SUSTAINABILITY OVERVIEW

MAINFREIGHT

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Our company is built on our Three Pillars – Culture, Family, and Philosophy, articulated over 20 years ago. These core values continue to shape our approach to people, planet, and the way we do business. Our Three Pillars are as relevant now as they have ever been and provide the lens and guidance through which to address the growing challenges of sustainability. It is inherent in our one-hundred-year philosophy.

CULTURE

- Under-promise, over deliver
- Keep reinventing with time and growth
- Education is optional, learning is compulsory
- Let the individuals decide
- Keep it simple
- Tear down the walls of bureaucracy, hierarchy and superiority
- Avoid mediocrity – maintain standards and beat them
- Look after our assets
- Immaculate image and presentation
- Promote from within
- Integrity – how it affects other people
- No job descriptions

FAMILY

- Eat together – use mealtimes as a discussion time
- Listen to each other
- Share the profits and the successes
- Openly discuss problems and openly solve them
- Don't beat up your brothers and sisters
- Have respect – see it from others and show it by actions

PHILOSOPHY

- One hundred year company
- Profit comes from hard work, not talk
- We are driven by margin, not revenue
- Train successors, so that you may advance
- An enduring company is built by many good people, not a few
- We "care" for our customers, environment and community
- Total quality management base
- Ready, Fire, Aim

CULTURE, FAMILY, PHILOSOPHY, THE MAINFREIGHT WAY

SUSTAINABILITY VALUE CYCLE

Mainfreight's 100-year vision, established in its earliest days, has been a guiding principle in our commitment to sustainability. All decisions are made on the basis that we will be here for another 100 years, and are aligned with the key concepts of sustainability: investing in our people and communities, reducing the environmental impact of our activities, supporting our customer, supplier and stakeholder relationships, and developing our growth strategies.

Our team culture means sustainability is not a top-down directive or bureaucratic process, but is driven from the ground up, by teams that are empowered to make their own decisions. It is they who take responsibility to make their branch, their business, and their world, just that little bit better today than it was yesterday.

In this Sustainability Overview and elsewhere in the likes of our Annual Report, we have reported on economic, environmental, social and governance topics that Mainfreight believes are material to its business and the communities it operates in. The topic selection is also guided by feedback from team members, customers, shareholders, and other stakeholders during the year.

01

ENVIRONMENT

Climate Change

Waste Management

Water Security

CLIMATE CHANGE

Global warming induced Climate Change, is among the greatest threats to not just environmental and ecological systems, but social and economic ones as well.

It's clear in the ever growing body of evidence that incrementalism will no longer do and the window for the genuine, transformative and collaborative action required, is shrinking rapidly in front of us.

Globally freight and logistics, as a component of transportation, represent a significant emissions source and one that is not easily abated. For these reasons Climate Change receives the greatest focus and urgency amongst our environmental sustainability responses.

SETTING TARGETS

We are committed to setting targets that reflect our ambitions regarding the emissions intensity of our operations. Like our approach to reporting, these will account for emissions throughout the entire value chain, not just direct emission sources. This is not without challenge; industry interdependency, technology availability and our significant rate of growth all factor into these calculations. It is unrealistic to expect total carbon reduction whilst we have strong growth objectives and a reliance on a freight industry that will take time to eliminate fossil fuel usage. Reducing our intensity of carbon usage is our best strategy to being more carbon efficient.

We expect to announce these specific intensity targets within the next 12 months.

TRANSPORTATION

OUR FLEET

Mainfreight's road fleet policy agreed with Owner Drivers requires vehicles in our fleet be no older than 10 years. Our fleet age on average is around 5-6 years. This compares with national average fleet ages of around 14 years for Europe, The United States and Australia and around 18 years in New Zealand.

As a result the majority of our fleet are the equivalent of Euro V or VI. More modern vehicles are not just more fuel efficient, they also produce fewer particulate pollutants that can affect air quality and local health outcomes.

RAIL & COASTAL

Often forgotten amongst the glitz and glamour of new technologies, the humble train or coastal ship offers immediate emissions reductions (road equates to around 4.6x the emissions of rail and 2.2x the emissions of coastal).

Mainfreight have invested heavily in supporting infrastructure for rail and coastal freight modes, including inbuilt rail sidings at many of our branches that allow us to offer seamless integration of these service types.

ELECTRIC VEHICLES

Low Emission Heavy Vehicles are going to be critical in efforts to decarbonise road freight (currently a growing source of emissions). The rate of innovation and development in these technologies is exciting but still has some way to go before widespread adoption.

Our current explorations focus on supplementing our fleet with Battery Electric Vehicles and Battery Swap Electric Vehicles. Hydrogen Fuel Cell Electric Vehicles and Hydrogen Dual Fuel vehicles do not currently feature in our fleet mix but remain technologies of interest.

Light-Medium Fleet – Fuso E-Canters

Mainfreight now have 4 Fuso E-Canters operating in Auckland and Hamilton, New Zealand with options for a further 10 also being considered. The Fuso E-Canter, is a 100% electric-powered light truck. An 81kWh lithium ion battery allows 120-150km range and can be charged within an hour. The E-Canter has 135kW of power, an electric motor with two-stage regenerative braking, 3.5t payload and advanced safety features. Fuso Video

Heavy Fleet – XCMG E700 with Battery Swap

The E700 with Battery Swap will be installed as New Zealand's first heavy intercity general freight model, operating between Auckland and Hamilton. Mainfreight will operate our own battery swapping and charging infrastructure in Hamilton using energy generated by our own on site solar installations.

Battery Swap Electric Vehicles offer an attractive solution to several of the drawbacks in Hydrogen Fuel Cell Electric Vehicles and Battery Electric Vehicles. Specifically it takes advantage of Battery Electric lower operating costs but overcomes the range, charging time and payload restraints, by having smaller quick to charge batteries. This allows the use of Lithium Ferrous Phosphate batteries rather than Lithium Ion which are safer, more stable and less environmentally harmful.

We expect this vehicle will reduce our road freight emissions by over 100 tonnes of CO2-e per year.

MAN Electric Vehicles and Tilburg Zero Emissions Area

Tilburg, The Netherlands is among the first Dutch cities to impose a ban on fossil fuel vehicles in major urban areas due to come into effect from 2025. Mainfreight have bought on two new MAN EVs to trial as adapt to serving Tilburg (and more of Europe over time) with a zero emission fleet.

Hino SEA Electric and Foton Light Electric Trucks

In Australia we have 8 new electric truck builds underway including 2 Hino 300 SEA 85s and 6 Foton iBlues. Both variants have a similar range of approximately 200km and operating payloads between 2.5 tonne and 5+ tonne. We expect all 8 EVs to be on the road before the end of the year predominantly serving major metro areas.

MAINFREIGHT GREENHOUSE GAS (GHG) EMISSIONS IN TONNES CO2-E

CATEGORY	CATEGORY DESCRIPTION	2021	2020
Category 1	Direct GHG emissions and removals in tonnes CO2-e	278,956.70	263,758.95
Category 2	Indirect GHG emissions from imported energy	14,864.88	15,413.54
Category 3	Indirect GHG Emissions from transportation	1,309,744.20	1,115,134.24
Category 4	Indirect GHG emissions associated with the use of products by the organisation	76,389.29	74,677.48
Category 5	Indirect GHG emissions associated with the use of products from the organisation	-	-
Category 6	Other indirect GHG emissions sources	136.94	60.96
Total		1,680,099.25	1,469,045.93

The increase in gross emissions is reflective of our growth and market share gain over this period, all five of our tracked emission intensity measures (the emissions efficiency of which we can move freight) have improved year on year.

CO2e per tonne of Domestic Freight
49.65 kgs down from **58.46 kgs** in 2020

CO2e per Mainfreight team member
161.97 tonnes down from **164.69 tonnes** in 2020

CO2e per TEU-kilometre of Sea Freight
0.09 kgs down from **0.12 kgs** in 2020

CO2e per million $ in Revenue
329.43 tonnes down from **436.89 tonnes** in 2020

CO2e per tonne-kilometre of Air Freight
1.20 kgs down from **1.21 kgs** in 2020

GETTING CLOSER TO CUSTOMERS

On a tonne-kilometre basis, smaller light 'last-mile' vehicles are approximately 3x as emissions intensive as a large heavy vehicle. The challenge particularly in less densely populated countries like New Zealand is that 'last-mile' vehicles might actually cover large geographic areas.

Mainfreight aims to operate branches as close to our customers as possible. This drives our constant network intensification to offer a better more local service to our partners while also reducing last mile transit in both time and emissions. In New Zealand we now have branches in almost every population area with greater than 20,000 people. Rest of the world... we're coming.

OUR GHG EMISSIONS TRACKING TOOLS

For many companies, more than 80% of their GHG emissions will be accrued in their supply chain. Yet historically 'value chain' emissions have been poorly understood and poorly accounted for.

The footprint of these emissions is too big to ignore, so Mainfreight is doing our part to shed light on emissions in the supply chain. This helps our customers in both accounting for, and responding to, effects and risks of global climate change.

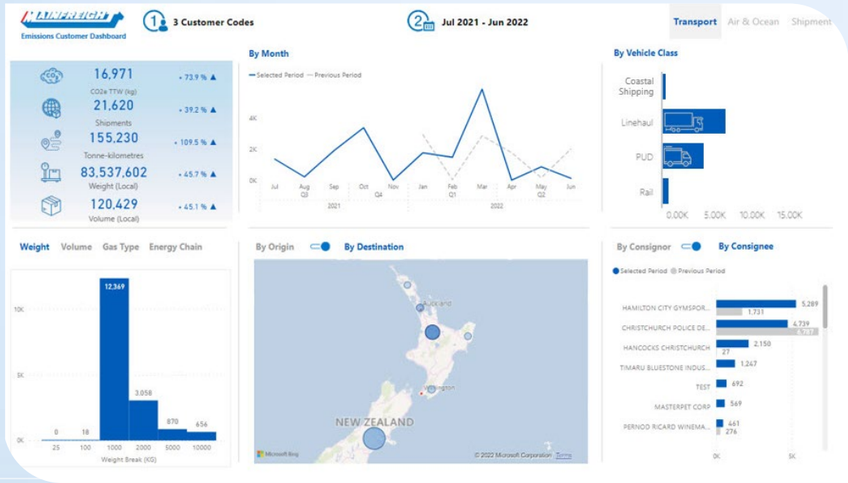
We are heartened to see many of our customers eager to move fast in the 'climate race', but before we get into the sprint it's worth tracing the start line. That's where we can help, our emissions reporting will show you your baseline and provide insights into which levers you might be able to pull to greatest effect.

It is an exercise we continue to live ourselves, and you can check out our progress in our GHG Reports available on our website.

https://www.mainfreight.com/global/en-nz/investor/reports-library

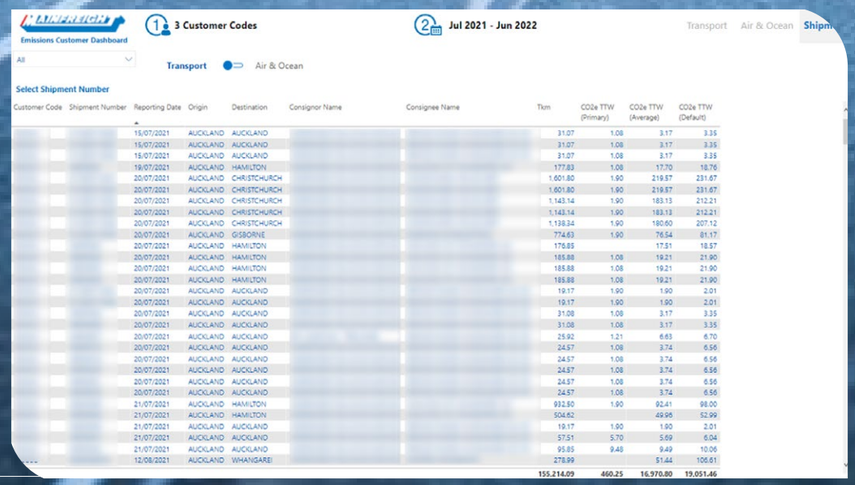
But we can do more than just help you count emissions, we partner with customers to explore different avenues to reduce the climate impact of their supply chain.

We continue to invest in major solar installations, greater rail and coastal integration and our growing electric fleet. Yet all those investments and more will come to little without the buy in of our customers. Small changes in behaviour applied at scale can be hugely meaningful (supporting our customers to move just 1% of air freight to ocean would save around 8500 tonnes CO2-e per year).



TRANSPORT

AIR & OCEAN



SHIPMENT

CUSTOMER EMISSIONS REPORTING

Mainfreight has developed customer emissions dashboards which allow our partners to see and interact with their supply chain emissions profile. Both Transport and Air & Ocean data is available, as well as detailed shipment level emissions.

The calculations follow best practice methodologies, using our own custom software that tracks activity down to each individual job leg and applies emission factors specific to carrier mode or driver.

Generalisations in emissions calculations are almost always conservative. Therefore, by providing more detailed calculations we help customers reduce their disclosed emissions.

Shipment level data is provided, which allows auditors to easily analyse and verify emissions in line with indirect emissions reporting requirements.

INFRASTRUCTURE

OUR NEW BUILDS

We take great pride in building state of the art facilities that not only support our ability to provide world class service to our customers but also allow us to do so in a safe and sustainable way. This includes efficient lighting and appliances and double glazing throughout, battery charging for our largely electric forklift fleet and EV charging for our team EVs and hybrids. HVAC and VRF with heat recovery and carbon dioxide monitoring are also standard features.

And we're only just getting started with almost $500 million in new land and building projects over the next 2 years.

MAINFREIGHT RECEIVES 3RD LEAN & GREEN STAR

Lean & Green is a European program intended to drive ambition and collaboration in efforts to make logistics more sustainable. Mainfreight achieved their third star in 2020 and continue to support and contribute to the goals of the Lean and Green program.

SOLAR

Solar is now a standard feature on all Mainfreight builds. Mainfreight now operate over 10,000 solar panels and over 3,000kW in generation capacity across our sites.

Better yet we expect to double this over the next two years with a further 3,000kW in generation planned.

EV CHARGERS

In addition to solar on our roofs, EV chargers now occupy many of our carparks (of sites new and old). We recognise that infrastructure is an important component in the transition to low emission transport, so we are future proofing our branches and supporting our team with the transition to more electric and hybrid vehicles.

BEE HOTELS

You'll find 'Bee Hotels' at several of our European branches. Bees perform one of the ecosystem's most critical functions in pollination, from the wild flowers at our depots to the agricultural crops in the surrounding farmlands. The honey produced in our Bee Hotels and hives is then sold in our canteens with all of the proceeds going to the Dutch charity 'Kika'.

OPERATIONS

ELECTRIC MATERIAL HANDLING EQUIPMENT

With improving technology we have been able to transition many of our new branch forklifts from diesel and LPG to electric. Minor changes to behaviour (like remembering to put on charge) have been quickly adopted in favour of the cleaner, more modern electric alternatives which also serve to better leverage our investments in renewable energy like solar.

Certain operations, like our warehousing sites, have been operating fully electric material handling equipment for years.

SMALL FLEET CONVERSION

Mainfreight also operates a significant small vehicle fleet for our sales and support team, so that they can reach and work closely with our customers.

Fleets in New Zealand and Australia have made major ground in shifting from fossil fuel to almost half hybrid and electric and we continue to do more.

01

ENVIRONMENT

Climate Change

Waste Management

Water Security

WASTE MANAGEMENT

We live on a planet with finite resources and the evidence is overwhelmingly clear that linear production and consumption models that generate waste throughout the supply chain through to disposal are not enduringly sustainable.

Our approach to Waste Management first begins with identifying the different waste streams we generate and finding novel solutions to mitigate our impact and avoid sending waste to landfill.

We begin with the waste hierarchy, first by prioritising the reduction of materials and practises that generate waste, second by replacing single use consumables with reusable alternatives and finally by recycling remaining waste streams to minimise our landfill footprint.

In addition we take pride in supporting customers in their own waste reduction journeys by providing a basket of reverse logistics offerings to support circular solutions.

REDUCE

R30 SHRINKWRAP AND SOFT PLASTIC RETRIEVAL

Shrinkwrap is a crucial material in global logistics that ensures that palletised freight is structurally sound for both transportation and storage. However shrinkwrap is largely single use soft plastic that is typically disposed of.

In New Zealand we work closely with our suppliers by capturing shrinkwrap waste that is returned to the production process in providing for a 30% recycled content wrap that is used in our warehouses. The result is both a steady stream in waste to input raw material and a reduction of 30% in the requirement for virgin plastic.

POLYSTYRENE COMPRESSION

Our Mainfreight 2 Home division provides services for both the transportation as well as delivery and installation of homewares, furniture and appliances. Part of our installation service offering includes the removal of old appliances and packaging waste including cardboard and polystyrene.

Polystyrene is a particularly light and voluminous waste product that can be awkward and expensive to dispose of. We operate our own in-branch polystyrene compression, compacting material to around 40:1 the density of general polystyrene. The resulting product is then able to be used as an input material in the production of other goods reducing the need for virgin materials.

COMPOSTING AND TEAM GARDENS

Food waste and organics are a common waste source anywhere there are people. At Mainfreight we operate our own branch canteens serving healthy and delicious food to our teams around the world.

This provides a steady stream of food waste which when paired with organic waste from our gardens offers a great source of food for our onsite worm farms. Castings and 'worm tea' then deliver a rich source of nutrients for our vegetable gardens providing food served back in our canteens.

REUSE

REUSABLE PALLETS AND STILLAGES

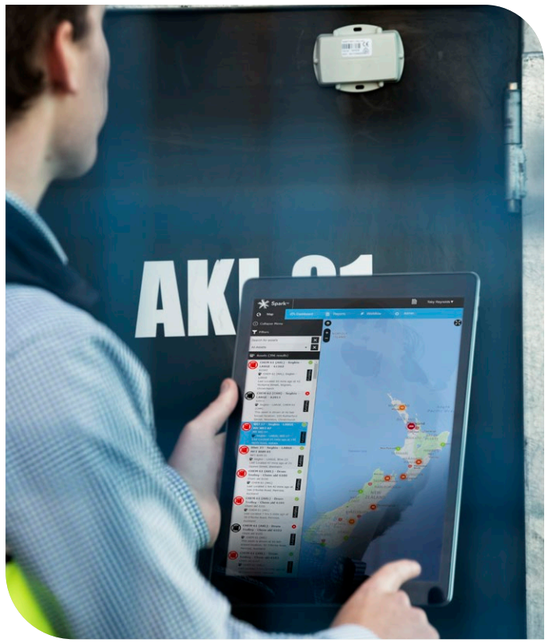
We serve a range of weird and wonderful types of freight across our global operations and are trusted to move those goods safely and damage free throughout the world.

In support of this our own workshop teams help fabricate custom equipment and stillages to safely load and carry goods and avoid the need for excessive and single use packaging. Among the reusable solutions that cycle through our network are hanging garment racks, enclosed segregation boxes for dangerous goods and collapsible cages and crates for loose freight. Much of this equipment can also be tracked in real time using our IOT devices.

OFFICE EQUIPMENT AND COMPUTERS TO SCHOOLS

Visit our facilities and you will see modern furnished offices and the latest technology and electronics that enable us to provide a great environment for our team and the polished service our customers are familiar with.

But just because office equipment, computers and electronics may reach the end of their Mainfreight life does not mean they are at the end of their useful life. Many other organisations like schools, charities and community groups have a chronic need for this sort of equipment and we have a number of associations that enable us to coordinate the transfer of this for further use and to avoid waste to landfill.



RECYCLE

PALLET RECYCLING

Each day we see the flow of tens of thousands of pallets across the supply chain. Although much of this travels on reusable equipment or hire pallets, there are also a great deal of ‘one-way’ pallets destined only for landfill.

As a result, we are in a unique position to redirect waste pallets to second life uses. Pallets including broken part pallets are separated, kept and supplied to other causes and initiatives turning them into everything from garden boxes (some of which might appear in our branches) through to chairs and bookcases.

Those that can’t be upcycled are provided to partners who chip them into mulch for a range of different purposes.

COMMON SENSE RECYCLING

Short of our more creative solutions, we have also been recycling cardboard, glass, plastic and aluminium in our branches for decades and we continue to educate and work with our team to recover landfill waste where it is recyclable.

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ENVIRONMENT

Climate Change

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WATER SECURITY

Although we are not major commercial water users, we are uniquely equipped with our large facility roof spans to proactively manage and minimise waste of this increasingly precious resource.

With Climate Change further raising the incidence of dry periods and droughts a careful and considered approach to water is crucial not just to organisations but also the local communities around them that rely on those same resources.

WATER RESOURCES

RAINWATER

Rainwater is a free lunch that all too often goes to waste, lost to evaporation or down storm water drains.

Mainfreight have taken a different approach, rainwater captured on our roof spaces is redirected to onsite storage tanks and repurposed for ablutions, gardens and more recently filtered and refined for drinkable water in our branches.

The capture and retention of rainwater has a long rich history at Mainfreight and started with a second hand farm tank back in our early days. Now rainwater storage is fitted as standard across our branches and is evident throughout our network from large branches to small.

GREYWATER

Greywater is typically directed straight to waste water drains (which generally form a significant part of the water utilities organisations are charged for). At Mainfreight, greywater has a second life and is instead repurposed for our truck wash and sprinkler systems.

PRINCE GOLD ACCREDITATION AND RESPONSIBLE CARE

Besides conservation of water as a resource, Mainfreight as handlers of dangerous goods are also responsible for ensuring that these do not reach or in any way impact water courses that might adversely affect ecosystems or local communities.

Mainfreight through our chemical handling arm are Prince Gold Accredited in reference to our specialist knowledge and care in respect to the transportation of dangerous goods.

Responsible Care®
OUR COMMITMENT TO SUSTAINABILITY

You can find out more about Prince Gold here:

https://www.responsiblecarenz.com/prince-site-compliance/

02

SOCIAL

Community

Team

COMMUNITY

Our close association to local communities has long been a hallmark of the Mainfreight philosophy and long will it continue to be.

'Community' provides the team who fill our ranks, the customers who procure our services and the investors that install our capital.

Companies that fail to see that they first and foremost serve the communities around them risk losing sight of their purpose for operating.

DUFFY BOOKS

Mainfreight has been part of the **"Duffy Books in Homes"** programme since its inception in 1994 and currently we support over 100 schools in New Zealand, Australia and the USA. This means over 25,000 children every year are getting new books to read with our support.

The philosophy behind the programme is simple – to break the cycle of 'booklessness'. Kids who can't read become adults who can't communicate and that's a serious disadvantage in a world that operates on the written word. In America, Books in Homes USA improves the trajectories of under-resourced children in over 140 partnerships and initiatives improving the lives of children in need. Thanks to Mainfreight USA and CaroTrans, two of the program's lead sponsors, Books In Homes USA has given away over 700,000 books to more than 275,000 children since 2008.

In Australia, Books in Homes supports around 10,000 children each term, across 125 schools, pre-schools and other organisations throughout Australia. Mainfreight has sponsored Books in Homes Australia since its foundation in 2001, and is proud of the organisation's distribution of over 2.5 million books in that time.

In New Zealand, Duffy Books in Homes celebrated its 25th anniversary in 2019, and achieved the milestone of gifting its 13 millionth book. There are 505 Primary and Intermediate schools, as well as 195 Early Childhood Centres (including Te Reo and Pasifika language nests), on the Duffy Books in Homes programme. Thanks to Mainfreight over 45,000 books were gifted to over 22,000 children in New Zealand last year.

LIFE EDUCATION TRUST

This year marks the 15th year of support to Mainfreight's other significant sponsorship partner, **The Life Education Trust**, which was established in New Zealand in 1988. The Trust seeks to provide young people with the knowledge and skills to live a fulfilling and healthy life through their positive health-based education.

Over 86% of New Zealand schools use Life Education, and each year they teach over 240,000 children in their mobile classrooms; supporting children's health and wellbeing through topics such as building resilience and stress management, cyber safety and reducing bullying. In secondary schools, they support our youth with the Smashed Project, a 'theatre-in-education' programme which involves a live theatre performance and an interactive workshop.

The Smashed Project is dedicated to reducing underage drinking and promoting responsible attitudes towards alcohol.

We remain concerned around the standards of education in New Zealand, particularly for those less privileged. Our commitment to these exceptional organisations is an effort to make a difference to our nation's educational standards, and we would encourage more businesses to do the same. The need remains acute, with many of our children impacted by the effects of the pandemic.

Now more than ever, our children need access to the best education possible. It is what will take them and our world forward.

BAIRDS MAINFREIGHT PRIMARY SCHOOL

Bairds Mainfreight Primary is a school that is very close to our hearts. What started with Bruce Plested's secretary, Carol Selwyn, contacting the school wanting to donate some unwanted sports gear, has turned into a long-standing relationship that has seen the school become a part of the Mainfreight family.

In 1993, Carol reached out to the school wanting to donate some softball gear. Turns out that gear was destined for other things, so a cheque of $1000 was given to the school instead. This went towards new sports uniforms. The school added the Mainfreight logo to the new uniform and students wrote thank you letters that were personally delivered to Bruce and the team.

To mark the 20th anniversary of our partnership Mainfreight announced it would offer scholarships for former students to help with their expenses for high school and tertiary education.

Two of the key foundations to the success of this enduring partnership have been the way the school expresses their gratitude and their desire to match our contributions. When we ask them how we can help, they always give us a plan that shows how they will contribute – as they did by taking responsibility for computer training. They always have skin in the game, which means we provide a hand up rather than a handout.

Their thanks to us are always heart-warming moments whether it be from expressions through their artwork or their cultural performances to our team. In 1997, the school was renamed Bairds Mainfreight Primary. The staff, board of trustees and the wider school community felt this was a fitting gesture after all the support that we had given them.

To this day we continue to support the school in every way we can, whether it's upgrading of computer equipment or special school trips to Waiheke Island. We believe that education is a great equaliser. It doesn't matter where you come from, we believe that everyone should be given equal opportunities.

INVOLVEMENT

FOODBANKS

Mainfreight actively seeks out ways to support the communities we are part of. Our Singapore team recently teamed up with Food Bank Singapore Ltd to participate in the food bundle distribution, where they not only financially contributed but physically helped sort out, package and even had the delightful reward to hand-deliver the gifts to people's homes in low socio-economic areas. This is one of the happiest memories of the year for our Singapore team, there is nothing more fulfilling than giving back to local communities.

OTHER VOLUNTEERING

Our team of people all over the world also support community and charitable projects at a local level, with a wide variety of initiatives from fundraising events, to hosting groups at our facilities, and voluntary time commitments. It's part of who we are.

MAINFREIGHT IDEA DAYS

Mainfreight's IDEA (Intellectual Disability Empowerment in Action) Days are an annual event at a number of our New Zealand branches, where our special guests and their care givers are invited to our depot to enjoy a day of fun and entertainment with our team including truck and muscle car rides along with regular participation from New Zealand Police and fire service and of course the traditional Mainfreight BBQ. Many of our branches have long standing relationships with the local IHC spanning back as far as 20 years.

BEACH CLEAN-UP

Beach clean ups have become an increasingly popular team activity (initially kicking off as part of our Branch Manager conference). Not only is it an excellent excuse to get out in the fresh air, but a chance to make the place around us that little bit better for both wildlife and other beachgoers.

02

SOCIAL

Community

Team

TEAM

Mainfreight's most enduring slogan is 'special people, special company'.

Our team of over 10,000 dedicated, tenacious, and totally customer centric individuals, are our not so secret sauce.

We know that the health, opportunity and inclusivity of our workplaces are critical in supporting and retaining our special people.

THE HEALTH AND SAFETY LENS

At Mainfreight the responsibility for creating and maintaining a safe working environment rests with us all. This is illustrated through our commitment to quality facilities and equipment; to quality people and processes; and by our culture which facilitates input and ownership from every team member at every level.

Our stance for the health, safety and wellbeing of our team has been to educate and identify risks - and to rely on each and every team member acting in a safe and responsible manner. All incidents and accidents are accurately recorded and reported and our regular Positive Action Team Meetings (P.A.T) help address health and safety concerns and allow for hazards to be identified and where possible, mitigated.

OUR FIVE HEALTH AND SAFETY INITIATIVES

PREVENTION

Initiatives to help prevent health and safety risks at our sites as well as when we deal with the community

TRAIN

How we train our teams to understand and behave in accordance with our health and safety standards

INVOLVE

How we engage all people to be a part of our health and safety initiatives

MAINTAIN

What we do to maintain engagement and standards for health and safety

SUPPORT

How we support our teams to ensure they stay healthy and get back to work quickly

FATIGUE PROTECTION DEVICES

Our intercity vehicles are fitted with driver anti fatigue and distraction technology. Guardian (used in New Zealand) is an intelligent driver safety solution that uses in-cab sensors to monitor in real time the driver's levels of fatigue and distraction.

Face-and-gaze tracking algorithms measure the driver's head position and eye closure. When safety parameters are exceeded, audio alarms and seat vibration are immediately activated. Guardian also features a forward-facing camera which captures critical information about road conditions at the time of the event.

When a fatigue or distraction event is detected, data and footage are immediately relayed to the fleet managers who can then respond directly to drivers. You can read more about these devices here:

https://seeingmachines.com/products/fleet/

ELECTRONIC LOG BOOKS

Another solution in our driver safety and fatigue management approach is the use of electronic log books. These provide a transparent, real time and unambiguous outline of driver work and rest hours so that scheduled work and rests can be planned safely and efficiently.

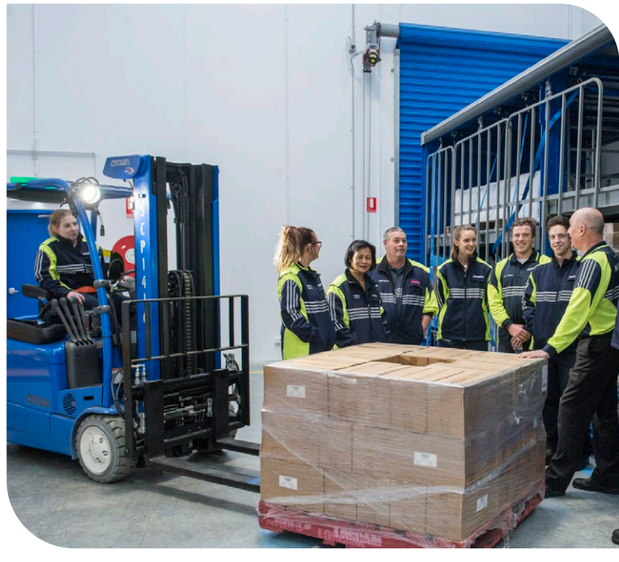
CANTEENS

Our canteens are a big part of our branch family culture. We eat together each day, with hot, healthy and delicious food served by our own chefs at heavily subsidised rates. Some of our sites have also adopted worm farms and vegetable gardens to make better use of food waste coming from our canteens.

FINANCIAL LITERACY WORKSHOPS

With our partners at Westpac, we provide a series of financial literacy workshops open to all our team (and we get a great mix who turn up). Personal finance can be a difficult topic to openly discuss, while also being a major cause of stress and anxiety for many households.

The financial literacy workshops, run through some of the fundamentals and allow team to learn and ask questions in a friendly and non-judgemental environment.



PROMOTE FROM WITHIN

Promotion from within is a key part of our Mainfreight philosophy, it ensures our leaders are responsible for developing their own successors and it provides opportunities for team members of any background to reach the highest office.

Take a look at our leaders and you will see tenure not in years but decades.

SHARE IN THE PROFITS

While a disciplined approach to maximising earnings is a focus of any for-profit organisation, the way a company elects to split the rewards is a more discernible reflection of the organisational culture.

In 2022 Mainfreight was pleased to report a record net profit of $355.4 million up 88.9%, but just as pleasing was the $94.2 million discretionary team bonus up 114.7% on 2021.

TEAM FAMILY SCHOLARSHIPS

Each year, we offer a number of scholarships to the children and grandchildren of our team and drivers to start their journey at tertiary education.

Applicants submit a CV and cover letter, our training team reviews this as well as applicants' academic, sporting and cultural achievements. Then a scholarship is awarded to various students. This includes students studying Bachelor of Arts, Commerce, Law, Science, Management and more.

Mainfreight team scholarships contribute funds over 3 years to successful applicants and we are delighted to have awarded hundreds over the past 20 years. Mainfreight team scholarships are our way of saying thank you to our team members including Owner Drivers for their hard work and investing in the education of the next generation.

LIVING WAGE / MINIMUM WAGE

Starting salaries are always higher than living wage not just minimum wage. This is true irrespective of the countries in which we reside.

TRAINING PROGRAMS

Mainfreight Induction

Mainfreight's induction program is a rite of passage for all full time team members. It covers our history, our philosophies and many of the defining key principles and processes that help new team members hit the ground running.

Team Leadership Services

Mainfreight have a long history with team leadership services in helping to further develop emerging leaders through to experienced managers.

Outward Bound

Mainfreight worked with Outward Bound to devise our own week long team program. Each year a couple of select groups of Mainfreighters from around the world are sent on a challenging week in the stunning Anakiwa, Marlborough Sounds.

Mainfreight have been working with Outward bound for over 20 years and Outward Bound is a (mostly) fond memory for many of our senior leaders.

DIVERSITY & INCLUSIVITY

Mainfreight is committed to diversity and equality in all areas of its operations, and the Group's Diversity Policy is available on our website at the link below.

https://www.mainfreight.com/global/en-nz/investor/corporate-governance/diversity-policy

Mainfreight recognises and distinctly values the difference of experience and perspective from all the groups that make up our team or will make up our team in the future. This includes but is not limited to different ethnicity, cultural background, gender, age, disability, family status, religious beliefs, sexual orientation and gender identity.

As a global company operating in over 26 countries we are proud of the diverse group of individuals that make up our wonderful team.

However we do acknowledge that at least in respect to gender there is more we can do in an industry that has been historically male dominated. We have recorded small increases in females at the team member and branch manager level (including 57 with Profit and Loss responsibility) we endeavour to do more, especially in more senior leadership roles.

	THIS YEAR		LAST YEAR	
	Male	Female	Male	Female
Directors	5	1	5	1
Office	10	0	10	0

	THIS YEAR		LAST YEAR	
	Male	Female	Male	Female
New Zealand	78%	22%	78%	22%
Australia	73%	27%	72%	28%
Europe	75%	25%	73%	27%
Americas	66%	34%	68%	32%
Asia	34%	66%	42%	58%
Total Group	72%	28%	73%	27%

03

GOVERNANCE

Reporting & Disclosure

Corporate Governance Resources

REPORTING & DISCLOSURE

Sustainability standards serve an important purpose in helping cut through the greenwash and ensuring a more consistent and comparable approach to presenting sustainability information across company and industry.

Of course the field of sustainability has been developing rapidly and there are numerous different standards, frameworks and protocols available across the world. Some are preferred in different regions, some by different stakeholder groups and others through different industry perspectives.

We have thus far directed our focus towards those listed below.

GRI – GLOBAL REPORTING INITIATIVE

The Global Reporting Initiative is likely the most widely recognised and followed standard for sustainability reporting. Mainfreight have reported in accordance with GRI: Core option for the past 3 years and you will find details of our disclosures including a GRI Content Index in our Annual Reports.

You can read more about GRI here:

https://www.globalreporting.org/

MANDATORY CLIMATE RELATED FINANCIAL DISCLOSURES

Mandatory Climate Related Financial Disclosures, is an incoming legislative requirement in New Zealand for organisations of a certain size or structure (including Mainfreight). The standard is being modelled around the voluntary TCFD 'Taskforce for Climate Related Financial Disclosures' framework and developed by the External Reporting Board (XRB). Mainfreight are regular submitters to the standard development and well progressed in our reporting preparation.

ISO 14064-1: 2018 – ORGANISATION GREENHOUSE GAS EMISSIONS REPORTING

ISO 14064-1: 2018 is the most recent organisational reporting standard for Greenhouse Gas Emissions. In contrast to the earlier 2006 iteration or the Greenhouse Gas Protocol, ISO 14064-1: 2018 has a greater focus on indirect value chain emissions accounting.

You can find Mainfreight's Greenhouse Gas Inventory Reports independently verified by Toitu Envirocare available on our website.

https://www.mainfreight.com/global/en-nz/investor/reports-library

You can find further details on the International Standards Organisation or ISO 14064 here:

https://www.iso.org/standard/66453.html

GLEC – GLOBAL LOGISTICS EMISSIONS COUNCIL

GLEC is one of our favourite global standards. Created and administered by the Smart Freight Centre, it has for years sought to provide a framework for emissions accounting in global logistics and supply chain (known for being notoriously complex). Mainfreight are a GLEC friend and we endeavour to support the methodology and recommendations outlined in the framework in our own customer reporting toolset.

You can find out more about GLEC here:

https://www.smartfreightcentre.org/en/glec-membership/

CORPORATE GOVERNANCE RESOURCES

MAINFREIGHT INVESTOR REPORTS
- here you can find our:

- Mainfreight Annual Reports (including GRI Index and reporting)
- Mainfreight GHG Inventory Reports (verified to ISO 14064-1: 2018)
- Mainfreight Team Newsletters and trading updates

MAINFREIGHT CORPORATE GOVERNANCE
– here you can find our:

- Mainfreight Board and Committee Charters
- Mainfreight Diversity Policy
- Mainfreight Whistle Blower Policy
- Mainfreight Guidelines for Anti-Corruption Practices
- Other policies

SUSTAINABILITY
– here you can find our:

- GHG Inventory Reports (verified to ISO 14064-1: 2018)
- Mainfreight Sustainability Policy

MAINFREIGHT