laws obligations.
- Labour hire:** Our contracted panel of labour hire agencies is managed by the Procurement Lead and Vendor Manager in the Group Procurement team. The manager conducts compliance work and audits on labour hire providers to ensure compliance with all workplace laws, Australia Post Group Pre-Employment Standards and Enterprise Agreement (EA) pay rate requirements. During FY23 the auditing and reporting cycles have been embedded as a business as usual process, ensuring labour hire agencies are fulfilling their requirements, candidates have received the correct pay rate in accordance with the relevant EA (where required), are screened appropriately and aligned to the role to be performed prior to commencing work.
- Property services:** To further improve transparency, we have continued to work with our property services provider, to assess the vendors they engage on behalf of Australia Post. A compliance framework, including a vendor audit and survey program, was implemented across FY23, resulting in 361 vendors being audited or surveyed. The review has involved assessing compliance statements and documentation covering modern slavery, code-of-conduct compliance, labour hire licensing, and the process for engaging sub-contractors. We achieved a review rate of 99%. Any vendors that have not been used within a 12-month period are suspended, so they cannot be engaged without compliance checks. We also updated our Solar Photovoltaic Design Guidelines, the procurement of which is managed by our property services provider, to strengthen modern slavery compliance.
- 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, the vendor survey and audit program strengthened subcontractor visibility and monitoring of controls for engaging sub-contractors. We have improved visibility of subcontractors and we have not identified evidence of any instances where second-tier subcontracting is occurring. Ongoing auditing and compliance framework adherence gives greater transparency in our supply chain to empower us to more effectively assess risk.

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

4. Our Actions

Our Extended Workforce



Case Study 2: Continuous improvement in our Licensee network

Workers in our extended workforce with whom we do not have an employment relationship pose a potentially higher risk of modern slavery as we have less control over the conditions of their engagement, compared to our employed workforce.

Therefore, we continue to focus our efforts on assessing and mitigating risks across key areas of our extended workforce, including the Licensees that operate our Licensed Post Office (LPO) network around the nation.

On 27 October 2017 the *Fair Work Amendment (Protection of Vulnerable Workers) Act 2017* (VW Act) came into effect. While not changing the long-standing obligation on employers regarding their employees, the legislation imposed an obligation on Franchisors to take reasonable steps to prevent breaches of workplace laws by their franchisees. As Australia Post’s LPO network is considered a franchise system, these obligations apply to Australia Post in its capacity as the franchisor of the LPO network. The Fair Work Ombudsman outlined recommended steps to take in managing network compliance, including setting expectations, educating and training, monitoring compliance and taking further action.

Australia Post has always been committed to ensuring that every person who works for the Australia Post Group, whether part of our direct workforce or extended workforce, is engaged, paid and treated in accordance with Australian workplace laws*. We have taken steps in-line with the Fair Work Ombudsman’s recommendation, including:

- Contractual changes to strengthen our ability to manage Licensee compliance.
- Training and support for Licensees to aid them in being compliant with their obligations.

- Independent assessment of Licensee compliance and oversight of rectification.
- We continue to evolve our program of work, and in FY23 undertook the following key actions:
- Updated the training and support materials provided to Licensees, taking into consideration a) feedback from Licensees and their representative associations on how best to support Licensees to meet their obligations; and b) findings from compliance assessments.
- Provided free access to unlimited Human Resource advice through Australia Post sponsored membership to the Australian Retailers Association (ARA).
- Undertook independent assessments in response to specific complaints and proactive assessments where regular random sampling is undertaken across the LPO network. Independent assessments are also undertaken when a Licensee applies to hold an additional LPO licence.
- Developed a Licensee workplace laws compliance self-assessment checklist. This checklist provides Licensees with a tool to readily review their compliance with workplace laws and proactively address any areas requiring attention.

278 Licensees have now been subject to an independent assessment of their compliance with workplace laws. We will continue to work with our Licensees to ensure compliance to workplace laws, mitigating modern slavery risks.

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

4. Our Actions

Training & Remediation

Training & engagement

In FY23 we focused on relevant compliance training for all employees, tailored compliance training for higher-risk areas across our extended workforce, capability and capacity building for key segments of our direct workforce and specific training for procurement team members on our processes and framework to assess and mitigate modern slavery risks.

Our training objectives are:

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

The table outlines our key efforts in FY23.

Topic	Target Participants	Key Content	Outcome
Better Decisions	Mandatory for all employees on commencement, with a refresher every two years.	Our enterprise policies, modern slavery, ethical decision making, incident reporting, whistleblower disclosures.	16,890 Australia Post employees completed this training in FY23*.
Better Decisions – Delivery Partner	Our Extended Workforce, with a refresher every two years.	Our enterprise policies, modern slavery, ethical decision making, incident reporting, whistleblower disclosures.	757 Australia Post team members in our extended workforce completed this training in FY23*.
Workforce training	Employee Relations and HR Business Partners.	What modern slavery is, what are the signs of modern slavery and what to do in the event you see or hear of any potential modern slavery red flags.	Over 90 employees who are most likely to be the first line in dealing with reports of potential incidents of modern slavery were trained in FY23.
Licensee training	Workers in our Licensed Post Offices.	Four compliance modules on workplace laws obligations.	Mandatory training for all licensees. Issued in March 2023, follow up to ensure compliance in line with other mandatory training requirements.
Delivery Contractor Compliance	Operational people responsible for onsite management and our Business Partner teams.	New eLearning training to support Operational and Business Partner teams with compliance and remediation.	Conducted 163 compliance training sessions in FY23, with 922 participants.
Corporate Credit Card	All credit card holders and approvers.	What is modern slavery and how to make risk informed purchasing decisions.	240 employees completed this training in FY23 representing new card holders or those due for refresher training*.
Procurement Compliance	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.	673 employees completed this training in FY23*.
Procurement team training	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. New starters received one-on-one training on our processes and framework.	To supplement training, a specific resource from the Procurement team is available to support team members on an ongoing basis.
Sustainability training	Sales team / all employees.	A Sustainability training module (incl. modern slavery content) was rolled out to empower our sales team to have more meaningful discussions with customers – the module is now available to everyone across the enterprise.	2,076 team members completed the training in FY23.

*Note: Better Decisions, Corporate Credit Card and Procurement Compliance training completion numbers can vary greatly year on year due to training being completed upon commencement, and refresher training every two years.

4. Our Actions

Training & Remediation

Remediation & Response

In FY21 the Modern Slavery Working Group, in consultation with stakeholders across the business and civil society representatives, developed a remediation approach. Our ‘Modern Slavery Incident Response & Remediation Framework’ (**IR&RF**) aims to improve our readiness to deal appropriately with a potential modern slavery incident, should one arise in our extended workforce or broader supply chain.

In line with Commonwealth guidance, our IR&RF 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 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

In FY23 we undertook a review of our IR&RF, with a focus on being better prepared to respond to potential modern slavery incidents. Given the maturity of our program of work, we recognise the need to partner with civil society organisations such as non-government organisations to better plan for, and if required respond to, potential modern slavery incidents. This will be a focus in FY24, along with finalising the review and updating the IR&RF.



5. Effectiveness

The Modern Slavery Working Group is a key mechanism to ensure the effectiveness of our actions. It allows concerted planning and mutual accountability. The purpose of the Working Group is to lead a business-wide program of work to assess and address modern slavery risks across our operations and supply chain.

Updates from Working Group members fosters continuous improvement – 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 FY23 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 and described fully in Section 4.

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

6. 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 subsidiaries (listed in Section 2) are able to access Australia Post's shared services including Risk and Compliance, Security, 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) Limited is not a reporting entity for the purposes of the Act, members of the Australia Post Modern Slavery Working Group and AP Global eCommerce Solutions have shared details of our respective modern slavery risks, programs of work and reporting requirements over the past four years. Moving forward, Australia Post will continue collaborating with AP Global eCommerce Solutions on the preparation of our Australia Post Group Modern Slavery Statement.

As part of the consultation process, updates were provided to the Boards of Australian operating entities, covering the reporting requirements; information regarding the Modern Slavery Working Group; updates on the Working Group's initiatives; updates on the Australian Government's statutory review of the *Modern Slavery Act 2018 (the Act)*; and the ongoing development of the Statement by the Working Group. Reporting entities were engaged in the 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, on behalf of relevant reporting entities within the Group. 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 at the Working Group were consulted – including from risk and compliance, sustainability, procurement, retail merchandise, security, employee relations, retail network, delivery network, facilities management, governance and legal areas. In addition, we consulted subject matter experts and leaders representing other relevant areas (such as Learning & Development). Relevant subsidiaries that are reporting entities were provided the Statement for endorsement prior to final approval. Finally, the Audit and Risk Committee of the Board endorsed the Statement before final approval by the Board of Directors.

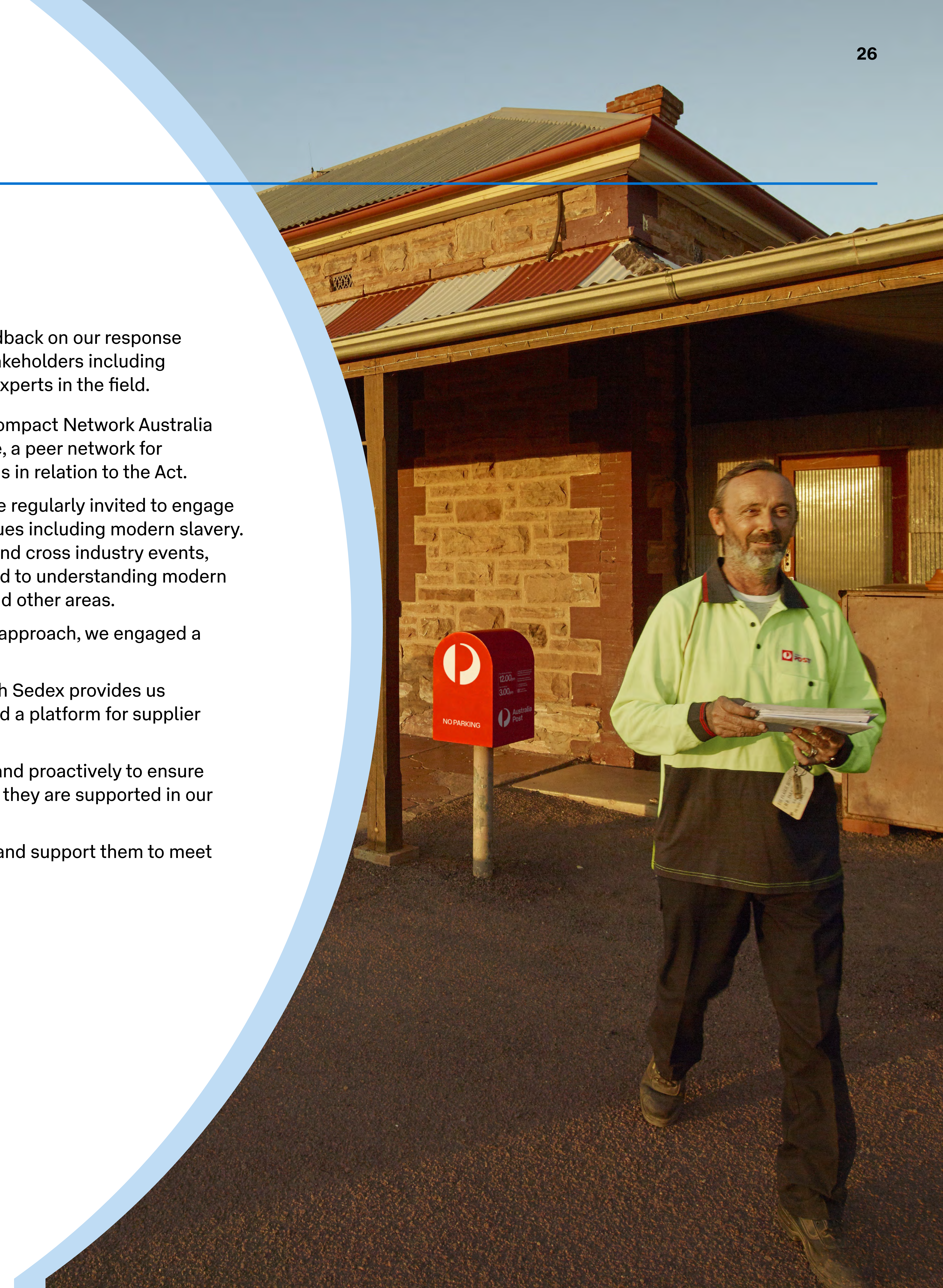
6. Consultation

As underscored 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 cross 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.



7. Additional Information & Next Steps

Our priorities for FY24

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.

Key priorities for FY24 are outlined as follows in the enterprise-wide program of work:

- Partner with civil society organisations such as non-government organisations to strengthen our response to potential incidents of modern slavery.
- Complete the review and update our Modern Slavery Incident Response and Remediation Framework accordingly.
- Create greater awareness of modern slavery red flags in our extended workforce, including what to do in the event that people/employees witness any potential red flags.
- Update the Licensed Post Offices (LPO) Sustainability booklet, continuing to educate our LPOs about modern slavery risk assessment to guide them towards making better purchasing decisions.

- Undertake a training needs analysis across the enterprise to determine any capability gaps, opportunity to increase awareness, and mitigate modern slavery risks.
- Extend tender assessment approach for other Tier 2 suppliers in high-risk categories.
- Establish a data base of manufacturing facilities (Tier 1 or Tier 2) for high-risk categories, to track and monitor corrective actions resulting from audits.
- Continue to refine and enhance labour hire reporting to further strengthen compliance.
- Ensure LPO compliance with the new training module and workplace laws compliance self-assessment checklist issued in FY23.
- Identify areas of risk using the Contractor Compliance Management System for our deliveries extended workforce and expand audit assessments to assess compliance.
- Build an accessible training resource for Australia Post Delivery Partners and continue to develop and release compliance related content for self-service learning.
- Embed an annual compliance review (incl. modern slavery compliance) for all property service vendors into our BAU processes.
- Continue to collaborate with Australia Post Global eCommerce Solutions (UK). 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.

