The Convergence of Social & Governance:

New Zealand's Modern Slavery Legislation Accelerates Certification & Compliance Requirements



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Contents

Introduction 3

Stakeholder Engagement & Materiality Programme 5

Responsible Sourcing 6

Modern Slavery: A Key Risk Under the Social Pillar of ESG 9

Understanding New Zealand's Modern Slavery Legislation 13

- What the Bill Includes 14
- The Potential Impacts of Modern Slavery Legislation in New Zealand 16

The Connection Between Social & Governance 18

- Key Questions for Your Suppliers 21

The Snell Advantage 22

Navigation Tip: Click on a title to jump to that section.
Return to this page at any time by clicking the Snell logo.

Introduction

In the current climate, geopolitical instability is the primary perceived disruption to global economic growth, while the focus on energy prices has also increased.[1] These global forces are met by changes closer to home, such as New Zealand's long awaited Modern Slavery Bill.

At present, it's essential for businesses to balance the required immediate responses to geopolitical and economic uncertainty with making progress towards meeting their Environmental, Social and Governance (ESG) obligations and commitments today and in the future. By making informed decisions as to who you choose to partner with, your business can achieve both of these objectives in tandem.



REFERENCE

[1] McKinsey & Company. (2026). *Economic conditions outlook, March 2026,* 27 March. Retrieved from: https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/economic-conditions-outlook?utm_source=chatgpt.com

The topics discussed in this whitepaper include:

- Responsible sourcing – how partnering with businesses who share your values achieves surety of supply in 2026
- New Zealand's long awaited Modern Slavery Bill – simple steps your business can take now to ensure compliance with the legislation
- Compliance and certification – how these key facets of the Governance pillar of ESG are best approached in the current climate.

As we look ahead, it's critical for all businesses to understand the relevance of responsible sourcing, New Zealand's modern slavery legislation and the connection between Social and Governance.

There are implications for New Zealand businesses of all sizes. For example, if your business is not directly impacted by New Zealand's modern slavery legislation, it's likely that your customers will be required to meet their obligations under the bill. As a result, your customers will require you to disclose information regarding your own supply chain. To retain your seat at the table, start by understanding your own level of risk by association and ESG obligations.

Stakeholder Engagement & Materiality Programme

To gain a further understanding of what topics matter most to our internal and external stakeholders in relation to ESG, we launched our Stakeholder Engagement and Materiality Programme in late 2024. This programme enables us to further understand the key ESG issues, risks and opportunities that matter most to our customers, employees, banks, insurers, advisors and suppliers as we work to address these in the coming years through our ESG strategy.

Our independent sustainability advisors, Tadpole, conducted interviews with our key business stakeholders and completed an in-depth analysis which resulted in the following insights:

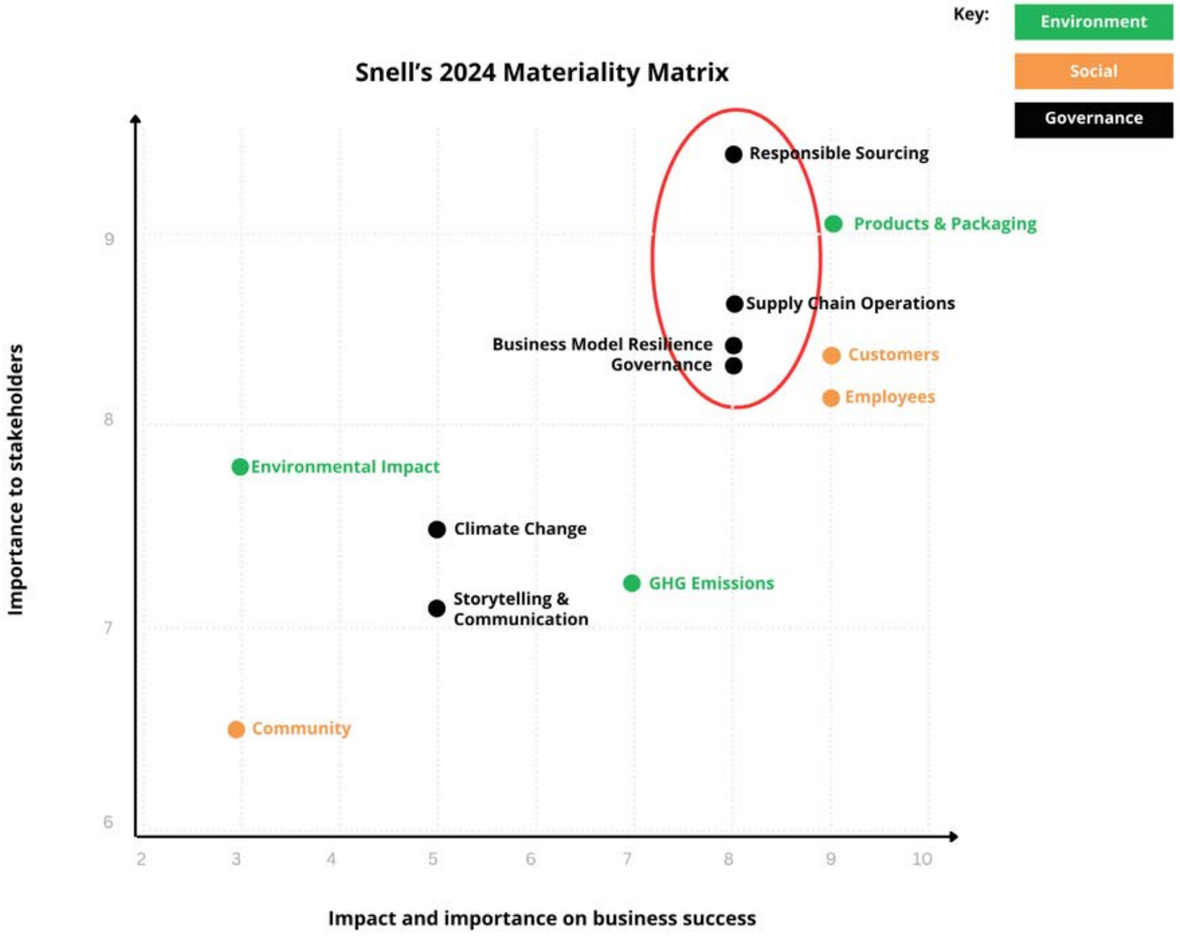
1

The topics in the red circle are of the most importance to our stakeholders. **Responsible sourcing was the most important materiality topic.**

2

There is a **marked shift toward Social and Governance.** When we completed our prior materiality survey in 2021, the key drivers were Environmental.

Our learnings from the materiality survey have informed the topics for discussion in this whitepaper.



Responsible Sourcing





Responsible sourcing is when a business actively sources products and services for their operations in an ethical, environmentally sustainable and socially conscious way.[2]

The complexity of supply chain networks makes it challenging for businesses to manage every stage and to retain transparency end to end. A McKinsey report found that companies with greater supply chain transparency and agility are twice as likely to avoid major supply disruptions compared to those with limited visibility.[3]

Due to New Zealand's geographic location, it has a particularly exposed supply chain. This was evident during the COVID-19 period as many businesses faced delays and higher costs, much like the effects of the current geopolitical crisis. There is also a reliance on imports by many New Zealand businesses, with China being our largest source of imports.[4]

REFERENCE

[2] Sedex. (2026). *What is responsible sourcing?*, 7 January. Retrieved from: https://www.sedex.com/blog/what-is-responsible-sourcing/
[3] Inspectorio. (2025). *Traceability in 2025: Evolving from compliance to strategic advantage.* Retrieved from: https://www.inspectorio.com/blog/traceability-in-2025-evolving-from-compliance-to-strategic-advantage
[4] New Zealand China Council. (2026). *Statistics.* Retrieved from: https://nzchinacouncil.org.nz/statistics/#:~:text=New%2520Zealand's%2520Goods%2520Exports:%2520Top,zealand/imports%252Dby%252Dcategory



The challenge is magnified by traceability systems having outgrown traditional compliance-driven purposes. It is now a strategic necessity for businesses looking to safeguard operations, enhance resilience and agility to maintain competitiveness in an uncertain economic climate.[3]

When these factors are considered in conjunction with surety of supply challenges and a volatile geopolitical landscape, partnering only with suppliers who can afford the degree of protection your business requires via certification and compliance becomes paramount. For businesses needing to manage surety of supply with long term compliance, it's critical to only partner with suppliers who hold the highest level of certification in market.

Modern Slavery: A Key Risk Under the Social Pillar of ESG



As signalled in our first whitepaper, T*he Rise of ESG & Its Impact on Business Decisions*, modern slavery at any point in the supply chain poses a significant risk to New Zealand businesses of all sizes. This risk is now intensified due to the potential legal and financial ramifications facing New Zealand businesses who do not comply with the legislation.

Before we discuss the specifics of New Zealand's long awaited legislation, here are some key definitions and statistics:

Modern slavery is defined by several international standards and represents the extreme end of a spectrum of labour exploitation. It is an umbrella term covering slavery, servitude, forced or compulsory labour and human trafficking.[5]

In the 2023 Walk Free Global Slavery Index, it was estimated that 8000 people in New Zealand were living in conditions of modern slavery on any given day in 2021[6], with the police reporting 31 ongoing investigations into modern slavery in 2025.[7]



REFERENCE

[5] PwC New Zealand. (2021). *Modern slavery: What Aotearoa New Zealand organisations need to know*, May. Retrieved from: https://www.pwc.co.nz/assets/2022-assets/insights-and-publications/modern-slavery-what-aotearoa-nz-organisations-need-to-know.pdf

[6] Walk Free. (2023). *Modern slavery in New Zealand, Global Slavery Index*. Retrieved from: https://www.walkfree.org/global-slavery-index/country-studies/new-zealand/

[7] Palmer, R. (2026). *Watch: National and Labour MPs team up to get slavery bill heard after ACT objects*, RNZ, 29 January. Retrieved from: https://www.rnz.co.nz/news/politics/585319/watch-national-and-labour-mps-team-up-to-get-slavery-bill-heard-after-act-objects



In March 2022, Joseph Matamata was convicted of 13 charges of slavery and 10 charges of human trafficking for offending committed between 1994 and 2019. When announcing the introduction of the bill, MP Greg Flemming said:

> "had the framework that we're introducing in this legislation…been in place, that case would have been identified and dealt with years earlier and saved hundreds of victims."[8]

Fair work practices balance the rights and responsibilities of employees and employers. They establish clear and consistent expectations while supporting the power and dignity of everyone in the workplace.[9] It would also be logical to assume that a happy and satisfied workforce is conducive of positive business outcomes.

REFERENCE

[8] Simpson Grierson. (2026). *The Modern Slavery Bill — here's what you need to know.* Retrieved from: https://www.simpsongrierson.com/insights-news/legal-updates/the-modern-slavery-bill-here-s-what-you-need-to-know#_ftn1
[9] Employment New Zealand. *Fair work practices.* Retrieved from: https://www.employment.govt.nz/fair-work-practices

Poor working conditions, such as forced labour, can cause operational disruptions. If a company is found to be sourcing from suppliers that use forced labour, governments may block imports. This could force businesses to completely restructure their supply chain at short notice resulting in delays, shortages and increased costs. Identifying forced labour within your supply chain remains challenging due to a lack of transparency, traceability, auditing limitations and geopolitical barriers.[10]

Many businesses are choosing to align with organisations that share similar values to their own. Beyond ESG considerations, there is a clear responsibility for businesses to uphold ethical standards and safeguard the fair treatment of people at every stage of the supply chain. This is especially relevant in the context of modern slavery and child labour, which can occur at any point within complex supply networks.



REFERENCE

[10] Everstream Analytics. (2025). *Risks in 2025: Forced labor in supply chains.* Retrieved from: https://www.everstream.ai/articles/2025-risks-forced-labor/

Understanding New Zealand's Modern Slavery Legislation



What the Bill Includes

New Zealand businesses previously have not been required to have supply chain transparency or comply with modern slavery reporting frameworks, unlike many key trading partners in countries such as Australia, the United Kingdom and United States. The introduction of this legislation will bring modern slavery reporting frameworks in New Zealand in line with these countries.

- Mandatory public reporting for businesses with annual revenue above NZ$100 million
- Obligations focused on transparency and responsible supply chain management, including reporting on the number of complaints made, whether any modern slavery incidents have occurred and measures to address them
- Offences, pecuniary penalties and a director's liability framework for business non-compliance
- Modern slavery will be recognised as a priority area for the Human Rights Commission
- Legal definitions that better align with international standards on forced labour and trafficking.

The bill represents both responsibility and opportunity. Reporting businesses will be required to map supply chains, strengthen their procurement processes and publish clear disclosures.

Many New Zealand businesses have started voluntarily preparing as they recognise action is essential to maintain competitiveness, safeguard exports and build trust with both consumers and international partners. This modern slavery framework provides clear expectations and greater consistency across markets.[11]



REFERENCE

[11] Walk Free. (2026). New Zealand introduces historic Bill in first step toward ending modern slavery, 29 January. Retrieved from: https://www.walkfree.org/news/2026/new-zealand-introduces-historic-bill-in-first-step-toward-ending-modern-slavery/

The Potential Impacts of Modern Slavery Legislation in New Zealand

Businesses operating in New Zealand with a consolidated annual revenue of NZ$100 million will be deemed a reporting business. This includes companies, state-owned enterprises and both public and private sector businesses.

The severity of the penalties for non-compliance sets New Zealand apart from Australia's framework. Under the current bill, a reporting business will commit an offence if it:

- Fails to comply with required reporting obligations
- Knowingly makes false or misleading statements in its report.

Businesses that commit an offence may be criminally liable for a fine of up to $200,000. The bill imposes personal liability for directors and senior managers. If a business is convicted of an offence, a director or person involved in the management of the reporting business is guilty of the same offence if it's found that:

- The offence took place with their authority, permission, or consent of a director or senior manager
- They knew, or could reasonably be expected to have known, that the offence was to be or was being committed and failed to take all reasonable steps to prevent or stop it.



Names of non-compliant businesses and responsible officers are to be published on the register for three years.[9]

Businesses who do not meet the mandatory reporting requirements of NZ$100 million in revenue will likely indirectly be impacted by the introduction of bill. You should think about your customer base where they may exceed this revenue threshold as they will require you to provide your own supply chain data, which demonstrates compliance to meet their own obligations under this bill.

For more information on the bill, see footnote 12.

REFERENCE

[12] New Zealand Parliament. (2026). *Modern Slavery Bill, Members' Bill 242—1,* introduced 10 February. Retrieved from: https://www.legislation.govt.nz/bill/members/2026/242/en/latest/#LMS1569498

The Connection Between Social & Governance



In recent years, we have seen the first pillar of ESG (Environmental) become table stakes. We explored this in our second whitepaper, *The Truth About Packaging.* Now, the focus has shifted to Social and Governance.

The introduction of modern slavery legislation to New Zealand reflects this shift in the context of geopolitical uncertainty. Businesses of all sizes are expecting compliance, transparency and surety of supply. These expectations are best met by partnering with businesses who hold the highest level of certification available in market.





As an FSSC 22000 accredited partner, we help our customers to manage their risk by association by providing surety of supply. We do so through our highly qualified, in-house procurement experts who source products from across New Zealand, China, Malaysia, South Korea and more. We are continually working closely with our long-standing supply partners to give ongoing certainty and maintain active contingency around the products we source which our customers require for their business continuity.

For access to our Auckland record, see footnote 13.
For our Christchurch record, see footnote 14.

To learn more about how FSSC 22000 aids in surety of supply, download our whitepaper, *Risk by Association: Navigating Supply Chain Uncertainty with an FSSC 22000 Certified Partner.*[15]

REFERENCE

[13] Foundation FSSC. *Public Register: FSSC Certified Organizations*. Retrieved from: https://www.fssc.com/public-register/NZL-1-0262-971260/
[14] Foundation FSSC. *Public Register: FSSC Certified Organizations*. Retrieved from: https://www.fssc.com/public-register/NZL-1-0262-741728/
[15] Snell Packaging & Safety. *Risk by association: Navigating supply chain uncertainty with an FSSC 22000 certified partner.* Retrieved from: https://www.snell.co.nz/risk-by-association-navigating-supply-chain-uncertainity-with-an-fssc-22000-certified-partner-whitepaper

Key Questions for Your Suppliers



Here are some questions we recommend you ask your suppliers to understand whether their level of certification and approach to compliance provides your business with the protection you require:

- Does your business hold a GFSI-level certification, such as FSSC 22000 or its equivalent (e.g. BRC)?
- How do you stay ahead of changing ESG regulations in the different regions you source from?
- Do you have a Supplier Code of Conduct? If so, how do you enforce this?
- How do you manage the Social and Governance risks your customers are exposed to via your supply chain?
- What steps do you take to proactively monitor your supply chain to protect my business?
- In the instance of a supply chain breach, how does your business respond?

The Snell Advantage

As New Zealand businesses come under increasing scrutiny based on who they choose to partner with and their progress towards their ESG obligations, Snell is committed to partnering with businesses whose values align with our own.

Our ability to serve some of New Zealand's largest manufacturing, agricultural and food processing companies is underpinned by:

- Our position as one of the first warehousing companies in New Zealand to hold FSSC 22000, an internationally recognised and stringent food safety certification, which is a GFSI-recognised scheme
- A commitment to supply chain transparency as recognised by our Forest Stewardship Council (FSC®) certification
- A commitment to environmental sustainability with an ISO 14001 certification
- An active member of SEDEX
- A depth of ESG expertise due to our partnerships with industry leaders, such as Tadpole, who have guided our own sustainability journey and therefore shaped our approach to supporting our customers
- A proactive approach to supplier management informed by a commitment to only partnering with businesses whose values align with our own.

To learn more about The Snell Advantage and access additional insights, visit our website.

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