

Port of Melbourne



Port of Melbourne

# 2022 Sustainability Report



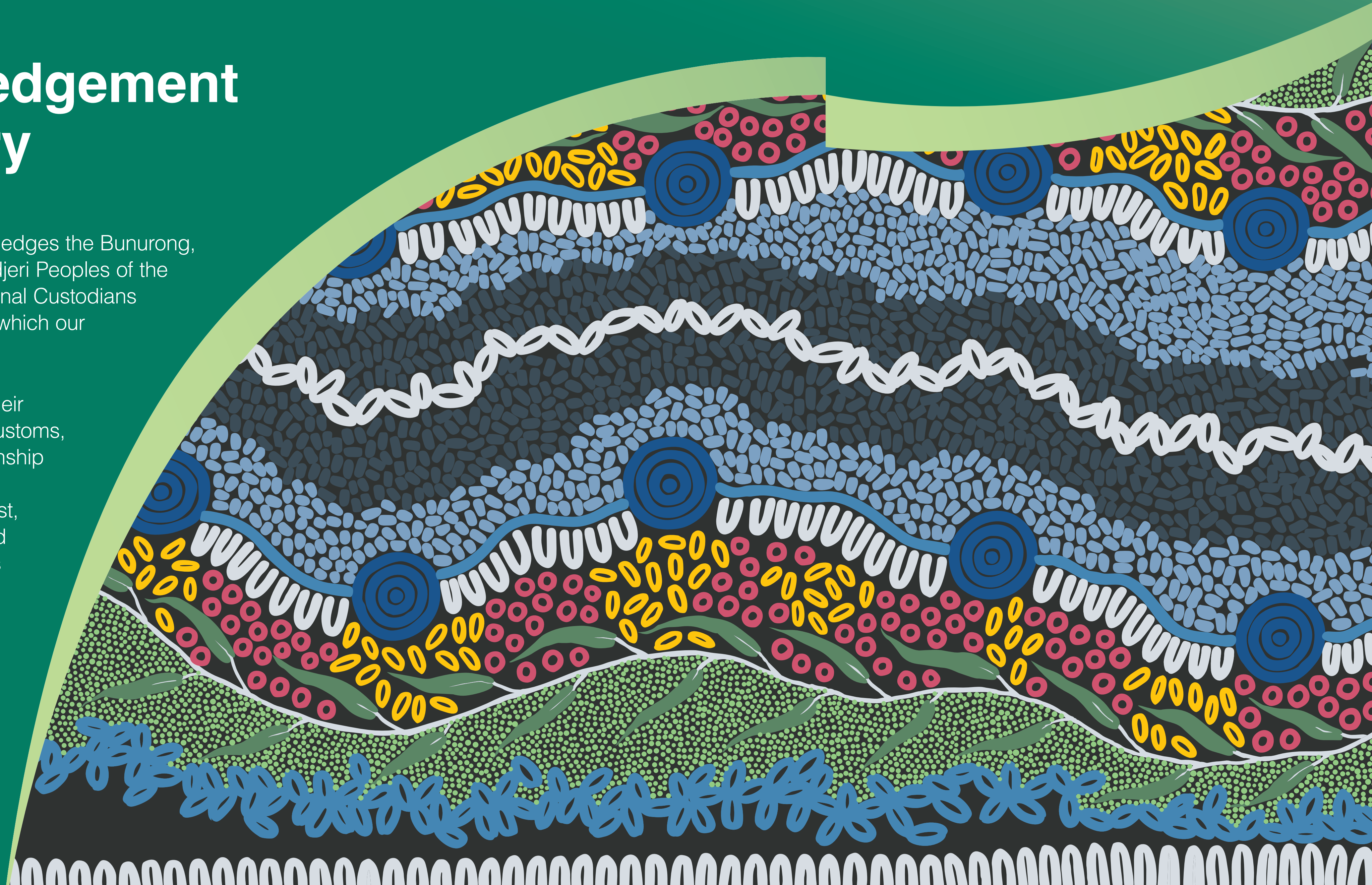


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# Acknowledgement of Country

Port of Melbourne acknowledges the Bunurong, Wadawurrung and Wurundjeri Peoples of the Kulin Nation as the Traditional Custodians of the land and waters on which our business operates.

We recognise and value their unique cultural heritage, customs, spiritual beliefs and relationship with the land. We pay our respects to their Elders past, present and emerging, and to all Aboriginal and Torres Strait Islander peoples across the communities in which we work.





# About this report

## Company details

This report provides an overview of the sustainability activities and performance of entities that are part of the Port of Melbourne Group (referred to as 'PoM' or 'we'). These reporting entities comprise:

- Port of Melbourne Operations Pty Ltd as trustee for the Port of Melbourne Unit Trust;
- Lonsdale Operations Hold Pty Limited as trustee for the Lonsdale Operations Hold Trust;
- Lonsdale Asset Hold Pty Limited as trustee for the Lonsdale Asset Hold Trust;
- Lonsdale Asset Property Pty Limited as trustee for the Lonsdale Asset Property Trust;
- Lonsdale Finance Pty Limited; and
- Lonsdale Finance Hold Pty Limited.

Port of Melbourne Operations Pty Ltd (as trustee for the Port of Melbourne Unit Trust) is the operating entity of PoM and provides services to the entities within PoM under management agreements.

## Reporting period

This report describes the impacts and initiatives of our operations during the 2022 financial year (1 July 2021 to 30 June 2022).

## Scope

This report reflects the activities under PoM's control associated with our landlord model of operation. It covers activities related to PoM's head office and PoM-controlled sites, assets and activities, including the Short Road maintenance facility, Port Education Centre, common user facilities, hydrographic surveying vessel, company cars and employee operations.

This report also provides information on the day-to-day operations, cargo movement and other services in the port, referred to as 'the port' or 'Port of Melbourne'.

## Framework alignment

This report was prepared in accordance with the Global Reporting Initiative (GRI) 2021 Universal Standards. This report is also informed by recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB) and the United Nations Sustainable Development Goals (UN SDGs).

There is no SASB standard specific to port infrastructure. In consultation with SASB, PoM has identified that the *Marine Transportation Standard* is most closely aligned with our operations, and the *Professional and Commercial Services Standard* for our corporate activities, and this report references both standards.

PoM supports global trends towards integrated reporting of financial and non-financial information, and will evolve its reporting over time to reflect emerging standards in this area, including the International Sustainability Standards Board's disclosure standards.

## Disclaimer

This document has been prepared by Port of Melbourne Operations Pty Ltd on behalf of the entities which are a part of the Port of Melbourne Group. This is a proprietary PoM document. While PoM has made reasonable efforts to ensure that information and materials provided in this document are free from error, this document is published for information only and is not to be relied upon by any person other than PoM and its employees, contractors and authorised representatives. PoM provides no warranty as to the accuracy, adequacy or completeness of any information provided, or as to the suitability of any information contained in the document for any purpose. The information is based on information and sources which PoM believes to be reliable. Such information is intended as general information only and is intended to be current at the date of this report's publication. PoM recommends that any party seek further advice or make further enquiries which takes into account the relevant party's particular circumstances before considering or acting on this material further. PoM will not be liable to any third party using or relying on any information contained in this document for any purpose.

# Contents

CEO message	1
FY22 highlights	2
About Port of Melbourne	3
FY22 port statistics	7
Governance	8
Working with our stakeholders	10
Our approach to sustainability	12
People	18
Planet	25
Partnerships	35
Prosperity	38
ESG data tables	45
GRI content index	48
Sustainability Accounting Standards Board (SASB) index	53
Report from the independent assurers	55
Contact us	58



# CEO message

Port of Melbourne's operations and sustainable growth benefit Victoria, south east Australia and our nation. While goods are moving, our economy is moving and people have jobs.

As Australia's largest container and general cargo port, the port already handles more than one third of Australia's container trade, but we certainly don't take this privileged position lightly. Our role as responsible stewards and custodians of such an important economic asset informs every decision we make.

We're focused on providing world-class port facilities and services when they are needed, and we're committed to investing in Australia's supply chain infrastructure to drive efficiencies and productivity that support the state's economic growth, job creation and social prosperity.

Our focus on sustainability is core to our purpose and strategy, and critical to our future success. We believe that PoM is well placed to work on key sustainability efforts across the port's supply chain, and support the efforts of our stakeholders to progress decarbonisation, minimise the port's impact on our land, air and waters and build strong stakeholder and community relationships.

This financial year we made significant progress in our commitment to sustainability. We formalised our approach through our new Sustainability Policy and three-year Sustainability Strategy. Our strategy sets the foundation for us to achieve our goal to build a sustainable port for the benefit of the Victorian economy and liveability of Melbourne.

Our ongoing efforts in sustainability were recognised in 2022 by the Global Real Estate Sustainability Benchmark (GRESB). PoM achieved a 5 Star rating in the GRESB Infrastructure Asset Assessment and was recognised as the most improved in the ports sector.

During the year we undertook a comprehensive research program to understand what matters most to our stakeholders, including the economic, social and environmental topics our stakeholders consider to be most material to our business. This research informed our Sustainability Strategy and future priorities.

We measured the greenhouse gas emissions of the port supply chain (PoM's Scope 3 emissions) as part of our commitment to lead the decarbonisation of the port. We are continuing our focus on responding to climate change by developing targets to reduce PoM's operational emissions and working with port users to identify opportunities to reduce the port's supply chain emissions. Our climate change management approach has been informed by

the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). In coming years we will continue to evaluate and enhance our climate-related disclosures to reflect our maturing approach to climate change.

In FY22, PoM continued consultation with stakeholders on long-term planning requirements. Our Port Development Strategy Delivery Program outlines the indicative timing and sequencing of each of the major projects planned over the coming years.

One of these, the Port Rail Transformation Project, will improve the efficiency and sustainability of the port's supply chain. Moving more containers on rail will alleviate congestion on Melbourne's roads, reduce greenhouse gas emissions and air pollution and boost the productivity of the port's landside supply chain. The project has sustainability considerations embedded into the construction works, including reusing and recycling materials where appropriate. To date, we have reused more than 40,000 tonnes of material onsite and achieved a 98% recycle rate on the structures demolished for the project.

This year we continued our historically strong safety performance with zero injuries recorded for employees and contractors. PoM's goal is to be a zero harm workplace and I'm proud that we achieved this for the second consecutive year.

In 2022 we refreshed our Diversity and Inclusion Policy and updated our parental leave and domestic and family violence policies. We also developed PoM's first Reconciliation Action Plan, which was launched in December, and will be implemented in 2023.

Looking ahead, PoM will continue to progress our sustainability program as we aspire to become a sustainability leader in the ports sector. We believe this goal can be best achieved by working with our stakeholders to create meaningful impact across the port supply chain. I thank the PoM board, executive leadership team and our employees for their commitment to our sustainability agenda.



Saul Cannon  
CEO, Port of Melbourne



# FY22 highlights



5 Star  
GRESB rating



Developed new  
three-year  
Sustainability Strategy



Undertook stakeholder  
perceptions research  
and updated materiality  
assessment



Measured Scope 3  
emissions for FY21  
and FY22



Developed Noise & Air  
Management Strategy



Port Rail Transformation  
Project reused more than  
40,000 tonnes of  
material onsite



Zero injuries for  
employees and PoM  
contractors



Employee  
engagement score  
of 69%



100% of PoM employees  
and Board members  
completed onsite safety  
inspections



Contributed more  
than \$250,000 to  
local communities



Developed PoM's  
first Reconciliation  
Action Plan



Updated parental  
leave and domestic  
& family violence  
policies



Refreshed Diversity  
& Inclusion Policy



Developed Mental  
Health and Wellbeing  
Framework



# About Port of Melbourne

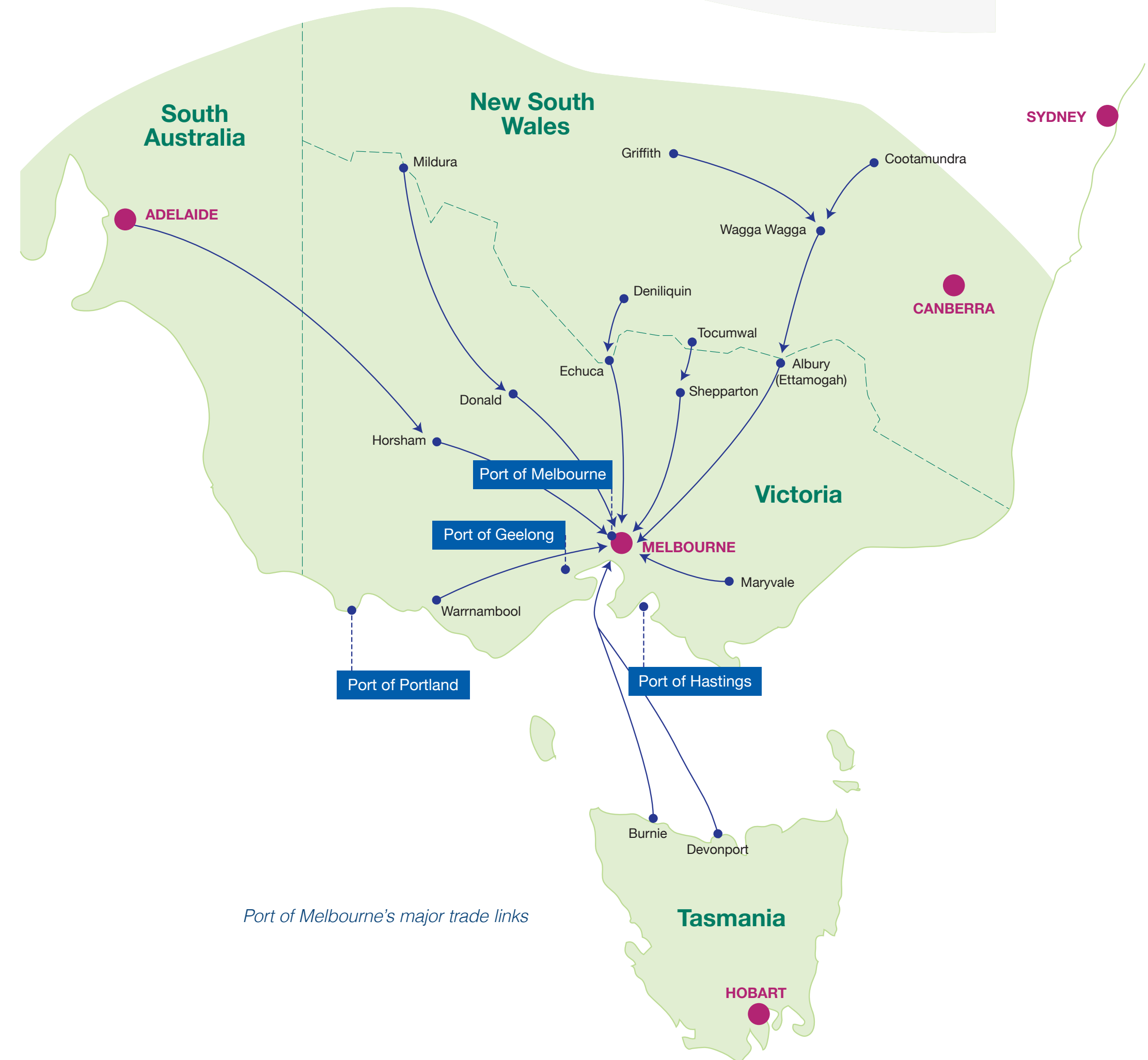
As Australia's largest general cargo and container port, the Port of Melbourne is a vital trading gateway for south-eastern Australia, facilitating more than one-third of the nation's container trade and playing a critical role as a key driver of economic activity. The port services the south east of Australia, including Tasmania, and occupies a central position in the freight and logistics industry.

As the landlord manager of the port, PoM is responsible for the strategic planning, development and management of the port's operations under a 50-year lease from the Victorian Government.

The Port of Melbourne Group is owned by some of the largest and most experienced global infrastructure investors with wide-ranging expertise in managing significant infrastructure assets. They are QIC, on behalf of its managed funds and clients, Future Fund, Global Infrastructure Partners, and OMERS Infrastructure.

The shareholders are long-term investors and, as such, make investment decisions in the strategic interests of the port and its place in the national supply chain.

PoM is focused on providing world-class port facilities and services, and we are committed to investing in infrastructure at the Port of Melbourne to drive efficiencies and productivity that support the state's economic growth, job creation and social prosperity. The port contributes 19,600 jobs and \$6 billion to the Victorian economy each year and is committed to servicing the Victorian economy.





At PoM, our values are fundamental to everything we do, both within our own operations and through our engagement with our stakeholders. It is our values that help guide how we go about our business, the decisions that we make and the actions that we take every day.

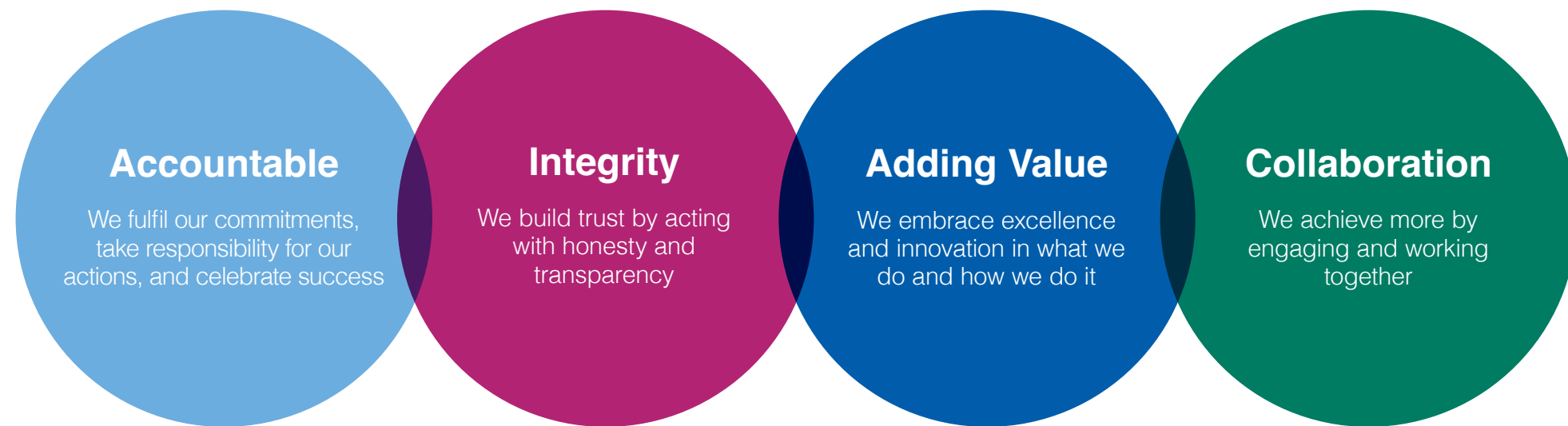
**Our Vision**

Our passion for growing trade creates an enduring city port, driving the economy and enriching lives.

**Our Mission**

Working with stakeholders, delivering innovative and sustainable port solutions, creating the future and building on our proud history.

**Our Values**



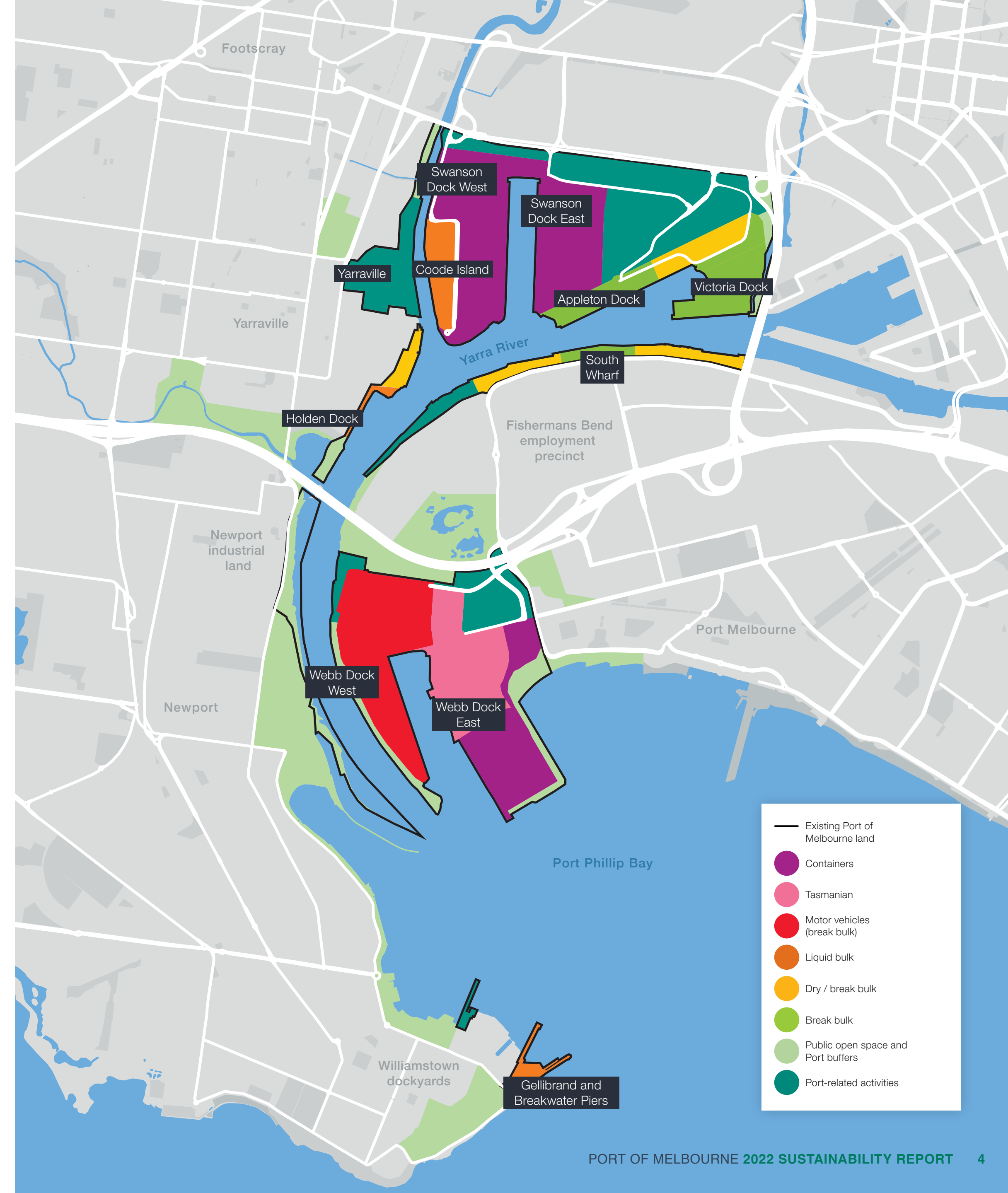
**PoM's operations**

PoM manages over 500 hectares of port land stretching from Williamstown in the west around Port Phillip Bay to Port Melbourne in the east. PoM also manages 52 kilometres of commercial shipping channels within Port Phillip Bay and the Yarra River.

PoM, under a long-term lease arrangement from the Victorian government, is responsible for maintaining and developing these lands, waters, port facilities and the associated infrastructure which includes 30 commercial berths and wharves, terminal and trade-handling facilities

and connections to surrounding road and rail networks. PoM's responsibilities also include planning for the long-term use of port land and shipping channels to ensure that the port has the capacity and capability needed to handle cargo well into the future.

The berths, wharves, terminals and trade handling facilities are used by our 87 tenants and other private businesses who largely undertake the day-to-day operations of the port including the provision of cargo shipping, stevedoring, pilotage, towage and road and rail transport services.





## The evolution of a city port

The port has a long history supporting Melbourne and the people of Victoria. For almost 150 years, the port has been an enduring presence as the city of Melbourne has grown around it. While other ports in different places have been forced out of capital cities, the central location of the Melbourne port has become one of our biggest strengths.

PoM has developed a Port Heritage Trail to showcase the rich history of the port. The trail establishes a link between heritage sites located around the port precinct through heritage markers placed at historically significant locations in the shared spaces that surround the port. The trail stretches from Station Pier in Port Melbourne, through West Melbourne and Footscray, to Point Gellibrand in Williamstown, including sites that are listed as significant heritage assets on the Victorian Heritage Register. Each heritage marker along the trail contains information and historical images, enabling visitors to explore the history of the port, from early days of the city's settlement to key port milestones from the twentieth century, as they walk or cycle along existing trail networks.

Today, transport and logistics links fan out from the port, moving goods efficiently throughout Melbourne and facilitating trade for Tasmania and regional Australia. Our port freight supply chains are efficient and productive, supporting

the Victorian economy and the liveability of Melbourne. The port is a vibrant hub of activity that is fundamental to the everyday lives of the people of Victoria. As a city port surrounded by residential areas, we want our local communities to be a part of the port and the role it plays. We provide as much access as practicable to the waterfront and the lifestyle benefits this brings to the community.

PoM manages 31 hectares of open space in the land surrounding the port, with over 18 hectares maintained for public access. Each year we invest in maintaining public open spaces including playgrounds, exercise areas, fishing locations and the Port Heritage Trail. This includes the Maritime Cove Playground in Port Melbourne, the Webb Dock Trail and lookout point alongside Webb Dock, walking and cycling trails along the Yarra River near Newport Power Station and a number of fishing platforms. PoM maintains these open spaces by undertaking landscaping, infrastructure maintenance, rubbish collection and maintaining public amenities. PoM also manages the purpose-built Port Education Centre which provides schools and community groups the opportunity to learn about the port's operations through education and guided tours of the port.

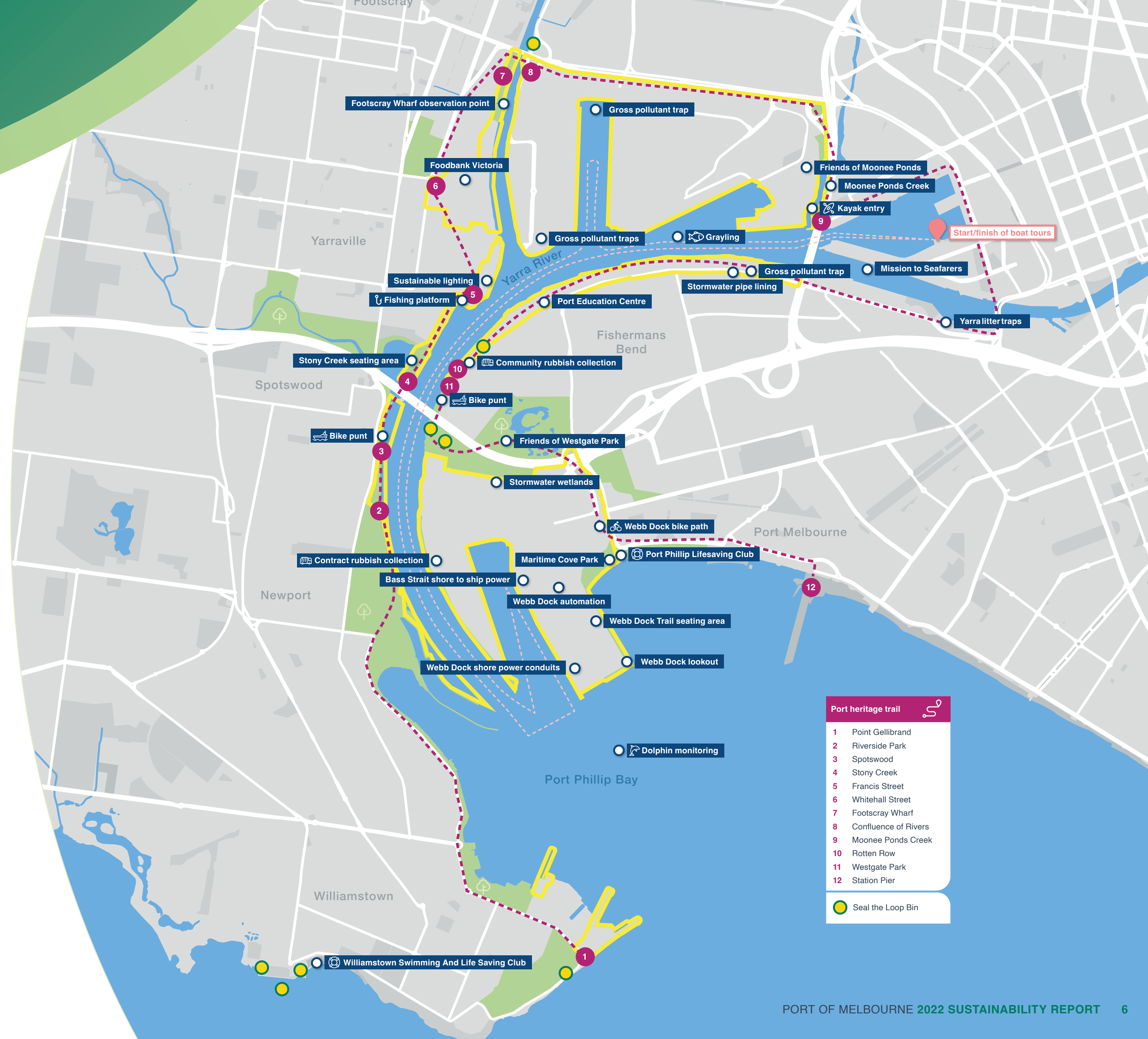


Top left and right: *Cargo movement in 1950s*  
Bottom: *Port development, 1968*



## Social and environmental features of the port

The Port of Melbourne sits at the opening between the city, its rivers and the sea. We provide amenities to enable city users to enjoy and explore our shared green and blue spaces. Marked on this map are some of our community interest activities and features related to keeping our port area clean.



- Port heritage trail**
- 1 Point Gellibrand
  - 2 Riverside Park
  - 3 Spotswood
  - 4 Stony Creek
  - 5 Francis Street
  - 6 Whitehall Street
  - 7 Footscray Wharf
  - 8 Confluence of Rivers
  - 9 Moonee Ponds Creek
  - 10 Rotten Row
  - 11 Westgate Park
  - 12 Station Pier
- Seal the Loop Bin**



# FY22 port statistics



**505**

hectares of land



**31**

hectares of open space



**87**

tenants



**30**

commercial berths



**3,232,608**

TEUs



**\$138**

billion trade value



**18**

hectares public access land



**52**

kilometres of shipping channels



**2,912**

ship arrivals



**27**

kilometres of waterfront



# Governance

PoM is committed to strong corporate governance to achieve our strategic objectives and create sustainable value for the organisation.

## OUR SHAREHOLDERS

QIC  
Future Fund  
Global Infrastructure Partners (GIP)  
OMERS Infrastructure

## OUR BOARD

**INDEPENDENT CHAIR**  
John Stanhope

**QIC**  
Leisel Moorhead  
Anastasiia Bessonova  
(Alternate)

**FUTURE FUND**  
James White  
Robert Nicholson

**GIP**  
Russell Smith  
Veeral Kanji  
Robert Stewart  
(Alternate)

**OMERS**  
Stasha Prnjatovic  
Simon Palagyi  
Christopher Curtain  
(Alternate)

## BOARD COMMITTEES

Audit & Risk Management Committee  
Safety & Sustainability Committee  
People & Culture Committee

## OUR EXECUTIVE

**CHIEF EXECUTIVE OFFICER**  
Saul Cannon

## OUR DIVISIONS & EXECUTIVE LEADERSHIP TEAM

**OFFICE OF THE CEO**  
Tiffany Newgreen  
General Counsel & Company Secretary

Alex Kuras  
EGM People & Culture

**PORT OPERATIONS**  
Craig Faulkner  
EGM Operations

**STRATEGY & PLANNING**  
Caryn Anderson  
EGM Strategy & Planning

**FINANCE**  
Darryl Mutzelburg  
Chief Financial Officer

**COMMERCIAL**  
Shaun Mooney  
EGM Commercial

**PORT DEVELOPMENT**  
Tony Murphy  
EGM Port Development

**CORPORATE RELATIONS**  
Sarah Browne  
EGM Corporate Relations

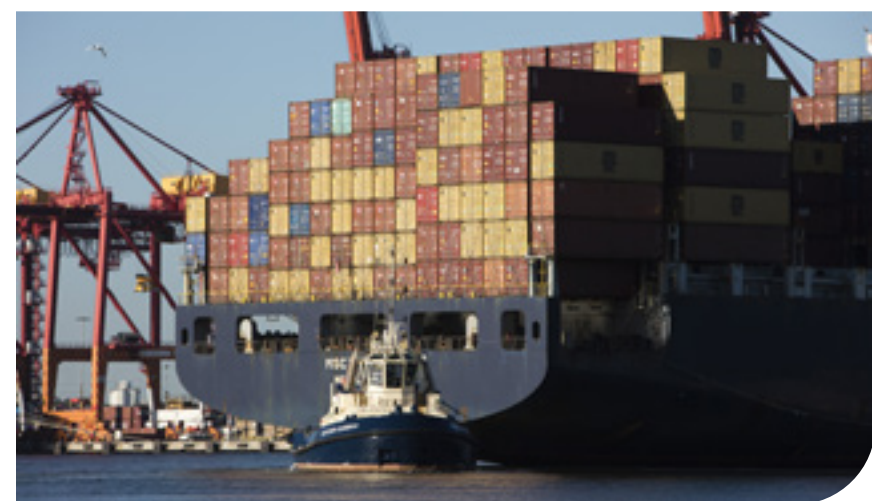
Governance structure at 1 December 2022



Our governance is supported by policies and frameworks that are regularly reviewed and approved by the Board.

### Board Charter

The PoM Board Charter outlines the principles the Board of PoM upholds while carrying out its duties. It outlines the roles and responsibilities of the Independent Chair, Directors and Company Secretary, the establishment and operation of Board Committees and conflict of interest obligations.



### Code of Conduct

The PoM Code of Conduct governs the conduct of our employees and contractors by establishing a clear standard of behaviour expected of all employees, and fosters a positive work environment where everyone's rights are maintained.

The Code of Conduct is supported by a suite of policies, frameworks and guidelines that reflect PoM's commitment to governance, anti-corruption, ethical conduct, equal opportunity, occupational health and safety, and privacy. These are reviewed every two years to ensure they continue to reflect our workplace expectations.

PoM has a formal support structure in place to assist employees with any concerns or grievances they may have, including our Whistleblower Policy.

### Integrated Management System

PoM's Integrated Management System has been third party certified by Bureau Veritas Certification to ISO Standards in Quality (9001:2015), Environment (14001:2015), OHS (45001:2018) and Asset Management (55001:2014) since 2019. PoM was the first organisation in Australia to have certified a fully Integrated Management System to the most contemporary versions of these four ISO Standards. In FY22 PoM underwent a recertification audit and maintained our accreditation to the four ISO Standards.

### Risk Management Framework

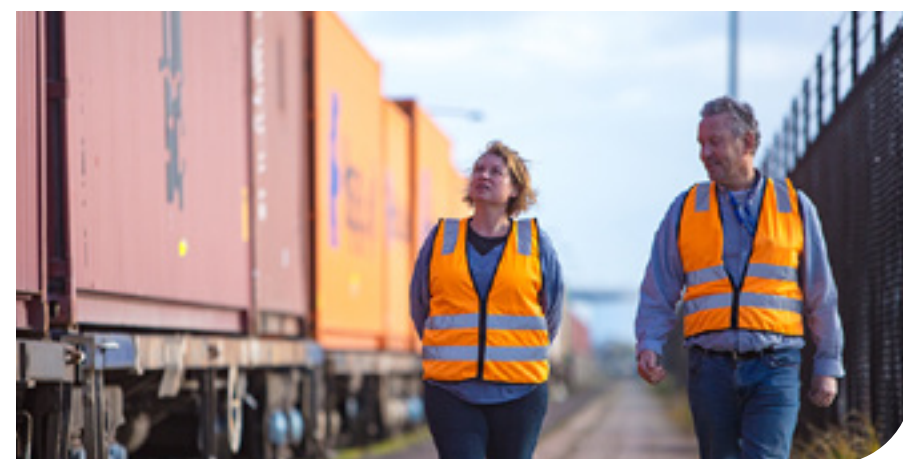
PoM's Enterprise Risk Management Framework defines and identifies our risk appetite, risk management process, responsibilities across all levels of the organisation from the Board to employees, reporting requirements and our strategic approach to risk.



# Working with our stakeholders

PoM recognises the importance of engaging with the diverse array of stakeholders that have an interest in the port’s development and operations. Our stakeholders include tenants and port users, employees, shareholders, all levels of government, regulators, industry, customers, media, suppliers, contractors and financiers.

We are committed to engaging with all our stakeholders in an inclusive, genuine and transparent way. Our approach is guided by our commitment to comply with our regulatory obligations, and our intent to listen to and be responsive to our stakeholders. We always seek opportunities to strengthen our engagement over time.



Stakeholder group	How we engaged	Areas of interest	Examples of engagement
<b>Tenants and port users</b>	<ul style="list-style-type: none"> <li>Stakeholder meetings</li> <li>Port-wide consultative groups and forums</li> <li>Surveys</li> <li>Online briefings and consultation sessions</li> <li>Commercial negotiations</li> <li>Written correspondence</li> </ul>	<ul style="list-style-type: none"> <li>Trade volumes and forecasts</li> <li>Services and pricing</li> <li>Investment and infrastructure planning</li> <li>Operations management</li> <li>Global supply chain considerations</li> <li>Safety and environment performance</li> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder Perceptions Survey</li> <li>Tenancy Customer Charter</li> <li>Tariff Compliance Statement consultation</li> <li>Container Logistics Chain Study launch</li> <li>Tenant Safety Forums</li> <li>Annual industry event</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>All employee meetings</li> <li>Intranet and internal communications</li> <li>Forums and workshops, both in-person and virtually</li> <li>Surveys</li> <li>Site inspections</li> <li>Volunteering</li> </ul>	<ul style="list-style-type: none"> <li>Business strategy and performance</li> <li>Key operational matters</li> <li>Training and professional development opportunities</li> <li>Workplace culture and engagement</li> <li>Health, safety and wellbeing, including mental health in the workplace</li> <li>Diversity and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Annual employee engagement survey</li> <li>Mental health in the workplace survey</li> <li>All employee monthly meetings</li> <li>Special events such as International Women’s Day, R U OK? Day</li> <li>Internal newsletters</li> <li>Safety inspections</li> <li>Foodbank volunteering</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>Board and Committee meetings</li> <li>Working groups</li> <li>Reports</li> </ul>	<ul style="list-style-type: none"> <li>Business and financial performance</li> <li>Port development</li> <li>Stakeholder engagement</li> <li>People and culture</li> <li>Sustainability</li> <li>Safety</li> </ul>	<ul style="list-style-type: none"> <li>Trade reports</li> <li>Board strategy day</li> <li>Safety inspections</li> <li>Regular sustainability data reports</li> </ul>
<b>Community and local government</b>	<ul style="list-style-type: none"> <li>Digital communications</li> <li>Sponsored activities</li> <li>Correspondence (meetings, phone calls, public notices)</li> <li>Surveys</li> </ul>	<ul style="list-style-type: none"> <li>Port development</li> <li>Local community impacts (noise, heavy vehicles, air emissions)</li> <li>Local community group support</li> </ul>	<ul style="list-style-type: none"> <li>Focus groups</li> <li>Stakeholder Perceptions Survey</li> <li>Community sponsorships</li> <li>Complaint management</li> <li>Social media updates</li> <li>Port tours</li> </ul>





Stakeholder group	How we engaged	Areas of interest	Examples of engagement
<b>Government, industry bodies and regulators</b>	<ul style="list-style-type: none"> <li>Stakeholder meetings</li> <li>Industry round tables</li> <li>Port tours</li> <li>Formal submissions</li> <li>Newsletters</li> <li>Conferences and speaking engagements</li> </ul>	<ul style="list-style-type: none"> <li>Port regulatory framework</li> <li>Pricing and services</li> <li>Port development</li> <li>Intermodal Issues</li> <li>Land use planning</li> <li>Business performance</li> <li>Heritage</li> </ul>	<ul style="list-style-type: none"> <li>Essential Services Commission Undertaking</li> <li>Stakeholder Perceptions Survey</li> <li>Industry briefings</li> <li>Port boat tours</li> <li>Submissions to inquiries and reviews</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Stakeholder meetings</li> <li>Port tours</li> <li>Industry supply chain sessions</li> <li>Conferences (sponsorships and industry speaking engagements)</li> <li>Podcasts</li> <li>Editorials (magazines and industry specific newsletters)</li> </ul>	<ul style="list-style-type: none"> <li>Trade volumes and forecasts</li> <li>Global supply chain</li> <li>Supply chain optimisation workshops</li> <li>Port development</li> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder Perceptions Survey</li> <li>Tariff Compliance Statement consultation</li> <li>Container Logistics Chain Study launch</li> <li>Port boat tours</li> <li>Peak Season workshops (agricultural industry)</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>Email, phone, interviews, media summits</li> <li>Media releases</li> <li>Digital and social media</li> </ul>	<ul style="list-style-type: none"> <li>Global trade and supply chain considerations</li> <li>Port development and project updates</li> <li>Intermodal developments</li> <li>Operational issues</li> </ul>	<ul style="list-style-type: none"> <li>AFR Business Summit</li> <li>Media releases</li> <li>Media tours</li> <li>Trade reports</li> </ul>
<b>Suppliers and contractors</b>	<ul style="list-style-type: none"> <li>Procurement process and contract negotiation</li> <li>Project and performance meetings</li> </ul>	<ul style="list-style-type: none"> <li>Operational performance</li> <li>Specialist engineering and strategic asset advice</li> <li>Financial performance</li> <li>Sustainability</li> <li>Safety performance</li> </ul>	<ul style="list-style-type: none"> <li>Requests for tender</li> <li>Safety and hazard reviews</li> <li>Sustainability data requests</li> <li>Project and contract progress reviews</li> </ul>
<b>Financiers and credit rating agencies</b>	<ul style="list-style-type: none"> <li>Transactional roadshows and presentations</li> <li>Semi-annual updates</li> <li>Conferences</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Trade volumes and forecasts</li> <li>Investment and infrastructure planning</li> <li>Port regulatory framework</li> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Presentations</li> <li>Financial reports</li> <li>EMNT Program Offering Circular</li> </ul>



# Our approach to sustainability

In FY22 PoM's Board approved a Sustainability Policy and three-year Sustainability Strategy. Our focus on sustainability is core to our purpose and strategy, and critical to our future success. Sustainability underpins the delivery of PoM's strategic goals. Our Sustainability Strategy is integrated into our corporate strategy as a key business priority.

## Materiality assessment

In FY22 PoM undertook a comprehensive assessment to identify the economic, social and environmental topics our stakeholders consider to be most material to our business.

The assessment considered a number of inputs, including:

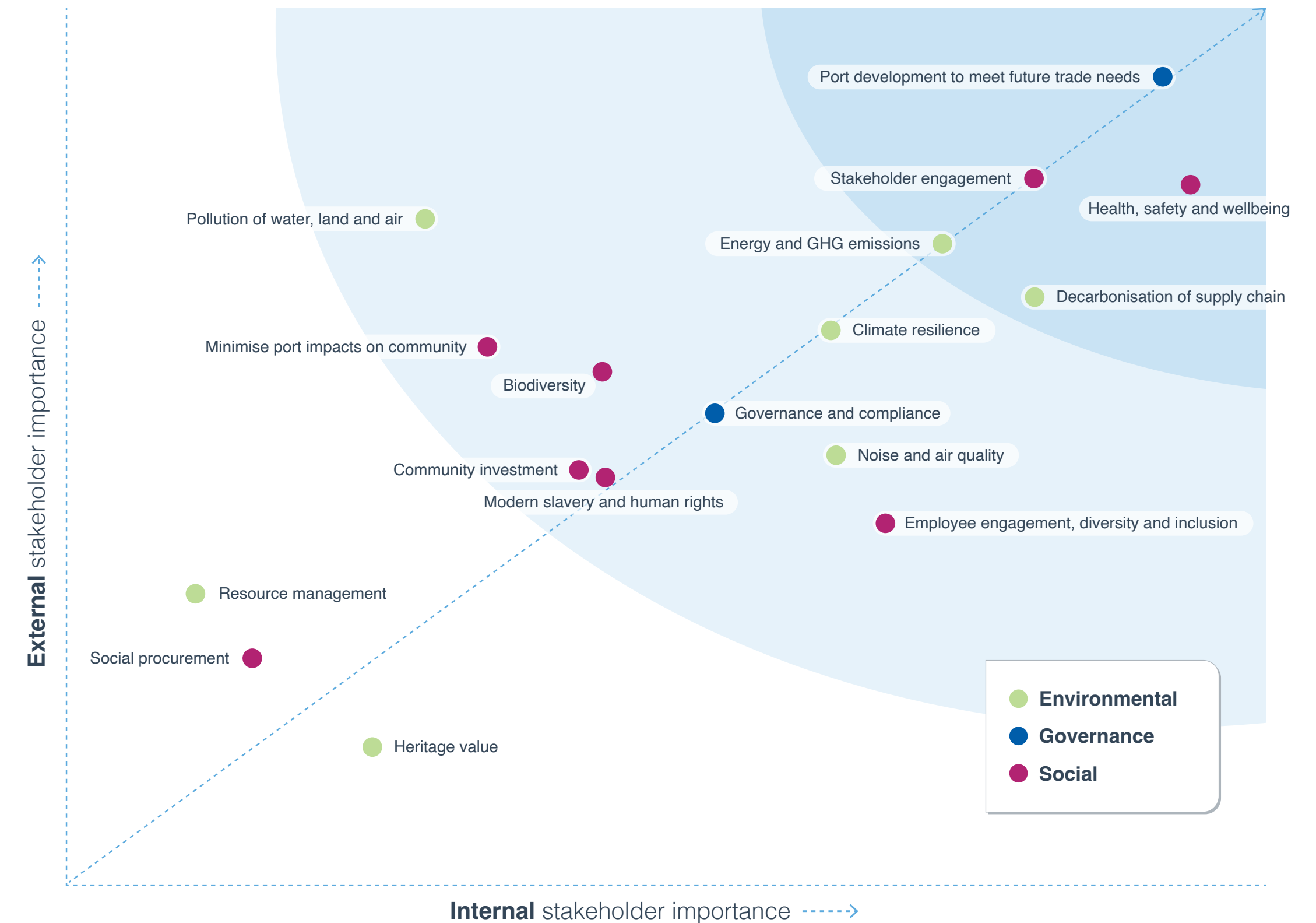
- Data obtained through an independent stakeholder perceptions research conducted in FY22 which included input from over 50 external stakeholders, members of PoM's Board and PoM's executive leadership team
- Global sustainability trends and peer reviews
- Relevant sustainability standards; and
- ESG topics prioritised by financiers.

Through the assessment, we identified 17 topics which were prioritised based on their impact and importance to our business and our stakeholders.

### The top five material topics identified for PoM in FY22 are:

- 1 Port development to meet future trade needs**
- 2 Health, safety and wellbeing**
- 3 Stakeholder engagement**
- 4 Energy use and greenhouse gas emissions; and**
- 5 Decarbonisation of the supply chain.**

These topics form part of PoM's Sustainability Strategy and inform our future priorities.



PoM's material issues identified through external and internal engagement and analysis



## Sustainability Policy

PoM's Sustainability Policy sets the standards for decision making and the achievement of our sustainability objectives. The policy outlines 10 principles that guide the way we plan, operate and make business decisions.

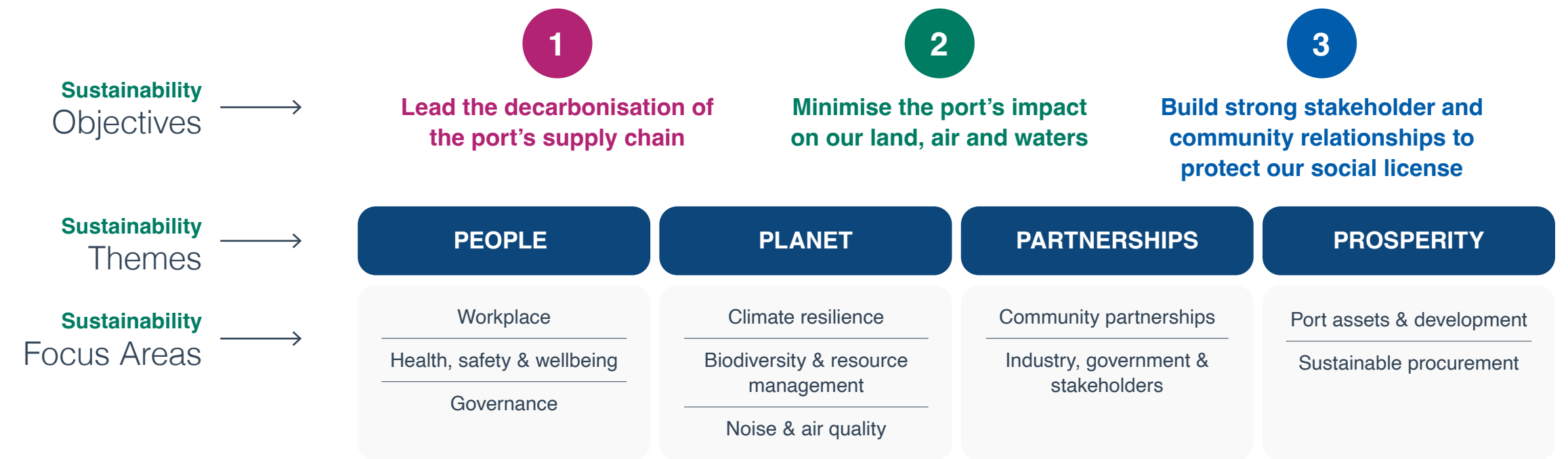
### Sustainability Principles

- 1 Operate in a responsible manner regarding our environmental impact and minimise our carbon footprint to mitigate the impacts of climate change.
- 2 Incorporate sustainability principles, actions and performance measures into PoM operations and long-term planning decisions.
- 3 Commit to United Nations Sustainable Development Goals that are relevant to our business.
- 4 Create and preserve value for our shareholders and the broader economy while remaining attractive to investors of both equity and debt.
- 5 Strive for continuous improvement in sustainability and influence the actions of others to do the same.
- 6 Manage sustainability using a formal risk based approach and to ensure that controls are in place to mitigate identified risks.
- 7 Engage with stakeholders in a transparent manner to review material issues in accordance with best practice guidelines and collaborate on shared sustainability matters.
- 8 Respect our local communities and have community and procurement strategies that support sustainability and positive societal outcomes.
- 9 Commit to being a safe, professional, diverse and inclusive workplace.
- 10 Commit to reporting on sustainability and communicate our performance on material issues including our annual sustainability report.

## Sustainability Strategy

PoM's three-year Sustainability Strategy was approved by the Board in August 2021. The strategy seeks to establish a foundation for our sustainability program. It articulates what sustainability means in the context of PoM's business and responds to those issues most material to our stakeholders. The strategy guides us in identifying, understanding and responding to social and environmental issues in support of PoM's purpose.

PoM's overarching sustainability goal is to work with our stakeholders to build a sustainable port for the benefit of the Victorian economy and liveability of Melbourne. This goal is underpinned by three key objectives, supported by four sustainability themes: people, planet, partnerships and prosperity. Our strategy's objectives, themes and sustainability focus areas are shown in the figure below. The tables on pages 15–17 detail the ambition PoM has set for each theme which outline the roadmap for the delivery of our strategy.



Our strategy is also aligned to those United Nations Sustainability Development Goals most relevant to PoM and our stakeholders, and is supported by objectives, three-year targets and indicators.

A key focus for PoM in delivering the strategy is to embed sustainability into all aspects of our business, including infrastructure operations and maintenance and port development planning and delivery.



## Sustainability governance

PoM's Board Safety and Sustainability Committee has oversight of the Sustainability Strategy and its delivery. The CEO and Executive Leadership Team have responsibility for developing and delivering the Sustainability Strategy. The Executive General Manager, Strategy and Planning, has responsibility for PoM's sustainability function.

PoM is working to embed sustainability into all aspects of our business and operations. In FY22 the Board set 5 year KPIs for the senior management team related to progress against PoM's most material sustainability topics, including stakeholder engagement and emissions reduction.

## Sustainability recognition

Our ongoing sustainability efforts were recognised by the Global Real Estate Sustainability Benchmark (GRESB) this year. PoM achieved a 5 Star rating in the GRESB Infrastructure Asset Assessment and was recognised as the most improved in the ports sector in 2022.



**G R E S B**  
★★★★★ 2022

## The United Nations Sustainable Development Goals

### UN SDG

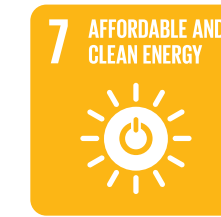
### Relevance to PoM



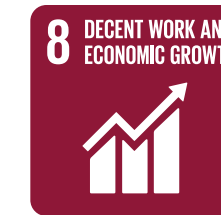
Ensuring the health, safety, and wellbeing of our employees, contractors and all port users is our priority.



Diversity, equity and inclusion are central to PoM. We believe that supporting diversity benefits all of us and enhances the quality of PoM's business decisions and results.



PoM is committed to reducing greenhouse gas emissions to limit global warming, including using zero and low emissions energy sources.



Through our role as a major trade gateway, PoM supports the state's economic growth, job creation and social prosperity.



PoM is committed to investing in the port and its supply chain infrastructure to drive efficiencies and productivity.



PoM is committed to preserving the cultural and natural heritage of the port precinct.

### UN SDG

### Relevance to PoM



PoM seeks to minimise resource use as part of our broader commitment to minimise impact on the environment.



PoM is committed to identifying and mitigating climate risks and reducing greenhouse gas emissions to limit global warming.



PoM is committed to assessing and minimising our impact on water quality and marine ecosystem health.



PoM is committed to assessing and minimising our impact on land habitat and biodiversity.







PoM recognises the importance of engaging with the diverse array of stakeholders that have an interest in the port's development and operations and our aim is to strengthen this engagement over time.





# Our Sustainability Strategy

Focus area	FY22 Progress	FY23 Milestones	FY24 Ambition	
 <b>PEOPLE</b>				
<b>Workplace</b>		<ul style="list-style-type: none"> <li>Employee engagement score of 69%</li> <li>Developed our 'Reflect' Reconciliation Action Plan</li> <li>Parental Leave Policy updated and approved by the Board</li> <li>PoM Family and Domestic Violence Policy reviewed and changes were made to better support employees and their families</li> <li>Refreshed leadership development program</li> <li>25% female CEO direct reports</li> <li>20% gender pay gap</li> </ul>	<ul style="list-style-type: none"> <li>Achieve industry leading employee engagement score</li> <li>Implement 'Reflect' Reconciliation Action Plan</li> <li>Review PoM's policies, procedures and guidelines to align with the Diversity &amp; Inclusion Strategy and ensure they are inclusive and accessible to all employees</li> </ul>	<ul style="list-style-type: none"> <li>Achieve employee engagement score in top quartile of PoM's industry group</li> <li>Achieve industry leading employee engagement score</li> <li>Continue to deliver Diversity &amp; Inclusion Strategy</li> <li>Successfully implement Reconciliation Action Plan and develop next stage of plan</li> </ul>
<b>Health, safety &amp; wellbeing</b>		<ul style="list-style-type: none"> <li>Zero lost time injuries and zero recordable injuries for employees and contractors</li> <li>Developed the Mental Health and Wellbeing Framework</li> <li>Trained 10% of PoM employees in Mental Health First Aid</li> <li>Delivered safety training and site inspection program</li> </ul>	<ul style="list-style-type: none"> <li>Deliver safety training and site inspection program for PoM Board and all employees</li> <li>Deliver Mental Health and Wellbeing Plan</li> </ul>	<ul style="list-style-type: none"> <li>Achieve zero harm</li> <li>Continue to deliver Health, Safety &amp; Wellbeing Strategy</li> </ul>
<b>Governance</b>		<ul style="list-style-type: none"> <li>Reviewed the modern slavery governance of PoM's most commonly used recruitment agencies</li> <li>Undertook an organisation-wide remuneration review</li> <li>Required all new starters and contractors to complete Appropriate Workplace Behaviour training, which includes a module on modern slavery</li> <li>Added a modern slavery clause into our precedent lease with port tenants</li> <li>Complied with all relevant legislation and contractual obligations</li> </ul>	<ul style="list-style-type: none"> <li>Develop Human Rights Policy</li> <li>Continue to embed modern slavery and human rights clauses into new contracts</li> </ul>	<ul style="list-style-type: none"> <li>Establish integrated sustainability reporting system</li> <li>Further enhance PoM's modern slavery risk assessment and management practices</li> </ul>



Focus area

FY22 Progress

FY23 Milestones

FY24 Ambition



Climate resilience

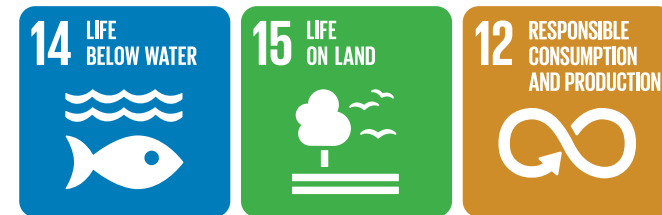


- Expanded Scope 3 emissions measurement to include PoM's extended supply chain
- Commenced reporting against TCFD
- Engaged with stakeholders to assess options for low-emissions fuels
- Installed solar panels on the Short Road Maintenance Facility which achieved a 5 Star Green Star rating

- Set Scope 1 and 2 emissions reduction target
- Develop emissions reduction plan for parts of PoM's supply chain (ie. Scope 3 emissions)
- Undertake climate risk scenario analysis

- Meet milestones towards achieving Scope 1 and 2 emissions reduction target
- Develop broader Scope 3 emissions reduction plan
- Align climate action and reporting to Taskforce for Climate-related Financial Disclosures (TCFD) recommendations

Biodiversity & resource management



- Hosted sentinel bee hives around the port as part of the National Bee Pest Surveillance Program to provide early detection of exotic bee pests and diseases
- Maintained Seal the Loop bins at popular fishing locations around the port to enable responsible disposal of fishing lines
- Collaborated with Agriculture Victoria on the state's first systematic surveillance program for marine pests within commercial port environments
- Continued the vegetation repair and maintenance program between Westgate Park and Maritime Cove at Webb Dock
- Achieved a 47% recycling rate for office waste
- In delivering the Port Rail Transformation Project, reused over 40,000 tonnes of material onsite as of December 2022 and achieved a 98% recycle rate on the structures demolished for the project

- Commence work to establish a baseline for terrestrial biodiversity
- Continue the marine pest surveillance, National Bee Pest Surveillance Program and Seal the Loop bins programs in the port precinct
- Maintain vegetation and landscaping
- Continue the reuse and recycling of materials in port development projects including the Port Rail Transformation Project, Webb Dock East Extension Project and Swanson Dock Remediation Project

- Establish a biodiversity baseline and develop a plan to manage biodiversity within the port
- Develop programs to reduce waste to landfill and water use

Noise & air quality



- Developed Noise and Air Management Strategy
- Completed the first stage of a detailed study of noise sources at Webb Dock and Gellibrand
- Included noise mitigation initiatives as part of the early planning for the Port Capacity Enhancement Program
- Continued to collaborate on EPA's Inner West Source Apportionment Project, aimed at quantifying significant sources of fine particulate matter of size <2.5 microns in the port and surrounding areas

- Continue to undertake noise management initiatives outlined in the Noise and Air Management Strategy
- Work with Freight Victoria on air quality initiatives in Melbourne's inner west

- Continue to develop and enhance the Noise and Air Management Strategy



Focus area

FY22 Progress

FY23 Milestones

FY24 Ambition

 PARTNERSHIPS

Community partnerships



- Contributed more than \$250,000 to PoM's community partners
- Employees volunteered 72 hours for Foodbank, delivering the equivalent of 32,000 meals to Victorians
- Delivered our Port Education Program to over 1,000 school students

- Continue PoM's community investment and contribution to the local community
- Continue delivery of port tours for the public, industry and other stakeholders
- Continue delivery of the Port Education Program to primary, secondary and tertiary students

- Track and satisfactorily resolve all community complaints
- Develop Community Investment Strategy

Industry, government & stakeholder engagement



- Refreshed stakeholder policies and procedures
- Developed Pricing Order Engagement Protocol
- Undertook industry and stakeholder engagement program to inform the development of the annual Tariff Compliance Statement
- Developed the Tenancy Customer Charter
- Undertook stakeholder and community perceptions research
- Undertook sustainability materiality assessment

- Develop refreshed Stakeholder Engagement Framework
- Undertake stakeholder engagement regarding the Port Capacity Enhancement Program
- Deliver community engagement (IAP2) training for key employees
- Engage with industry groups, government, tenants, shipping lines and port users on sustainability issues
- Commence implementation of the Stakeholder Relationship Management system and change management program to facilitate the delivery of PoM's stakeholder engagement
- Undertake stakeholder and community perceptions 'pulse' survey

- Deliver improved stakeholder engagement
- Set a target to improve stakeholder engagement by 2026
- Undertake stakeholder and community perceptions research
- Work with tenants, port users, government and other stakeholders to identify and deliver sustainability initiatives across the port freight supply chain

 PROSPERITY

Port assets and development



- The port contributes 19,600 jobs and \$6 billion to the Victorian economy each year
- Embedded sustainability considerations into the construction works of development projects in delivery
- Developed sustainability and climate adaptation strategies to embed sustainability principles into the early design and planning for development projects

- Undertake Economic Impact Study for the port
- Undertake cost-benefit analysis for the Port Capacity Enhancement Program

- Embed sustainability, innovation and climate resilience into new projects
- Incorporate sustainability, innovation and climate resilience into existing assets

Sustainable procurement



- Commenced engagement with suppliers to collect fuel and energy use data to inform our understanding of greenhouse gas emissions across our supply chain

- Embed ESG into new contracts and procurement processes undertaken in the year

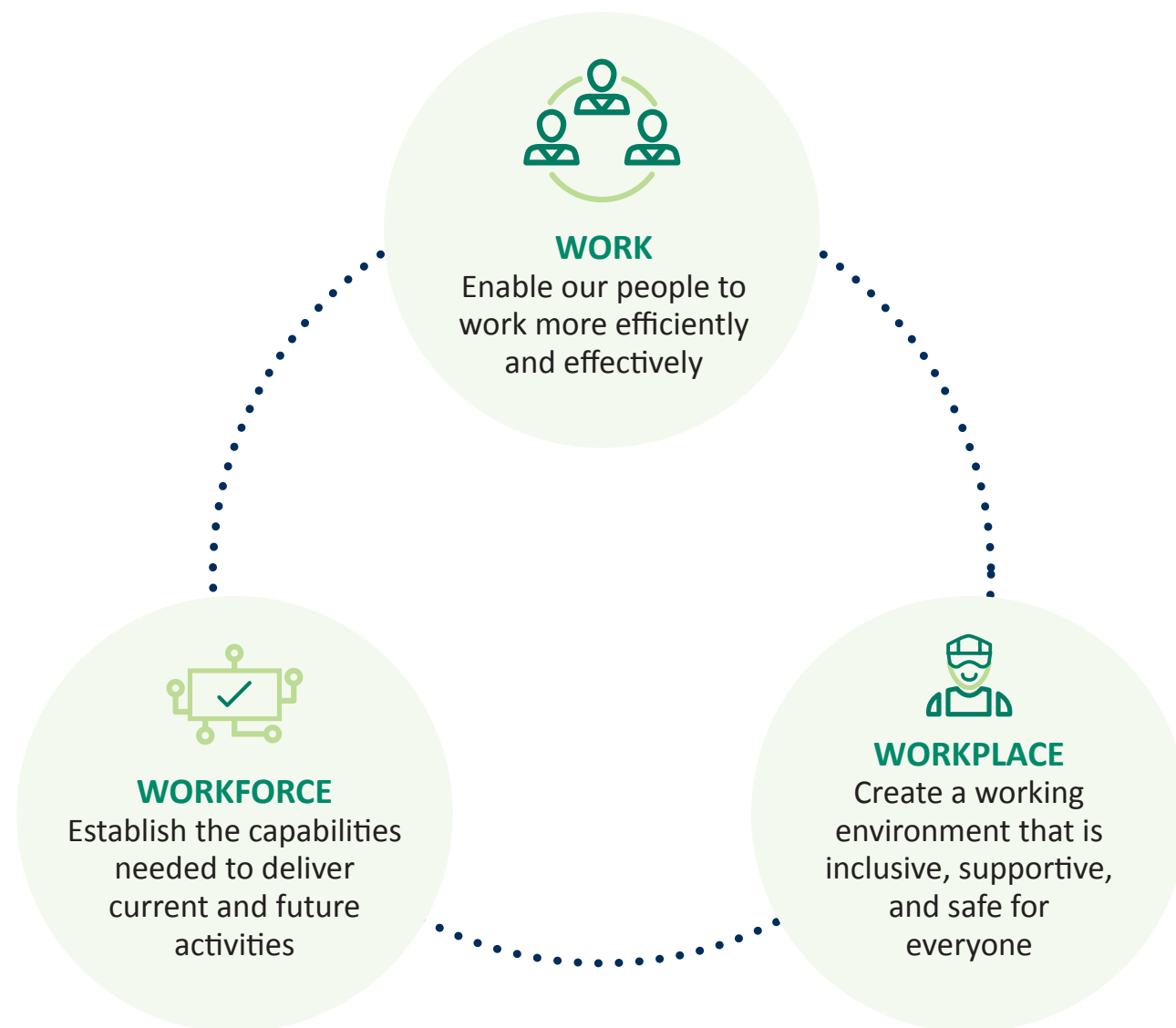
- Develop Supplier Code of Conduct
- Embed ESG into PoM's procurement criteria and contracts
- Increase procurement from local businesses, social enterprise and indigenous businesses



# People

Port of Melbourne recognises that our most valuable asset is our people, and their health, safety and wellbeing is fundamental to our ongoing success.














It is our vision that all of our people are enabled and empowered to be their best and contribute to the success of PoM. We work to achieve this vision through three objectives:





## PoM's workforce in FY22



WORKFORCE PROFILE FY22		 									
Employee headcount (at 30 June)	<b>135</b>	 <b>84</b> Male	 <b>51</b> Female								
Contractor headcount (at 30 June)	<b>3</b>										
Employee FTE	<b>132.1</b>	<table border="0"> <tr> <th colspan="2">FULL TIME</th> <th colspan="2">PART TIME</th> </tr> <tr> <td> <b>82</b> Male</td> <td> <b>42</b> Female</td> <td> <b>1</b> Male</td> <td> <b>7.1</b> Female</td> </tr> </table>		FULL TIME		PART TIME		 <b>82</b> Male	 <b>42</b> Female	 <b>1</b> Male	 <b>7.1</b> Female
FULL TIME		PART TIME									
 <b>82</b> Male	 <b>42</b> Female	 <b>1</b> Male	 <b>7.1</b> Female								
Contractor FTE	<b>2.4</b>										
Employees covered by collective bargaining agreements			<b>18%</b>								
Gender diversity (at 30 June)	 <b>27%</b> Female Board directors*	<b>25%</b> Female CEO direct reports	<b>24%</b> Female senior managers								
			<b>37.1%</b> Female total workforce								
Employee turnover rate			<b>15%</b>								
Gender pay gap			<b>20%</b>								
LEARNING AND DEVELOPMENT FY22											
Number of training hours			<b>1,749</b>								
Training investment per employee			<b>\$800</b>								

\*Includes Alternate Directors



## Safety performance

PoM has continued to mature our safety culture and has set a goal to be a zero harm workplace.

PoM maintains an integrated management system which is certified for safety under ISO45001. We monitor our safety performance through leading and lagging KPIs including the number of safety events, the number of safety assurance activities undertaken, and the proportion of new employees who complete necessary safety induction requirements.

Despite the impacts of COVID-19 restrictions which continued in Victoria in the first half of FY22, PoM met or exceeded all occupational health and safety KPIs.

In FY22, PoM recorded zero lost time or medical treatment injuries and a zero Total Recordable Injury Frequency Rate (TRIFR) for both employees and contractors.

PoM's Health, Safety and Wellbeing Strategy provides the framework for our historically strong safety performance. It comprises 6 safety principles underpinned by six strategic pillars which include:

- Safety culture and leadership
- Health, safety and wellbeing management systems
- Risk management
- Assurance and audit
- Information management and organisational learning and;
- Mental health and wellbeing framework.

### Key FY22 achievements include:

- 25 Board Member safety inspections were conducted against a target of 20 inspections.
- Stretch targets for executive team members, operations managers and workplace inspections were all exceeded.
- 524 workplace ergonomic assessments were completed for working from home and the office.
- The Port of Melbourne Safety, Health and Environment Consultative Forum, which includes all port tenants and a range of other port stakeholders, met quarterly.
- 10 critical control checklists were developed and delivered against our top 10 critical risks.
- All PoM employees completed at least one port site safety inspection.

### FY22 Safety performance

Total recordable injury frequency rate (TRIFR)	0
Fatalities	0
Reportable injuries	0

### CASE STUDY:

## EMPLOYEE SAFETY INSPECTIONS



PoM's Board, executive leadership team and senior managers conduct regular site safety inspections as part of PoM's commitment to zero harm for our employees and contractors.

In FY22 PoM extended the site inspection regime to require all employees to complete at least one site safety inspection during the year. This gave our office based employees exposure to operational activities within the port and increased understanding and awareness of safety for our operational activities.

Inspected sites included Ron Barassi Park, Webb Dock Trail, Holden Dock and No. 1 Maribyrnong bulk liquid terminals, as well as our construction sites at Swanson Dock West, Webb Dock East and the Port Rail Transformation Project.

The program helped employees identify potential safety hazards and increased the number of safety conversations and knowledge shared within the port environment.



## Mental health and wellbeing

PoM is committed to fostering a culture and work practices that support the mental health and wellbeing of our people.

In FY22 PoM developed the Mental Health and Wellbeing Framework to support our vision that PoM is a workplace where our people feel valued, respected, acknowledged and supported. The framework is centred on three elements:

- Preventing harm
- Early intervention; and
- Supporting unwell workers.

The framework defines the operating context, design principles and risk profile which underpin our mental health and wellbeing initiatives. These initiatives aim to protect and promote mental health and wellbeing and empower our

employees to seek support in order to benefit the individual, our organisation and wider community.

During the year PoM also undertook an all-employee 'People at Work' survey to understand the psychosocial factors that influence employee psychological health and safety. The results of this survey will help us review and adapt how we operate and identify strategies we can implement to ensure we maintain a workplace free from psychological harm.

PoM also trained 13 of our employees in Mental Health First Aid, promoted R U OK Day and delivered a range of wellbeing sessions on topics including Family and Domestic Violence Awareness, Introduction to Mental Fitness, Mindfulness, Maintaining Motivation and Healthy Brain Habits.

## Diversity and inclusion

Diversity, equity and inclusion are central to PoM. Our goal is to ensure that each employee feels respected and supported to give their best.

We believe that supporting diversity and inclusion benefits all of us and enhances the quality of PoM's business decisions and results.

In FY22 PoM's refreshed Diversity and Inclusion Policy was approved by the Board. The policy sets out our diversity and inclusion principles that guide our decisions, actions and conduct. Our commitment to diversity and inclusion includes:

- Being an employer of choice and improving our ability to attract, develop and retain a diverse and inclusive workforce
- Creating an environment where everyone is empowered to strive for continuous improvement and make a positive contribution towards their own success and that of the business; and
- Ensuring all employees have equal access to opportunities available at work and are equitably rewarded and recognised for their contributions.

### Diversity and Inclusion Strategy

In FY22 PoM revised our three-year Diversity and Inclusion Strategy and workplan. The strategy covers five focus areas of diversity: Indigenous Australians, gender equality, cultural and linguistic diversity, LGBTIQ+ and disability. The strategy adopts an employee-centric approach that focuses on those experiences that matter most to our people across the employee lifecycle.



#### Indigenous Australians

Through our Reconciliation Action Plan, we aim to: strengthen our relationships with Aboriginal and Torres Strait Islander peoples, communities, and businesses; build respect by deepening our understanding of local Aboriginal and Torres Strait Islander peoples; and identify opportunities and develop pathways for their success and self-determination.



#### Gender equality

We aim to create a workplace which provides: equal opportunity and advancement in employment regardless of gender; where workplace flexibility arrangements support both women and men to balance family and caring responsibilities and work participation; and gender balance supports improved business decision-making, merit and performance.



#### Culturally & Linguistically Diverse (CALD)

We aim to increase the representation of people from culturally and linguistically diverse (CALD) backgrounds in our workforce and to value and embrace their skills, perspectives and experiences for the benefit of providing culturally appropriate facilities and port solutions to our customers and broader community.



#### LGBTIQ+

We aim to create a workplace which is fair, safe and inclusive for all people regardless of their sexual orientation, gender identity or intersex status. We aim to foster a workplace environment and culture where all employees can feel free to be themselves without the need to guard or self-edit their conversations, and without fear of bias, labels or negative behaviour.



#### Disability

We aim to be a disability confident employer and to eliminate or reduce barriers in order to provide an accessible workplace that supports employees with a disability to fully contribute. We aim to increase the representation of people with disability in our workforce, in particularly within our leadership cohort, and to improve their capability and career development and opportunities.







### Reconciliation Action Plan

In FY22 PoM established a cross-functional Reconciliation Action Plan working group. Working in consultation with the Bunurong Land Council Aboriginal Corporation, Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation and Wadawurrung Traditional Owners Aboriginal Corporation, the Reconciliation Action Plan working group developed PoM's first Reconciliation Action Plan which was endorsed by Reconciliation Australia and launched in late 2022.

PoM delivered Indigenous cultural awareness training for PoM's Executive Leadership Team and the Reconciliation Action Group Working Group members in early 2022 to support the development of the Reconciliation Action Plan.

During National Reconciliation Week, PoM hosted an internal all-employee event which featured a presentation and panel discussion with representatives from the Registered Aboriginal Parties of the lands PoM operates on. The focus of the event was the role organisations play in promoting reconciliation.

### Gender diversity

In FY22 PoM participated in events that connect and highlight senior women within the transport industry and champion the importance of diversity across our industry. Events included the Australian Women in Transport Forum, the Australasian Railway Association webinar for Women in Rail, the Australasian Supply Chain Institute International Women's Day Breakfast and a PoM all-employee event to celebrate International Women's Day.

In FY22 PoM's Parental Leave Policy was updated to remove gender specific language, increase leave entitlements for both primary and secondary carers, and increase flexibility around the use of parental leave.

PoM developed a Family and Domestic Violence Policy in FY22 based on previous guidelines for family and domestic violence. The policy includes greater financial, technology, and emergency accommodation support provisions for PoM employees who are experiencing or are supporting others experiencing family and domestic violence.

### Diversity, Equity and Inclusion training

Inclusive leadership training was delivered to the Board and Executive Leadership Team in FY22. Inclusive leadership and other diversity, equity and inclusion elements were also incorporated into the design of PoM's Leadership Development Program. The program includes a 'Women in Leadership' stream which is designed to support women in leadership roles and strengthen the leadership pipeline.

A voluntary diversity and inclusion questionnaire was sent out to all employees inviting them to tell us more about who they are and how they identify. The data captured will be used to inform our policies and shape our diversity and inclusion strategy and initiatives.



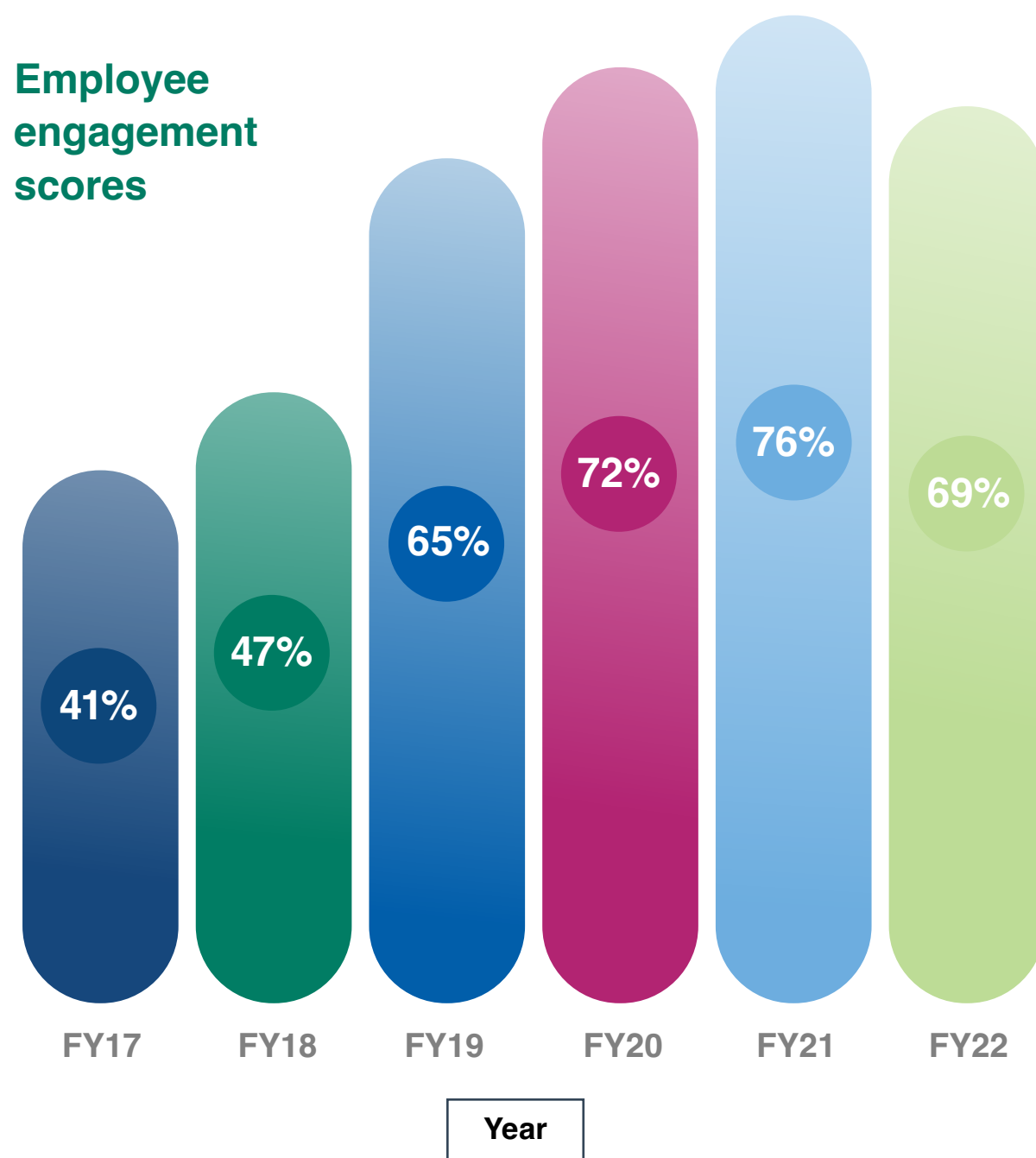
## Employee engagement

PoM conducts an annual employee engagement survey to measure and evaluate employees' views, opinions and attitudes towards their working environment. The results are valuable indicators of employee motivation and help identify areas of success and concern as well as opportunities for growth and improvement.

Over the six years of conducting the survey, PoM has improved our engagement by 28 percentage points, from 41% in FY17 to this year's score of 69%, which exceeds the industry average of 59%.

In FY22 PoM had a 98% participation rate in the engagement survey. The employee engagement score was 69%, a decline of 7 percentage points from the previous year. We attribute this decline to the return to office based work after almost two years of remote working following the COVID-19 pandemic as a number of other organisations that PoM is benchmarked against experienced a similar decline in employee engagement scores in FY22. In late 2022 PoM undertook workshops with employees to understand the reasons behind the drop in engagement and identify opportunities for improvement over FY23.

### Employee engagement scores





## Learning and Development

Learning and development opportunities for employees present new pathways for development, refinement of expertise and knowledge, and the opportunity to grow as a workplace with the input of new ideas and thinking.

All employees participate in performance assessment and development planning. PoM accesses internal training courses, external training providers and mentoring to develop bespoke development programs for employees. The focus for FY22 was to deliver more group-based training to ensure consistency in content and experience.

Learning and development was a key focus throughout FY22. In total, there were 1,749 hours of training completed, which equates to an average of 13 hours per employee. 55% of training hours were delivered face-to-face and 45% delivered via e-learning.

PoM refreshed our leadership program during the year with an increased emphasis on delivering a differentiated development experience for each level of leadership. In addition to skill development workshops, other optional elements such as leadership assessments, coaching/mentoring, and external networking activities have been included.

In FY22 regular leadership forums were re-established to ensure alignment on key business activities, foster collaboration between leaders, and provide an opportunity to build internal relationships. PoM supports employees to volunteer their time and enhance their professional development through involvement on community boards and with industry associations.

## Modern slavery

At PoM, we believe that human rights are universal and fundamental to preserving the inherent freedom, dignity and equality that should be afforded to all human beings. We are committed to operating our business responsibly and ethically and expect that our stakeholders and suppliers will operate in the same way. We continue to work with our stakeholders and our suppliers to address risks of modern slavery in our supply chains.

PoM publishes an annual Modern Slavery Statement in compliance with the *Modern Slavery Act (Cth) 2018*. To mitigate the risk of modern slavery practices within our operations and supply chain, PoM takes a continuous improvement approach focussed on strengthening our governance, policies and processes, and establishing mature operational and supplier due diligence practices.

PoM has embedded governance practices to assure compliance with our policies, frameworks, processes, procedures and standards that relate to modern slavery and human rights more broadly. PoM has frameworks, policies and guidelines which help to embed risk management practices across all areas of the business. We review and update relevant policies and guidelines on a regular basis to ensure our ways of working minimises the risk of modern slavery practices within our own operations and supply chain.

In FY22, PoM took actions to mitigate modern slavery risks within our operations and supply chain, including:

- Reviewed our most commonly used recruitment agencies for their modern slavery governance and practices (such as their document validation processes).
- Undertook an organisation-wide remuneration review to ensure all employees are paid in-line with industry benchmarks.
- Automated the employee onboarding process, enabling better management of employee documentation.
- Required all new starters and contractors to complete Appropriate Workplace Behaviour training, which includes a module on modern slavery. This training is required for all employees and contractors on a biennial basis.
- Added a modern slavery clause into our precedent lease with port tenants. This clause outlines the compliance obligations of tenants with regards to the management of modern slavery risks within their operations and supply chain.
- Entered into binding contracts with suppliers that included a modern slavery clause, designed to promote continuous dialogue and information sharing with our suppliers and to encourage action.
- Conducted a desktop review of modern slavery governance and practices of our suppliers in industries with a higher risk of modern slavery, including those in the construction, security, cleaning, maritime operations and logistics industries.





# Planet

PoM is committed to protecting the environment we operate in. The port is situated within an estuarine environment, surrounded by a variety of urban land and marine activities, that have rich connections with nature and communities.

Our approach to environmental management is underpinned by processes that ensure any potential environmental impacts are understood and action is taken to minimise them. We work with port users and our stakeholders to put protective measures in place to ensure the long-term health of the environment and natural surrounds.

Port of Melbourne's Environment Policy, Port Environment Strategy, Risk Management Framework, and ISO 14001 – Environmental Management Systems accreditation are the formal pillars that guide our actions and activities and provide the roadmap for continued improvement and learning.

As a landlord port, we require port tenants, port users and contractors to develop environmental management plans that outline how environmental risks will be managed and ensure that respective operations and activities minimise waste, pollution, resource use and adverse environment impacts. Assurance programs are undertaken to review compliance and identify opportunities for further improvement where practicable.

## Port Environment Strategy

PoM's Port Environment Strategy details our plans, strategies and procedures for managing hazardous risks that may have environmental or emergency management consequences. This strategy outlines our commitment to managing and developing the port in an environmentally responsible and sustainable manner.

Under the *Port Management Act 1995 (Vic)*, PoM is required to develop a Safety and Environment Management Plan (SEMP) to promote safe and environmental outcomes for the operations we undertake in managing the port. We publish our SEMP and our Environment Policy on Port of Melbourne's website to ensure the public and our stakeholders understand our environmental commitments and expectations.

In FY22 the Port Environment Strategy was recertified to ensure PoM's environmental management, monitoring programs and activities are consistent with 'good environmental practice', following the initial certification in 2017.

## Biodiversity and habitat management

### Biosecurity

PoM acknowledges that biosecurity and the protection of Victoria's marine environment, industries and social amenity, is a shared responsibility. PoM works in partnership with government authorities to conduct regular monitoring and surveillance activities to respond to potential biosecurity threats.

In alliance with Agriculture Victoria, PoM hosts a number of sentinel bee hives around the port as a part of the National Bee Pest Surveillance Program. The sentinel hives provide early detection for exotic bee pests and diseases such as the *varroa mite*. PoM undertakes biosecurity training and provides and maintains biosecurity equipment at PoM's common user berths in the event of a biosecurity alarm.

PoM belongs to Zoos Victoria's Seal the Loop program which provides anglers with easy access bins to responsibly dispose of their fishing line which can be harmful if it enters the marine environment. Each year aquatic birds, mammals and fish are killed or injured by discarded fishing gear.

Seal the Loop bins have been installed at popular fishing locations in front of the Newport Power Station and the Webb Dock Trail in Port Melbourne.





## Marine pests

PoM has been facilitating surveillance and research activities undertaken within the port's waters since 2017. Regular surveys have been undertaken to inform the Australian domestic ballast water management information system, which focusses on several species that have established populations in Australian waters, such as the Northern Pacific seastar and the European green crab.

In FY22, PoM collaborated with Agriculture Victoria to facilitate the state's first, Victorian-led systematic surveillance program for marine pests within commercial port environments.

## Revegetation

PoM continues to implement a vegetation repair and maintenance program between Westgate Park and Maritime Cove at Webb Dock. Working with local Landcare groups, native plant revegetation of areas continues supported by an extensive mulching and watering program to assist plant growth. Ensuring a healthy landscape through continual rejuvenation with planting programs helps to maintain biodiversity and increase the processing of carbon dioxide through photosynthesis and absorption of carbon.

### CASE STUDY: EARLY DETECTION OF MARINE PESTS

The *Testing the Waters - Victorian Ports Marine Surveillance Pilot Program* is the first, Victorian-led systematic surveillance program for marine pests within commercial port environments. The project is a shared effort between PoM, Agriculture Victoria, Victorian Ports Corporation, Deakin University and EnviroDNA. The program uses cutting edge science and surveillance tools to detect exotic marine pests. Marine pests are highly invasive plants and animals that can have significant impacts on Victoria's marine industries, environment and social amenity. The most effective way of managing such pests is to prevent their introduction, so early detection is critical.

As Australia's busiest containerised port, the Port of Melbourne is the ideal location to place surveillance equipment and

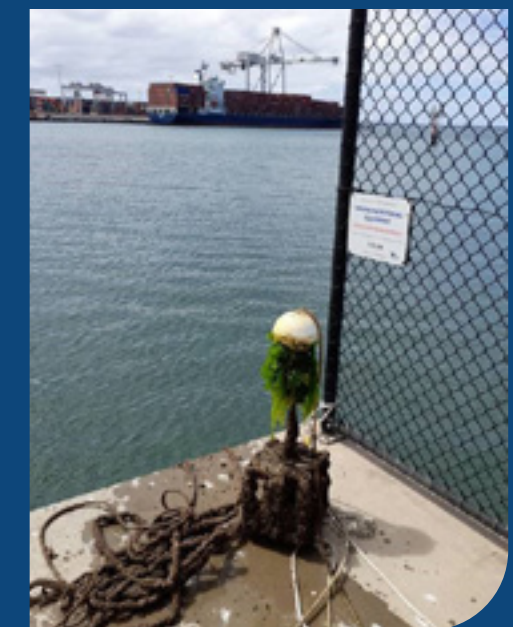
pilot this program. Marine pests are often introduced via commercial shipping in either ballast water or attached to the hulls of vessels. Once established, they are extremely difficult to eradicate.

Settlement arrays, plankton tows and water samples are used to detect fouling species and larvae in the water column. The settlement arrays have been designed and manufactured for placement at specific sites in Port of Melbourne waters for key months over the summer and winter periods. The arrays each have several PVC plates which provide space for marine organisms to attach to and grow. When the arrays are retrieved, the plates, water and plankton tow samples are sent to the lab for molecular analysis. As well as providing early warning of introduced marine

pests, *Testing the Waters* identifies and monitors the health of native marine communities that exist within modified port environments.

Three surveillance periods have occurred since the program began in July 2021. Results indicate the presence of at least 115 families of native marine species and only 14 introduced species already known to exist within Port Phillip Bay. A further nine detections of low risk introduced marine species are being investigated.

Due to the success of *Testing the Waters* in the Port of Melbourne, the program has recently been rolled out to Victoria's other commercial ports of Hastings, Portland and Geelong.





## Resource and pollution management

### Waste

PoM's office-based recycling program achieved a 47% recycling rate for office waste, down from 52% in FY21. Overall waste to landfill was 2.08 tonnes in FY22, a 100% increase on FY21 due to employees returning to the office in early 2022 once COVID-19 restrictions were eased.

In FY22 PoM commenced construction of the Port Rail Transformation Project which will improve rail access at Swanson Dock through the development of a new East Swanson Rail Terminal and delivery of upgraded rail access, connections and sidings within the port. PoM is working with our construction partner, Seymour White, to reuse low-level contaminated material already onsite, rather than disposing of this material to landfill and needing to procure new materials. In agreement with the EPA, 30% of the total material excavated will be used onsite. All excavated material is sorted onsite to determine what can be reused and what can be recycled elsewhere. At December 2022, PoM had reused more than 40,000 tonnes of material onsite and achieved a 98% recycle rate on the structures demolished for the project.

### Water

In FY22 PoM consumed 26,463 kilolitres of potable water. To support commercial shipping entering the Port of Melbourne and as part of PoM's services, PoM makes available the infrastructure, connectivity and metering for fresh water requested by ships to assist with their operations while in the port. In FY22, PoM supplied 6,450 kilolitres of water to visiting vessels, which is included in our overall water consumption data for FY22. PoM recovers the cost of water usage from shipping vessels.

To ensure effective stormwater management, PoM maintains a number of Gross Pollutant Traps, shut-off valves and interceptor pits in open areas and common user facilities within the Port of Melbourne precinct. These help to mitigate potential harmful materials such as pollutants or litter from entering the water.

As a landlord port, we undertake periodic inspections of tenant facilities to ensure they have implemented suitable stormwater controls. We also require any new tenant developments to implement effective stormwater management systems.

PoM also monitors a network of ground water sampling wells as an early detection measure for any ground water pollution issues that may stem from high environmental risk facilities.

### Pollution

PoM plays an important role in the identification and resolution of pollution incidents in the Port of Melbourne precinct. PoM's central incident communication system manages and reports incidents, injuries, hazards and pollution events occurring within the port.

The Victorian Marine Pollution Contingency Plan (VICPLAN) provides direction on how responses to pollution incidents are managed. PoM is responsible for providing a 'First Strike' response to any marine pollution incident that occurs within the berth pockets of all Port of Melbourne commercial berths. In the event a marine pollution incident requires a response beyond first strike, Ports Victoria assumes the role of Incident Controller.

In FY22 there were 9 marine pollution incidents resulting in pollution reports, one of which was attributed to a PoM contractor and 8 of which were of attributed to a tenant or third party. There was one landside pollution incident attributed to a tenant or third party. There were no material environmental impacts from these pollution events. PoM managed these incidents in accordance with the Victorian State Government's Maritime Emergencies Non Search and Rescue Plan.





## Noise and air emissions

In FY22 PoM developed a Noise and Air Management Strategy with the aim of proactively managing noise and air emissions from the port to minimise these impacts on local communities. The strategy was developed in response to an increase in community complaints about noise in 2020 and 2021 coinciding with COVID-19 lockdown restrictions in Victoria.

The strategy contributes to PoM's long term sustainable operations and development activities and PoM's overarching stewardship obligations under the Port Lease. Progress in implementing the strategy is reported regularly to the Board's Safety and Sustainability Committee.

The five strategic objectives and pillars of the strategy are shown in the figure below.

In FY22 an independent acoustics advisor completed the first stage of a detailed study of noise sources at Webb Dock and Gellibrand. This study enabled PoM to develop a comprehensive dataset to inform PoM's noise management initiatives. PoM undertakes noise monitoring programs and works collaboratively with tenants to implement noise management initiatives.

PoM considers noise mitigation, air quality and amenity issues as part of any port expansion or approval of tenant development works. In FY22, a baseline noise monitoring program was undertaken in the Swanson-Appleton-Victoria precinct to inform the scope of requirements for early planning works as part of the Port Capacity Enhancement Program. Noise mitigation has been included in the construction management and stakeholder engagement plans for the Port Rail Transformation Project which is currently under construction. Noise management considerations have also been incorporated into the construction delivery plans for upcoming development at Swanson Dock West and Webb Dock East.

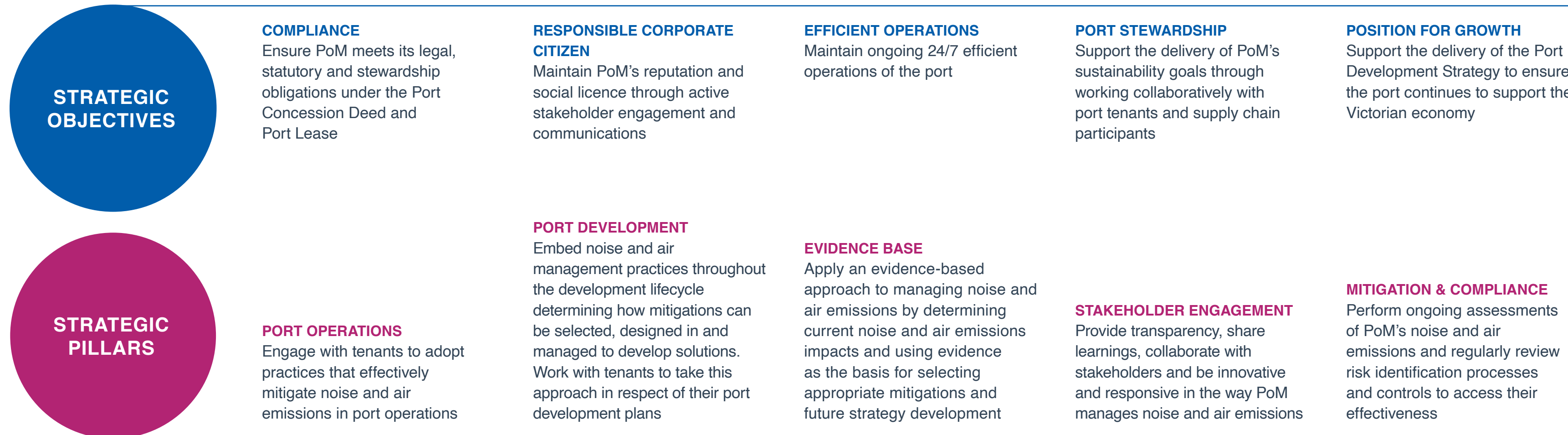
### Air monitoring program

In FY22 PoM continued our partnership with the Victorian Environment Protection Authority (EPA) to support the EPA's Inner West Source Apportionment Project. This study aims to identify and quantify significant sources of fine particulate matter of size <2.5 microns (PM2.5) in areas which have co-existing industrial, commercial and residential land uses and are exposed to heavy vehicle traffic.

The project commenced its 12-month program of air monitoring at Coode Island within the port in September 2021 and expanded to the Swanson dock precinct in early 2022. The air monitoring will be conducted over a period of 12 months. Initial findings from the Coode Island monitoring indicated that PM2.5 levels were low and within the expected range given background conditions.

### Noise and air management

PoM's commitment is to proactively manage noise and air emissions to minimise impact on local communities







**CASE STUDY:**  
NOISE MANAGEMENT  
AT THE PORT

As part of our Noise and Air Management Strategy, PoM works collaboratively with tenants to identify noise sources and implement noise management initiatives.

One of the loudest short term noises identified was found to be associated with a tenant moving the heavy hatch covers on ships which protect cargo from water ingress during transit. These brief, loud noise ‘crashes’ are caused when the hatch covers are removed from the ship and placed on the wharf deck and subsequently replaced back on the ship as part of its normal container loading and unloading plan.

As a result of the identified noise impacts, the tenant deployed an immediate noise mitigation activity by lowering the speed at which the hatch covers are placed both on the wharf deck and back on the ship, reducing the loud ‘crashing’ sound. This mitigation can only be undertaken in low wind conditions as safety issues arise in high winds when the hatch lid moving operation needs to be undertaken as quickly as possible to minimise any swing. PoM is continuing to work with tenants to identify other operational controls as specific noise generation activities are identified.



**CASE STUDY:**  
EMERGENCY MANAGEMENT  
EXERCISE

In FY22, PoM reviewed our Business Continuity Management System (BCMS) in response to the COVID-19 pandemic and a range of natural disasters that have recently occurred throughout Australia including earthquakes, storms and floods. The focus of the review was to confirm the ongoing effectiveness of the BCMS, update the crisis management and business continuity plans, and review the existing business impact analysis.

In April, PoM and Ports Victoria undertook an emergency management exercise to evaluate a multi-agency response to a significant chemical spill at No.1 Maribyrnong. The exercise involved 55 people representing PoM, port users, tenants, emergency services, Department of Transport and local councils.

PoM undertakes emergency exercises and testing on a regular basis to ensure we are ready to respond to a major incident or significant disruption.



**CASE STUDY:**  
GREEN STAR RATED  
MAINTENANCE FACILITY

In FY22, PoM commissioned the operation of a newly constructed maintenance facility at Short Road. The 900m2 facility provides office and warehouse space for Bhagwan Marine, one of PoM’s operations and maintenance contractors. The facility was designed and constructed with environmental sustainability as a key focus and is finalising 5 Star Green Star accreditation with the Green Building Council of Australia in late 2022.

Key design features include abundant natural lighting and ventilation to reduce energy demand, PV solar array and extensive use of recycled and recyclable materials in construction. The use of Aramax aluminium “sawtooth” roofing allows significant reduction of steel support structure, high resistance to corrosion in a harsh marine environment, and a striking but functional profile.





## Climate change

PoM is committed to identifying and managing risks and opportunities arising from climate change to ensure the long-term sustainability of the port and its supply chain. PoM supports the aim of the Paris Agreement to limit global temperature rise to 1.5°C above pre-industrial levels by the middle of this century. We will play our part in contributing to this goal by measuring and reducing our operational emissions, collaborating with port users and supporting their actions to decarbonise the port supply chain, and adapting our business to respond to the risks and opportunities climate change presents.

PoM is committed to aligning our climate change management approach and reporting to the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) which include a focus on governance, strategy, risk management, metrics and targets. This is our first report aligned to TCFD and we will continue to evaluate and enhance our climate-related disclosures to reflect our maturing approach to climate change.

### TCFD recommendation

### PoM's progress



**GOVERNANCE**  
Disclose the organisation's governance around climate-related risks and opportunities

The Board Safety and Sustainability Committee has oversight of climate-related risks, opportunities and related activities. The Board Audit and Risk Committee has oversight of financial risks which may include impacts from identified climate risks. The CEO and Executive Leadership Team, who report to the Board, have responsibility for assessing and managing climate risk.



**STRATEGY**  
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material

PoM manages infrastructure that straddles land and marine environments, making it vulnerable to changes in climate and the resulting impact on our physical environment. Our ability to manage and operate our infrastructure will potentially be impacted by physical risk factors. PoM is committed to continually assessing these risks, and working to mitigate them over the medium to long-term through adapting port infrastructure and operating practices. PoM is also exposed to transition risks and opportunities arising from policy, legal, technology, market and reputation changes associated with the transition to a low-carbon economy. PoM continues to monitor and understand emerging trends, policy and regulatory developments, developments in low-emissions fuels, community and stakeholder perceptions and changes to imports and exports to appraise these risks and evaluate opportunities. (see page 31 for more information on PoM's climate-related risks and opportunities)



**RISK MANAGEMENT**  
Disclose how the organisation identifies, assesses, and manages climate-related risks

Climate-related risks are managed through PoM's Enterprise Risk Management Framework. Regular reviews of the corporate risk register are undertaken throughout the year, including climate-related risks. Corporate risks are reported to the Board annually and the Audit and Risk Committee twice a year. Climate-related risks are also reported to the Board Safety and Sustainability Committee on an annual basis.



**METRICS AND TARGETS**  
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

PoM measures and reports Scope 1, 2 and 3 emissions. In FY22 PoM commenced analysis to determine a Scope 1 and 2 emissions reduction target aligned to the Science Based Targets initiative (SBTi). In FY22 PoM expanded its Scope 3 emissions measurement to include its extended supply chain emissions related to shipping, port tenants, construction projects, and other Scope 3 emissions. (see pages 32–34 for PoM's energy use and greenhouse gas emissions)



## Climate-related risks and opportunities

PoM manages infrastructure that straddles land and marine environments, making it vulnerable to changes in climate and the resulting impact on our physical environment. Our ability to manage and operate our infrastructure will potentially be impacted by physical risk factor, including flooding, high winds, sea level rise and extreme weather events.

### Flooding

Flooding from severe storm events and/or increased high tide events presents increased drainage risks to the Port of Melbourne due to the limitations of the existing drainage infrastructure, some of which was installed several decades ago when the older areas of the port were first developed and constructed.

### High winds

An increase in high or extreme wind events has the potential to affect the safe operation of the port.

### Sea level rise and extreme weather events

The cumulative impacts of climate change have the potential to exacerbate existing risks. This is relevant to risks relating to flooding, an increase in extreme weather events and sea level rise.

Flooding is more likely under scenarios where inadequate drainage infrastructure, sea level rise and extreme weather events occur together. Similarly, damage to infrastructure from hail may increase due to an increase in extreme weather events.

PoM is committed to continually assessing these risks, and working to mitigate them over the medium to long-term through adapting port infrastructure and operating practices. PoM is embedding climate adaptation strategies into the design and delivery of new port infrastructure as part of the 30 year Port Development Strategy. In FY22, as part of the design and planning for the redevelopment of the Appleton / Victoria Docks into purpose built terminals for the Tasmanian trade, climate change risk scenarios were considered and factored into planning to mitigate the impact of physical climate risks.

PoM is also exposed to transition risks and opportunities arising from policy, legal, technology, market and reputation changes associated with the transition to a low-carbon economy. PoM continues to monitor and understand emerging trends, policy and regulatory developments, developments in low-emissions fuels, community and stakeholder perceptions and changes to imports and exports to appraise these risks and evaluate opportunities.

In FY22, PoM engaged with a number of stakeholders to understand and assess emerging low and zero emissions fuels that may be used in shipping, road and rail transport

in the future, together with alternate energy sources that are likely to play a role in decarbonisation. PoM will play a key role in future years to facilitate the provision of these fuels for our tenants, port users, transport providers and ships visiting the Port of Melbourne. This is an ongoing area of focus for PoM, including the following workstreams:

- Analysing existing and emerging policy initiatives and industry developments for low and zero emissions fuels.
- Engaging and collaborating with tenants, shipping lines, transport providers and other port users to understand their priorities and how PoM can facilitate plans for the use of low and zero emissions fuels and broader port decarbonisation.
- Engaging and collaborating with industry on the development of emerging fuels and alternate energy sources and the role they may play in the port's supply chain.
- Considering the inclusion of enabling infrastructure for low-emissions fuels in the design and delivery of new port infrastructure as part of the 30 year Port Development Strategy.



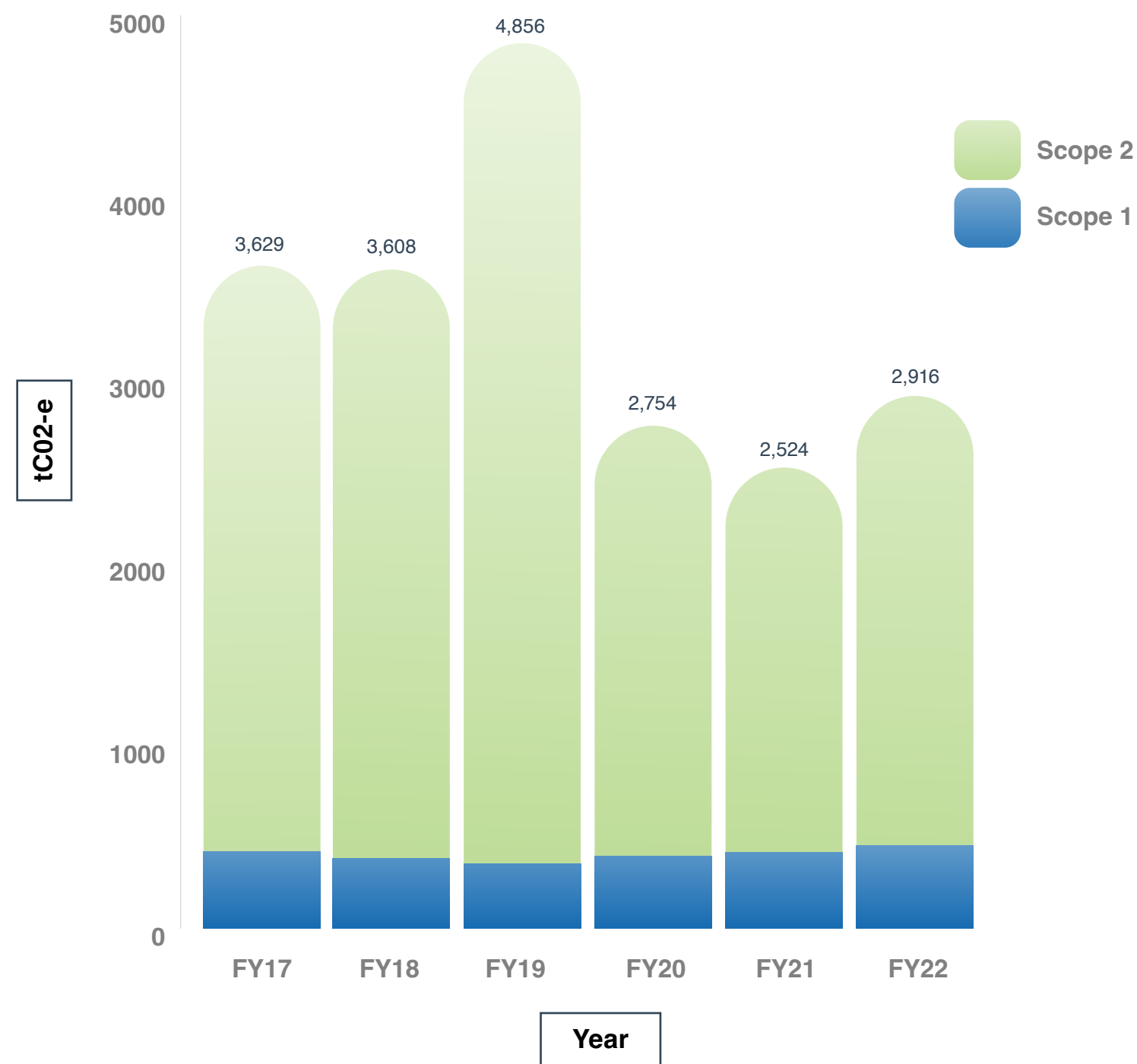


## Energy and greenhouse gas emissions

PoM's Scope 1 and 2 emissions are generated from our fleet vehicles, marine survey vessel, and the electricity used by buildings and port infrastructure directly managed by PoM.

In FY22, PoM's Scope 1 and 2 emissions were 2,916 tonnes CO2-e, an increase of 16% from the previous year, as employees returned to the office after two years of COVID-19 restrictions. While PoM's operational emissions are low compared to other businesses, we are committed to developing an emissions reduction target aligned to the Science Based Targets initiative (SBTi).

### Scope 1 and 2 emissions (tonnes CO2-e)



### Energy

Energy consumption (GJ)	FY20	FY21	FY22
<b>Total</b>	<b>13,581</b>	<b>13,658</b>	<b>15,703</b>
<b>Fuel</b>	<b>5,649</b>	<b>5,914</b>	<b>6,479</b>
Unleaded Petrol (Vehicles)	179	137	139
Diesel (Vehicles)	610	516	385
Diesel (Marine Survey Vessel)	4,801	5,261	5,955
<b>Natural Gas</b>	<b>60</b>	<b>0</b>	<b>0</b>
<b>Electricity</b>	<b>7,931</b>	<b>7,745</b>	<b>9,224</b>








### Scope 3

In FY22 PoM expanded its Scope 3 emissions measurement to include its extended supply chain. The emissions associated with PoM's supply chain far exceed PoM's operational emissions, and PoM is committed to measuring its Scope 3 emissions and working collaboratively with port users to reduce them.

PoM's Scope 3 boundary was developed in line with the categories defined in the *GHG Protocol Corporate Value Chain (Scope 3) Accounting & Reporting Standard*. Working with our suppliers, contractors and tenants, PoM has collected data to measure Scope 3 emissions for FY21 and FY22.

In FY22 PoM's Scope 3 emissions were 360,904 tonnes CO2-e. This figure reflects our role at the centre of large global shipping, logistics, road and rail supply chains, with 63% of emissions generated by shipping within PoM waters.






We are investigating opportunities to work with our supply chain to improve data collection and the accuracy of our emissions measurement and to identify opportunities to reduce Scope 3 emissions.

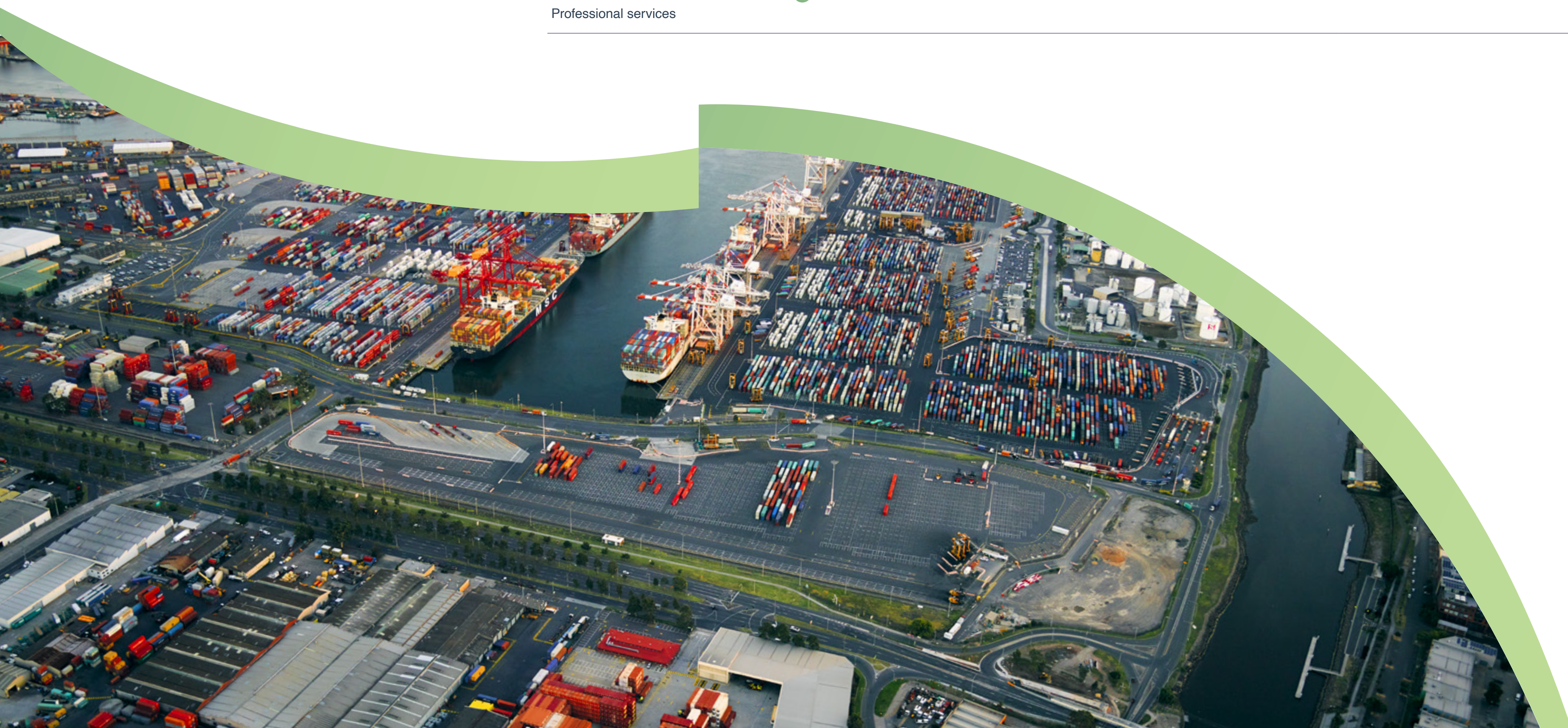
Emissions source	Tonnes CO2-e	Activities included	Our data and approach
<b>Scope 1</b>			
 Vehicles and survey vessel	456	Fuel used by fleet vehicles and the marine survey vessel, owned and managed by PoM.	Fuel used in contracted, tenant and shipping activities is included in Scope 3.
<b>Scope 2</b>			
 Electricity	2,460	Electricity used by buildings and port services managed by PoM.	Electricity used in contracted, tenant and shipping activities is included in Scope 3.
<b>Scope 3</b>			
 Shipping	228,513	Ocean-going vessels and tugs travelling, anchored and at berth within Port of Melbourne waters. Port waters include over 94,000 hectares throughout Port Phillip Bay and extend 3 nautical miles outside the Bay's Entrance.	We use the RightShip Marine Emissions Portal to estimate emissions based on individual vessel specifications and GPS tracking of all ship movements, speed and hours spent in different operating modes.
 Tenants	104,886	Operational activities, fuel and electricity used by tenants in the port precinct. Port of Melbourne is a landlord port and the majority of landside activity is managed by our tenants.	Emissions are based on fuel and electricity data provided by our largest tenants representing over 70% of total tenant revenue. Unavailable data is extrapolated to provide an estimated total.
 Development projects	21,126	Fuel, electricity, waste and embodied emissions from materials for port development projects. We expect significant year-on-year variation depending on the specific projects in delivery.	Emissions are based on fuel and electricity usage on site, life cycle embodied emissions of materials used in construction and waste transported to landfill.
 Road and rail	2,147	Transportation of cargo by trucks and trains within PoM's land boundary. External road and rail networks are outside Scope 3 boundary, however PoM is developing port infrastructure to support efficiency and emissions benefits to the wider network, such as investment in rail infrastructure within the port.	Emissions based on total trade volumes and tonnages, average travel distances in the port precinct, and distance-based truck and rail emission factors.

Continued on page 34



Continued from page 33

 <p>O&amp;M</p>	<p>1,110</p> 	<p>Operations and maintenance of infrastructure including dredging, surveying, landscaping and other activities performed by contractors.</p>	<p>Emissions based on a combination of actual data and average spend-based emissions factors for contractors and suppliers.</p>
 <p>Business operations</p>	<p>911</p> 	<p>Corporate activities including office goods and services purchasing, waste, business travel and employee commuting.</p>	<p>Emissions based on a combination of actual data and average spend-based emissions factors for contractors and suppliers.</p>
 <p>Professional services</p>	<p>2,210</p> 	<p>Professional services including business, legal, human resources, accounting and engineering consulting.</p>	<p>Emissions based on a combination of actual data and average spend-based emissions factors for contractors and suppliers.</p>





# Partnerships

PoM is committed to stakeholder engagement that is inclusive, timely, genuine and transparent. Our approach is guided by our commitment to comply with our regulatory obligations, and our intent to listen to and be responsive to our stakeholders.

PoM recognises the importance of engaging with the diverse array of stakeholders that have an interest in the port's development and operations and our aim is to strengthen this engagement over time.

PoM has a broad range of stakeholders with diverse and sometimes conflicting needs and expectations. Our stakeholder engagement framework and continual improvement underpins our ability to deliver on our vision, mission, and stewardship commitments to the State of Victoria. This approach is guided by feedback from, and engagement with, the Essential Services Commission, as well as our ambition to go beyond regulatory requirements in engaging stakeholders as part of our broader stewardship obligations.

Our stakeholders include the communities surrounding the port, port users, stevedores and other port tenants, cargo owners, transport operators, intermodal supply chain participants, industry associations, government agencies and peak bodies.

## Stakeholder engagement practice

In FY22 PoM refreshed our approach to stakeholder engagement in response to compliance and project learnings over the last five years with a focus on engaging openly and regularly, and incorporating feedback at a strategic level, through development projects and on a day-to-day operational basis.

PoM's stakeholder engagement focuses on the need for PoM to be flexible, accurate, consistent and timely in our dealings with stakeholders through daily interactions, pricing and regulatory practices and in relation to our investment plans and project delivery outcomes.

In FY22 we began a program of work to inform our stakeholder engagement practices, including development of a Pricing Order Engagement Protocol, and a review of PoM's Stakeholder Engagement Framework and supporting policies, templates and procedures.



## Pricing Order Engagement Protocol

PoM operates under a regulatory framework overseen by the Essential Services Commission that details the basis for setting the price we can charge port users for prescribed services. Prescribed Services are defined in the *Port Management Act 1995 (Vic)* and include channel and berthing services, short-term storage and cargo marshalling facility services and other services that allow access to, or the use of, places or infrastructure, such as port tenancies. In setting its prices for prescribed services, PoM must comply with requirements in the Pricing Order – a regulatory instrument of the Port Management Act.

In 2022, the Essential Services Commission found that PoM was non-compliant with the Pricing Order. In response to this, PoM committed to a formal Undertaking to the Minister responsible for the Essential Services Commission, who was satisfied that the terms of the Undertaking were appropriate to adequately address the non-compliance with the Pricing Order.

As part the Undertaking, PoM released a draft Pricing Order Engagement Protocol (POEP) for consultation in September 2022 which was finalised in November 2022. The POEP provides clarity on PoM's approach to consulting port users on matters under the Pricing Order and articulates PoM's consultation commitments and the process by which PoM incorporates port user feedback into our decision making.

In December 2022, the ESC reported that they were encouraged by the Port's approach to continually improve its engagement processes. The ESC said it appeared that the Port had undertaken engagement with port users and other stakeholders that is consistent with generally accepted practices and approaches for effective consultation.

PoM looks forward to further developing its stakeholder engagement practices and continuing to operate and develop the port in the interests of the Victorian economy and Victorian consumers.

## Tariff Compliance Statement and industry consultation program

Each year PoM undertakes an industry and stakeholder engagement program which informs the preparation of the annual Tariff Compliance Statement, a regulatory requirement that is submitted to the Essential Services Commission each year.

As part of the industry consultation program held in early 2022, PoM undertook two rounds of consultation. In the first round, twelve one-on-one discussions were held with stakeholders from across the supply chain to inform the topics and approach to formal engagement in the second round. PoM then undertook industry-wide consultation on the Tariff Compliance Statement Consultation Paper. The



formal consultation included engagement with over 65 stakeholders through online forums, one-on-one meetings, and written submissions from stakeholders. Stakeholders were also asked to provide feedback on the nature, format and frequency of our engagement programs and communication. Topics covered in the consultation included port development, performance data and metrics, tariff reform, treatment of deferred depreciation and the length of the regulatory period.

Following the consultation program PoM published the 2022–2023 Tariff Compliance Statement in May, along with a summary of the stakeholder feedback received.

## Tenancy Customer Charter

In FY22 PoM developed a Tenancy Customer Charter, a voluntary framework designed to explain the processes which apply to different types of lease negotiations for port land. The Charter was developed with engagement from the Victorian Government, tenants and the port industry and outlines the rights and responsibilities of PoM, tenants, and prospective tenants, as well as detailing the processes that apply to lease negotiations and agreements. The introduction of the Charter is informed by, and aligned with, the Essential Services Commission’s recommendations in their *Port of Melbourne Market Rent Inquiry 2020*.

## Stakeholder and community perceptions survey

In FY22, PoM engaged an independent research provider to undertake a comprehensive program of stakeholder and community research.

The research consisted of:

- In-depth interviews with 50 targeted stakeholders from across 10 different stakeholder segments
- Community focus groups for each of the four surrounding local government areas; and
- Online community surveys which received over 150 responses from residents, business-owners and the broader Melbourne community.

The research found that while there is still work to be done, PoM’s stakeholder engagement had improved in recent years. Many stakeholders were positive about PoM’s recent focus on lifting engagement, feeling PoM now more actively seeks to engage with them and has a clear commitment to improving important stakeholder relationships.

While our engagement was thought to have improved, the research identified sincerity of engagement, follow through after consultation and speed of decision-making as areas for improvement.

The research results will inform our stakeholder engagement, our updated Stakeholder Engagement Framework as well as shape our Sustainability Strategy, Integrated Regulatory Strategy and other business initiatives over the coming years. To ensure PoM is able to track progress in strengthening our stakeholder relationships and reputation, we intend to conduct a ‘pulse’ survey annually, with a more comprehensive program of research repeated every two years.

## Stakeholder Relationship Management system

In FY22 PoM commenced work on a Stakeholder Relationship Management system to facilitate the delivery of our stakeholder engagement. PoM engaged a technology partner, undertook requirements analysis and developed a change management program to support the behavioural practices required to achieve PoM’s stakeholder engagement outcomes.

The Stakeholder Relationship Management system and associated change management program will be completed in 2023.

### INDUSTRY GROUP MEMBERSHIPS

- Australian Logistics Council
- Australasian Railway Association
- Bulk Liquids Industry Association
- Committee for Melbourne
- Committee for Wagga
- Freight and Trade Alliance
- Grain NSW
- Infrastructure Partnerships Australia
- International Cargo Handling Coordination Association
- Launceston Chamber of Commerce
- Melbourne Chamber of Commerce
- NSW Business Chamber
- Offshore & Specialist Ships Australia
- Ports Australia
- Property Council of Australia
- Tasmanian Chamber of Commerce
- Tasmanian Transport Association
- Wagga Wagga Business Chamber







## Industry and public port tours

PoM regularly operates boat tours for the public and our partners. These tours include a chartered boat trip through port waters, with on-board commentary provided by port employees. Guests on the port tours can get up close to major port facilities including Victoria, Appleton, Swanson and Webb Docks.

Port tours were suspended during the COVID-19 lockdown restrictions, and have gradually been reintroduced subject to COVID protocols. Over the last five years PoM has hosted over 70 tours attended by almost 13,000 participants.



## Community partnerships

PoM is committed to supporting and strengthening the communities in which we operate through partnerships, sponsorships, education, support programs and employee volunteering. In FY22 PoM contributed more than \$250,000 to our community partners, including the Mission to Seafarers and Stella Maris, both of whom focus on seafarer welfare.

In FY22 PoM continued our long-standing partnership with Foodbank Victoria, contributing financial support and employee volunteering to assist Foodbank achieve their mission. PoM employees contributed 72 hours of volunteer time in FY22, assisting Foodbank to deliver the equivalent of 32,000 meals to Victorians in need.

PoM also continued our support for Williamstown Football Club and Port Melbourne Football Club, which offer inclusive and grassroots involvement in football to the local community. PoM also continued our support for Williamstown Swimming and Life Saving Club, which has a focus on youth and all-abilities participation in swimming and service to the local community.



## Port education

PoM's purpose-built Port Education Centre provides a unique opportunity for schools and community groups to learn about the port's operations. PoM also provides a specialised Port Education Program tailored to fit with the Australian National Curriculum, which explores the port's operations and international trade networks. The program includes education and guided tours of the port to primary, secondary and tertiary students as well as free online resources for students and teachers.

In FY22, the Port Education Centre hosted 26 face-to-face school events with a total of 1062 students. The centre also hosted over 100 government, industry and community groups for workshops, meetings, training and information sessions.



## Managing complaints

In FY22 PoM received less than 20 complaints from the community, the majority of which were in relation to the management of public access land around the port.

During the COVID-19 lockdown restrictions in 2021 and 2022, PoM experienced an increase in complaints associated with port noise. In FY22 PoM developed a Noise and Air Management Strategy with the aim of working with tenants and port users to manage noise and air emissions from the port to minimise the impact on local communities.



# Prosperity

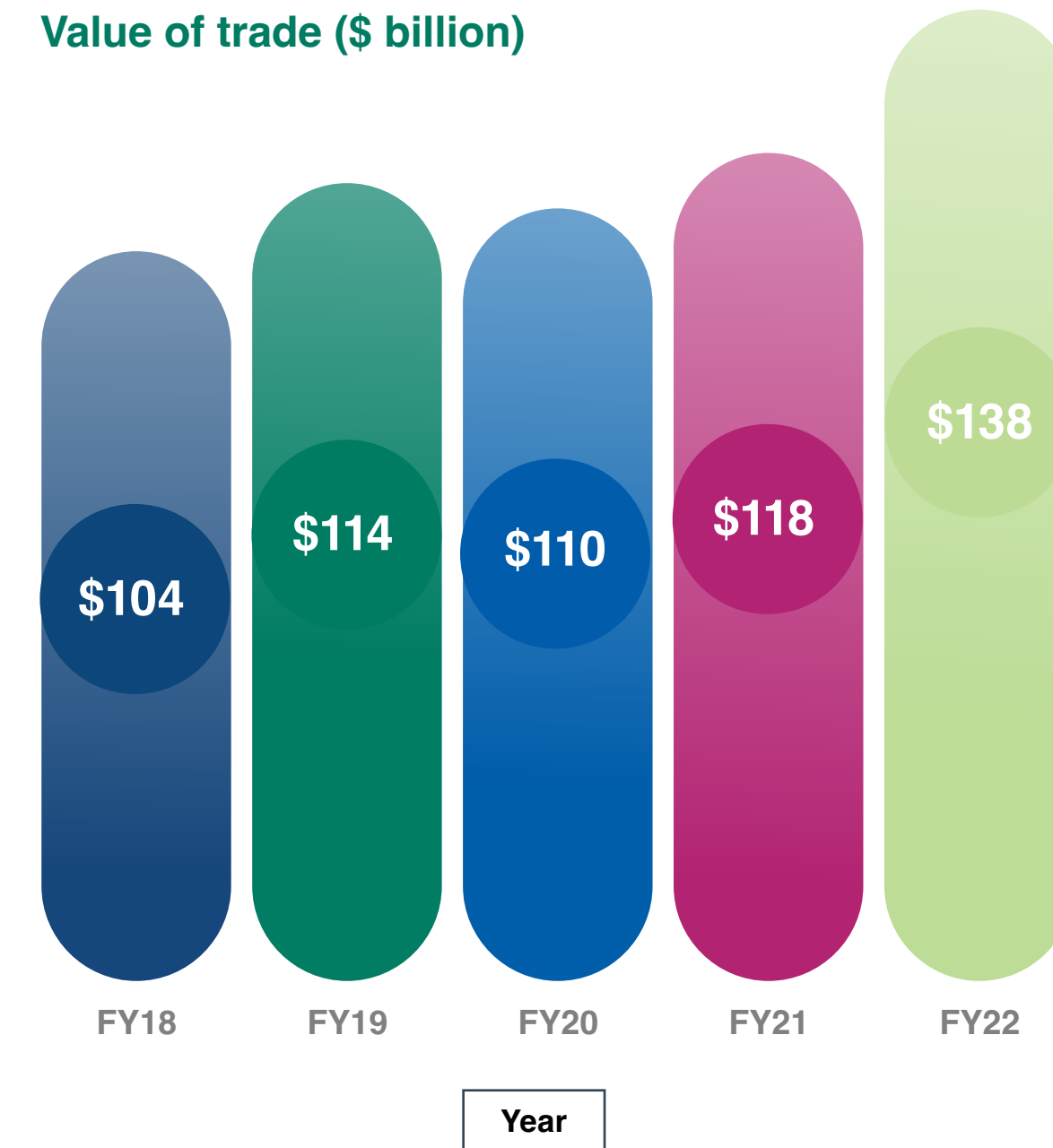
As a central element of the national supply chain, the port plays a critical role in enabling Australia's economic prosperity and social wellbeing by facilitating the flow of trade in and out of the country. The flow-on socioeconomic benefits of trade support the health of the Victorian and national economy and are critical to our long term prosperity. As part of PoM's stewardship obligations in relation to the port, we plan for and invest in infrastructure development to ensure the port's capacity is able to meet the future demands of Victoria's growing economy.

## Trade performance

As Australia's largest container and general cargo port, the port is a vital trading hub for south-eastern Australia, facilitating more than one-third of the nation's container trade and playing a critical role as a key driver of economic activity. The port also serves as the key domestic and international trade gateway for Tasmania and plays an important role in supporting regional exporters.

FY22 saw major disruptions in global supply chains, including COVID-19 lockdowns in China that impacted on manufactured goods and the war in Ukraine which put pressure on commodity and oil prices. Labour and material shortages also hindered production and transport globally which elevated prices across the supply chain. Through this challenging and volatile environment, the port remained an essential trade gateway, recording a total trade of 108 million revenue tonnes for FY22, an increase of 3.3% on FY21.

Value of trade (\$ billion)





High container ocean freight rates and container-equipment shortages during FY22 impacted overall container volumes while contributing to growth in dry and breakbulk trade through the port as shippers looked for alternative ways to move their goods.

Container trade (both full and empty TEU) at the port fell marginally during FY22, down 1.9% from the record high level of FY21. Global supply chain disruptions as a result of the pandemic and changes in customer demand from goods to services post-pandemic were behind this small decline.

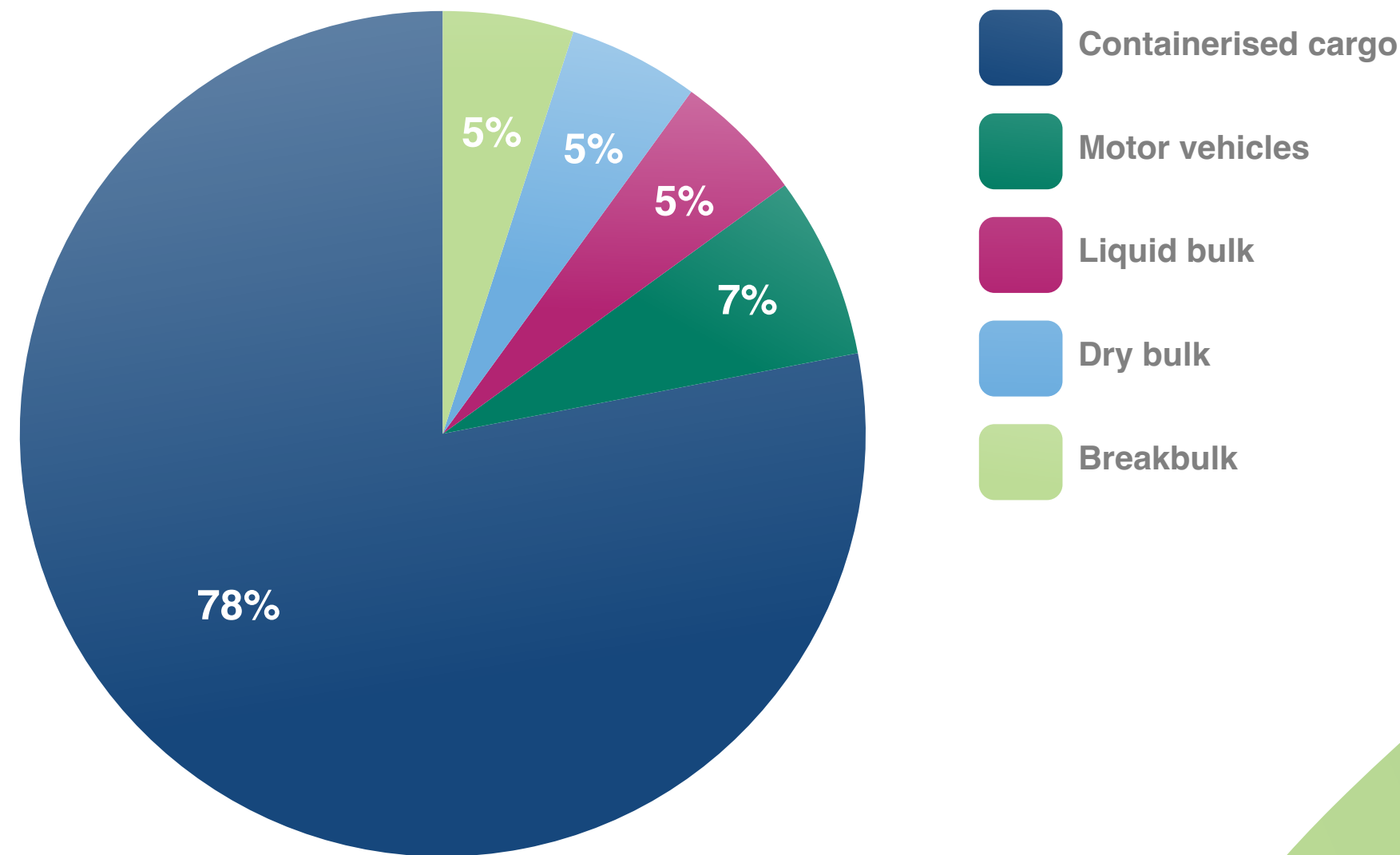
Dry bulk for FY22 increased by 10% over the last year due to increases in export bulk grain shipments from an above average harvest. Break bulk volumes also grew significantly, up by 18%. This growth was attributed to strong demand for equipment and materials to support the robust pipeline

of construction projects in Victoria including the West Gate Tunnel and Melbourne Metro Tunnel Projects.

New motor vehicles continued their strong trade growth with a 10% increase in FY22. Demand for vehicles remains strong in an environment where vehicle and component manufacturing have been disrupted by plant shutdowns due to the pandemic, component shortages and shipping disruptions.

Liquid bulk volumes saw positive growth in FY22 with eased travel restrictions increasing demand for fuel. Total liquid bulk trade at the port rose by 2.5% with crude oil and petroleum product imports accounting for over three-quarters of this volume. In FY22, the Mobil Altona Refinery ceased refining product and reverted to operating as an import terminal for refined petroleum products.

**FY22 composition of total trade (revenue tonnes)**



**Trade through PoM**

Cargo type	Key trades
<b>Containerised cargo</b>	<ul style="list-style-type: none"> <li>Highly diversified product base which can be divided into broad economic categories: consumer, intermediate and capital goods</li> </ul>
<b>Liquid bulk</b>	<ul style="list-style-type: none"> <li>Crude oil</li> <li>Refined petroleum products</li> <li>Other products ( i.e. chemicals, agricultural products)</li> </ul>
<b>Motor vehicles</b>	<ul style="list-style-type: none"> <li>PoM is the only motor vehicle port in the State, servicing the entire Victorian and Tasmanian markets</li> </ul>
<b>Dry bulk</b>	<ul style="list-style-type: none"> <li>Net importer of dry bulk volumes which largely consist of building materials: mostly cement and gypsum</li> <li>Exports — exclusively cereal grains (wheat and barley)</li> </ul>
<b>Breakbulk</b>	<ul style="list-style-type: none"> <li>Primarily agricultural equipment / machinery, iron, steel, timber and roll-on roll-off (RoRo) cargo</li> <li>Majority of PoM's breakbulk volume is RoRo cargo between Melbourne and Tasmania</li> </ul>





## Port of Melbourne FY22 top origin and destination countries






### Top 5 Imports:

Country of Origin

-  China
-  USA
-  Thailand
-  New Zealand
-  Malaysia






### Top 5 Exports:

Country of Destination

-  China
-  New Zealand
-  Vietnam
-  Japan
-  USA






### Top 5 Imports:

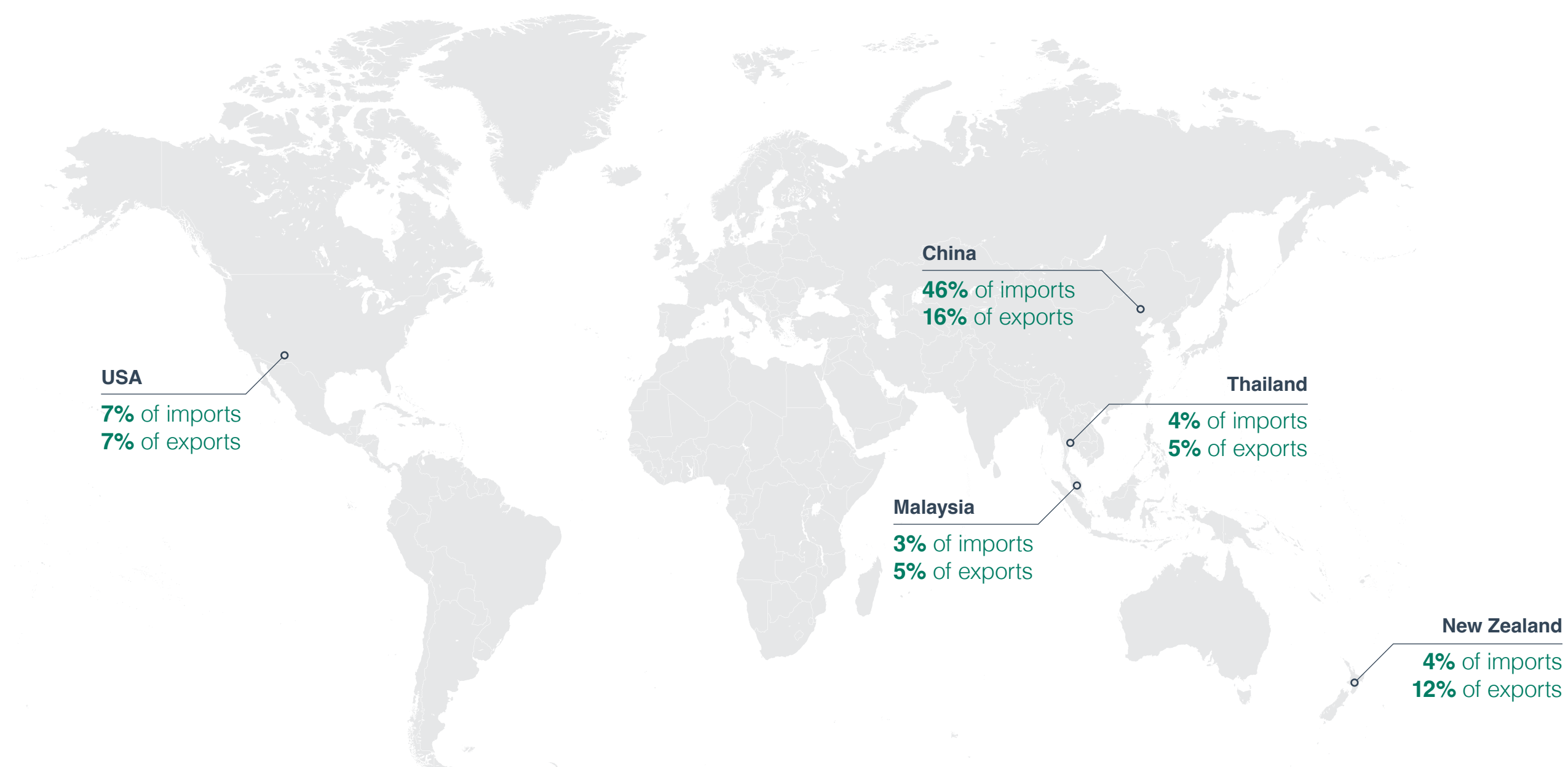
Commodity

-  Miscellaneous manufactures
-  Furniture
-  Metal manufactures
-  Domestic appliances
-  Machinery (non-electrical)

### Top 5 Exports:

Commodity

-  Wheat
-  Hay, chaff & fodder
-  Pulp and waste paper
-  Miscellaneous manufactures
-  Fresh fruit



Top 5 import/export based on revenue tonnes  
 Figures on world map are based on full overseas TEUs



### CASE STUDY:

## CONTAINER LOGISTICS CHAIN STUDY

A clear and informed understanding of the way freight is moved to and from importers and exporters and the port helps industry, government, PoM and the wider community understand current issues and plan for the future. PoM is focussed on building long term resilience and productivity into the port freight supply chain and invests in capacity and productivity enhancements that will position Australia for the future.

PoM's 2021 Container Logistics Supply Chain Study was launched in September 2021 by the Minister for Ports through an online event, reaching over 300 industry and media participants.

The Container Logistics Chain Study provides a comprehensive and current understanding of the port's container supply chain, supporting industry's future planning efforts. It also informs policy development and investment decision-making for the port and the Victorian Government. The study was developed for PoM by GHD Advisory, with support from the Victorian Department of Transport.

The study helps to fully understand trends in the location of imports and exports, growth areas and to inform transport planning, land use planning and community amenity considerations. This is the first comprehensive container tracking study undertaken since 2009, and the supply chain has experienced significant changes since that time. The biggest shift is that Melbourne's western suburbs have grown in importance as a freight hub. From an export perspective, the study shows Warrnambool and Mildura as key drivers of Victorian exports through the port, with the South Western Corridor producing the most export containers in Victoria.



## Port development

Since late 2016, PoM has invested more than \$420 million to support trade growth and delivered a \$9.7 billion benefit to the Victorian community. PoM is focused on providing world-class port facilities and services when they are needed. We have proposed an investment pipeline in excess of \$2 billion in Australia's supply chain infrastructure over the next decade to drive efficiencies and deliver the productivity that will support the state's economic growth, job creation and social prosperity.

PoM has developed a 30-year 2050 Port Development Strategy as a roadmap for the future development of the port. It outlines the high-level plans and approach for developing the capacity and efficiency of the port for the next 30 years, while also providing a planning framework which is adaptable and responsive to changing needs over time.

The Port Development Strategy identifies nine major projects aimed at expanding capacity, improving operational performance and managing the asset portfolio of the port. Two of these projects were in delivery in FY22 with the others in various stages of planning and definition.

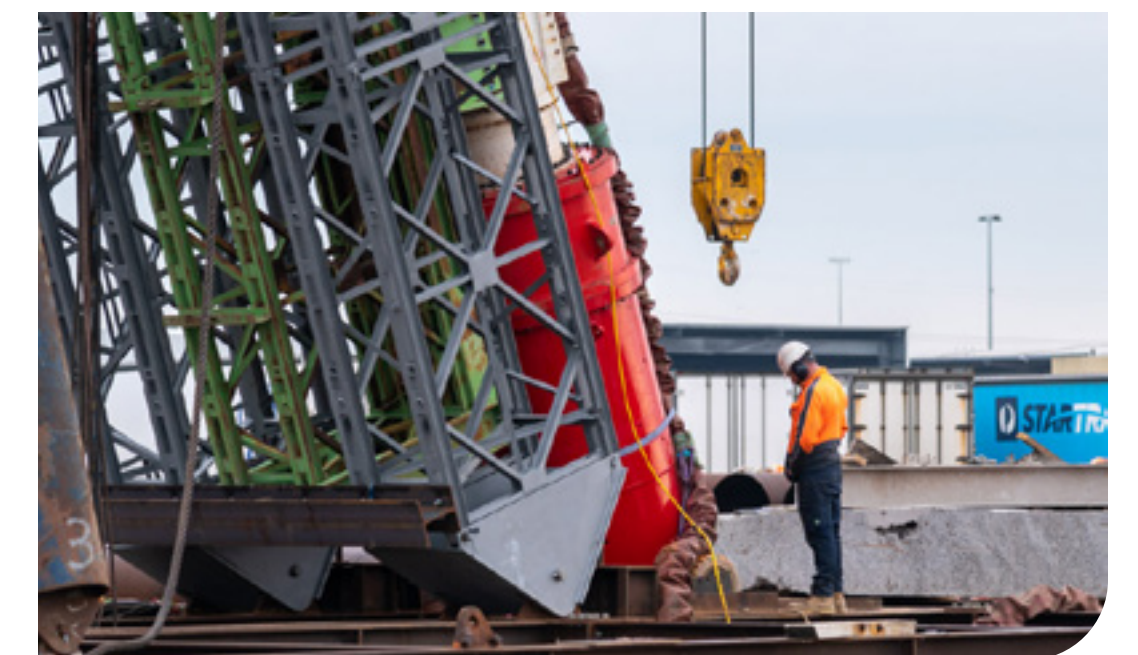
As part of our development plans, PoM published the *Rail Access Strategy – Our Plan for Rail in 2020* which outlines PoM's response to the complex challenge of increasing freight rail transport. Moving more freight on rail reduces truck movements, noise, air pollution and greenhouse gas emissions and improves amenity for communities, particularly in Melbourne's inner-west. PoM is committed to working closely with governments at all levels and industry to deliver on this plan. Three major projects identified in the Port Development Strategy relate to the key projects outlined in the

*Rail Access Strategy*, including the Port Rail Transformation Project, which commenced construction in FY22.

In FY22, PoM continued consultation with stakeholders on long-term planning requirements and developed the Port Development Strategy Delivery Program which outlines the indicative timing and sequencing of each of the major projects planned over the next 15 years.

In addition to the Port Rail Transformation Project, the Webb Dock East Extension Project commenced delivery in early 2022 and preparatory work for the Swanson Dock Remediation Project commenced in late 2022. These projects have sustainability considerations embedded into the construction works, including reusing and recycling materials where possible.

Preliminary planning was undertaken in FY22 for the redevelopment of the Appleton / Victoria Docks into purpose built terminals for Tasmanian trade and the development of the Webb Dock North container terminal. As part of this planning, sustainability and climate adaptation strategies were developed to embed sustainability principles into the early design and planning for these projects.





## Webb Dock East extension project



At its inception, Webb Dock East was designed as a two berth container terminal. However, as larger vessels call at the port, the current infrastructure at Webb Dock East does not always allow for two ships to berth at the same time.

In response, PoM commenced works in 2022 at Webb Dock East to reduce port congestion, improve efficiency and accommodate larger ships by restoring Webb Dock East's intended design capacity.

The project involves demolishing a redundant section of concrete and extending the quay line by 71 metres. Once project works are completed in late 2023, the Victoria International Container Terminal, who are our tenants at Webb Dock East, will install an additional two ship-to-shore cranes, six auto container carriers and six auto stacking cranes.

## Swanson Dock West remediation study



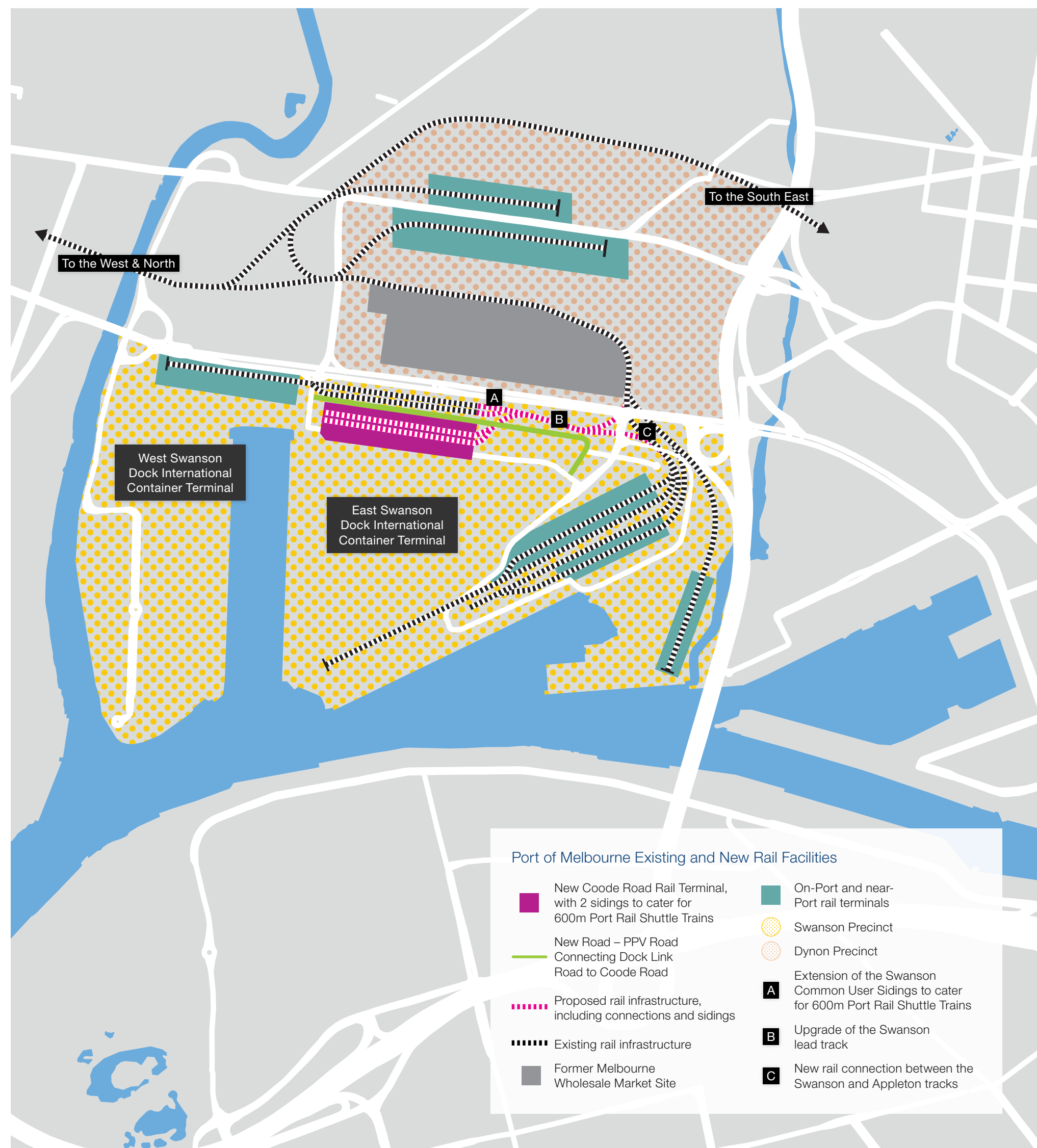
Swanson Dock West is a critical International Container Terminal comprising a 944 metre wharf with three container-handling berths. These berths were constructed in several stages between the 1960s and 1980s and vary in form of construction.

The Swanson Dock West container terminal is intended to continue to deliver a significant portion of the port's container handling capacity into the future. Sections of the wharf are close to or beyond the typical design life of 30 years. To future proof this terminal, berth structures are being remediated so that they can continue to handle container vessels for the next 50 years.

In 2022, PoM began a staged redevelopment which will enable Swanson Dock West to operate two of the three berths for the duration of the works, which are scheduled to be completed in 2027.







## CASE STUDY: PORT RAIL TRANSFORMATION PROJECT



The Port Rail Transformation Project (P RTP) is an investment of over \$125 million by PoM to improve the efficiency and sustainability of the port’s supply chain and is a priority identified in the *Rail Access Strategy – Our Plan for Rail*. Moving more containers on rail will alleviate congestion on Melbourne’s roads, reduce greenhouse gas emissions and air pollution and boost the productivity of the port’s landside supply chain. One shuttle train can transport 84 containers, currently this volume of containers are transported on an average of 40 trucks.

The P RTP is designed to improve rail access at Swanson Dock through the development of a new East Swanson Rail Terminal and delivery of upgraded rail access, connections and sidings within the port. In FY22 major construction works for the project commenced.

Sustainability considerations have been embedded in the design and construct principles of the project. One of the key objectives of the build is to recycle as much of the site’s existing material as possible.

PoM is working with our construction partner, Seymour White, to reuse low-level contaminated material already onsite, rather than

disposing of this material to landfill and needing to procure new materials. In agreement with the EPA, 30% of the total material excavated will be used onsite. All excavated material is sorted onsite to determine what can be reused and what can be recycled elsewhere. At December 2022, PoM had reused more than 40,000 tonnes of material onsite and achieved a 98% recycle rate on the structures demolished for the project.

As part of the project, all ground and surface water is being captured and treated onsite using primary filtration and secondary chemical treatments to remove particulates and adjust pH levels. The treated water is then discharged to the sewer via a trade waste agreement. Over 30 million litres of contaminated water is forecast to be treated by the end of the project.

PoM has also targeted a net biodiversity increase for the project. Vegetation that had to be removed to make way for the project has been mulched and will be used in new landscape areas. As part of the project delivery 59 new trees and more than 10,000 other plants, grasses and shrubs will be planted.



## PoM's suppliers

In FY22, PoM spent \$165 million for goods and services from over 450 suppliers. Over 97% of our suppliers are based in Australia, and over 55% are local to Victoria. Our suppliers can be categorised into the following groups:

- Suppliers engaged to undertake infrastructure development or renewal works, and aspects of infrastructure asset operations and maintenance
- Suppliers and technical consultancies engaged to ensure our assets, IT infrastructure and systems are able to operate in a safe, secure and efficient manner
- Providers of electricity, water, telecommunications and other utilities to support our day-to-day operations; and
- Business consultancy, IT, HR, finance and other related service suppliers who are either engaged or provide consumables that support business operations.

In FY22, PoM commenced an engagement program with our largest contractors to collect fuel and energy use data to inform our understanding of greenhouse gas emissions across our supply chain.





# ESG data tables

## WORKFORCE

Workforce profile	FY20	FY21	FY22
<b>Overview</b>			
<b>Employee headcount (at 30 June)</b>	<b>118</b>	<b>124</b>	<b>135</b>
Male	76	80	84
Female	42	44	51
<b>Contractor headcount (at 30 June)</b>	<b>4</b>	<b>4</b>	<b>3</b>
<b>Employee FTE</b>	<b>110.8</b>	<b>120.2</b>	<b>132.1</b>
Full time — Male	70.5	74	82
Part time — Male	0.7	1.6	1
Full time — Female	33.4	39	42
Part time — Female	6.2	5.6	7.1
<b>Contractor FTE</b>	<b>3.2</b>	<b>3.4</b>	<b>2.4</b>
<b>Employees covered by collective bargaining agreements</b>	<b>30%</b>	<b>23%</b>	<b>18%</b>

Workforce profile	FY20	FY21	FY22
<b>Gender diversity</b>			
<b>Percent female Board directors</b>	<b>12.5%</b>	<b>20%</b>	<b>27%</b>
<b>Percent female CEO direct reports</b>	<b>33%</b>	<b>29%</b>	<b>25%</b>
<b>Percent female senior managers</b>	<b>NR</b>	<b>NR</b>	<b>24%</b>
<b>Percent female total workforce</b>	<b>37.5%</b>	<b>37.1%</b>	<b>37.1%</b>
<b>Workforce demographics</b>			
<b>Full Time Equivalent staff</b>	<b>110.8</b>	<b>120.2</b>	<b>132.1</b>
Under 30 — Male	3	5	6
Under 30 — Female	1	3	4
30–50 — Male	40	38	45
30–50 — Female	29.6	28.6	32
Over 50 — Male	26.2	32.6	32.1
Over 50 — Female	11	13	13

Employee engagement and retention	FY20	FY21	FY22
<b>Employee engagement score</b>	<b>72%</b>	<b>76%</b>	<b>69%</b>
<b>Survey participation rate</b>	<b>96%</b>	<b>99%</b>	<b>98%</b>
<b>Employee turnover rate</b>	<b>14%</b>	<b>7%</b>	<b>15%</b>
<b>Gender pay gap</b>	<b>19%</b>	<b>19%</b>	<b>20%</b>
<b>CEO to median employee total compensation</b>	<b>4.4</b>	<b>4.3</b>	<b>5.8</b>
<b>Learning and development</b>			
<b>Number of training hours</b>	<b>2,714</b>	<b>1,266</b>	<b>1,749</b>
<b>Training investment per headcount</b>	<b>\$1,311</b>	<b>\$685</b>	<b>\$800</b>



## HEALTH, SAFETY AND WELLBEING

Safety metrics for PoM	FY20	FY21	FY22
<b>Number of lost time injuries</b>	<b>1</b>	<b>0</b>	<b>0</b>
Employees	0	0	0
PoM contractors	1	0	0
<b>Lost time injury frequency rate (LTIFR)</b>	<b>1.86</b>	<b>0</b>	<b>0</b>
<b>Number of total recordable injuries</b>	<b>4</b>	<b>0</b>	<b>0</b>
Employees	1	0	0
PoM contractors	3	0	0
<b>Total recordable injury frequency rate (TRFIR)</b>	<b>9.28</b>	<b>0</b>	<b>0</b>
<b>Number of fatalities</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees	0	0	0
PoM contractors	0	0	0

**Definitions**  
 Total recordable injury frequency rate = (total number of lost time injuries + medical treatment injuries + restricted work cases x 1,000,000)/total hours worked  
 Lost time injury frequency rate = (number of lost time injuries x 1,000,000)/total hours worked

## ENVIRONMENT

Energy consumption (GJ)	FY20	FY21	FY22
<b>Total consumption</b>	<b>13,581</b>	<b>13,658</b>	<b>15,703</b>
<b>Fuel</b>	<b>5,649</b>	<b>5,914</b>	<b>6,479</b>
Unleaded Petrol (Vehicles)	179	137	139
Diesel (Vehicles)	610	516	385
Diesel (Marine Survey Vessel)	4,801	5,261	5,955
Natural Gas	60	0	0
<b>Electricity</b>	<b>7,931</b>	<b>7,745</b>	<b>9,224</b>

Some fuel and electricity figures have been revised since previous Sustainability Reports to include data that was not available at the time of publication.

Greenhouse gas emissions (tCO2-e)	FY20	FY21	FY22
<b>Scope 1 &amp; 2 total</b>	<b>2,754</b>	<b>2,524</b>	<b>2,916</b>
Scope 1	396	416	456
Scope 2	2,357	2,108	2,460
<b>Scope 3 total</b>	<b>NR</b>	<b>322,998</b>	<b>360,904</b>
Shipping (Ocean-Going Vessels)	NR	207,223	228,513
Tenants	NR	107,877	104,886
Development projects	NR	1,919	21,126
Road and Rail	NR	1,920	2,147
Operations & maintenance contractors	NR	1,586	1,110
Business operations	NR	1,175	911
Professional services	NR	1,298	2,210

Some fuel and electricity figures have been revised since previous Sustainability Reports to include data that was not available at the time of publication.  
 Total Scope 3 figures may not add up precisely from constituent figures presented due to rounding.

Water (kL)	FY20	FY21	FY22
<b>Total water consumption (kL)</b>	<b>66,215</b>	<b>44,909</b>	<b>26,463</b>
Potable	66,215	44,909	26,463
Recycled	0	0	0

Includes office water usage and port operations, which vary significantly from year to year. Water consumption also includes potable water on-sold at cost to ships that berth at PoM. This represented 24% of FY22 water use.

Waste (kg)	FY20	FY21	FY22
<b>Total waste disposal (kg)</b>	<b>3,591</b>	<b>1,039</b>	<b>2,081</b>
Landfill	2,472	460	1,001
Organics	30	42	106
Recycled	1,090	538	974
<b>Diversion rate</b>	<b>30%</b>	<b>52%</b>	<b>47%</b>

Waste is from PoM's offices. Waste from development projects managed by contractors is included in Scope 3 emissions data.

Pollution events (number)	FY20	FY21	FY22
<b>Total pollution events</b>	<b>9</b>	<b>9</b>	<b>10</b>
Marine pollution events	6	7	9
Landside pollution events	3	2	1



## ECONOMIC

Port Trade	FY20	FY21	FY22
Number of ship arrivals	3,008	2,872	2,912
Value of trade (\$ billion)	\$110	\$118	\$138
<b>Total trade volume (MRT – million revenue tonnes)</b>	<b>91.4</b>	<b>104.1</b>	<b>107.6</b>
Containers (TEU)	2,880,791	3,294,306	3,232,608
New motor vehicles (units)	253,604	304,486	328,825
Liquid bulk (MRT)	6.1	5.4	5.5
Dry bulk (MRT)	4.1	4.9	5.4
Breakbulk (MRT)	6.3	8.2	9.7

Trade performance is publicly reported on a quarterly basis on PoM's website.

TEU – twenty foot equivalent unit, the international measure for standardising container throughput numbers.

Revenue Tonnes – a quantity measure based on the greater of weight in mass tonnes and volume in cubic metres.



# GRI content index

Standard/ Topic	Disclosure	Report location or additional commentary
<b>GRI 1: Foundation 2021</b>	GRI Foundation reporting principles and material topics	About this report
<b>GRI 2: General Disclosures 2021</b>	2-1 Organisational details	About Port of Melbourne
	2-2 Entities included in the organisation's sustainability reporting	About this report
	2-3 Reporting period, frequency and contact point	About this report Contact us
	2-4 Restatements of information	ESG data tables
	2-5 External assurance	Report from the independent assurers
	2-6 Activities, value chain and other business relationships	About Port of Melbourne
	2-7 Employees	People ESG data tables
	2-8 Workers who are not employees	People ESG data tables
	2-9 Governance structure and composition	Governance
	2-10 Nomination and selection of the highest governance body	The Directors of the PoM Board are appointed by securityholders in accordance with the Securityholders Agreement. Committees are established by the Board and once established the membership of each Committee is reviewed by the relevant Committee annually.
	2-11 Chair of the highest governance body	Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Our approach to sustainability
	2-13 Delegation of responsibility for managing impacts	Our approach to sustainability



Standard/ Topic	Disclosure	Report location or additional commentary
	2-14 Role of the highest governance body in sustainability reporting	Our approach to sustainability
	2-15 Conflicts of interest	PoM has a Conflicts of Interest Policy that clarifies the expectations, provisions and procedures associated with managing conflicts of interest.
	2-16 Communication of critical concerns	Not reported
	2-17 Collective knowledge of the highest governance body	Not reported
	2-18 Evaluation of the performance of the highest governance body	Not reported
	2-19 Remuneration policies	Not reported
	2-20 Process to determine remuneration	Not reported
	2-21 Annual total compensation ratio	ESG data tables
	2-22 Statement on sustainable development strategy	Prosperity
	2-23 Policy commitments	Our approach to sustainability
	2-24 Embedding policy commitments	Our approach to sustainability
	2-25 Processes to remediate negative impacts	Partnerships
	2-26 Mechanisms for seeking advice and raising concerns	Partnerships
	2-27 Compliance with laws and regulations	Governance
	2-28 Membership associations	Partnerships
	2-29 Approach to stakeholder engagement	Working with our stakeholders
	2-30 Collective bargaining agreements	In FY22, 18% of PoM employees were covered by enterprise agreements.
<b>GRI 3: Materials Topics 2021</b>	3-1 Process to determine material topics	Our approach to sustainability
	3-2 List of material topics	Our approach to sustainability
	3-3 Management of material topics	Commentary on specific material topics provided throughout report.



Standard/ Topic	Disclosure	Report location or additional commentary
<b>GRI 200: economic standards</b>		
<b>GRI 201: Economic Performance</b>	201-1 Direct economic value generated and distributed	Prosperity
	201-2: Financial implications	Prosperity
<b>GRI 202: Market Presence</b>	202-1: Ratios of standard entry level wage by gender compared to local minimum wage	PoM's general workplace protections and employment terms and conditions comply with the <i>Fair Work Act 2009</i> . All PoM employees are paid at or above the minimum wage.
	202-2: Proportion of senior management hired from the local community	Not reported
<b>GRI 203: Indirect Economic Impacts</b>	203-1: Infrastructure investments and services supported	Prosperity
	203-2: Significant indirect economic impacts	Prosperity Economic studies completed in 2018 for PoM showed that the port supported almost 30,000 full-time equivalent (FTE) jobs in Australia, one third of which were directly related to the delivery of port services.
<b>GRI 205: Anti-corruption</b>	205-3: Confirmed incidents of corruption and actions taken	No incidents of corruption have taken place in the reporting year.
<b>GRI 206: Anti-competitive behaviour</b>	206-1: Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	No legal actions for anti-competitive behaviour, anti-trust and monopoly practices have taken place in the reporting year.
<b>GRI 300: environmental standards</b>		
<b>GRI 301: Materials</b>	301-1 Materials used by weight or volume	Not reported
<b>GRI 302: Energy</b>	302-1: Energy consumption within the organisation	Planet ESG data tables
	302-4: Reduction of energy consumption	Planet ESG data tables
<b>GRI 303: Water and Effluents</b>	303-1 Interactions with water as a shared resource	Planet
	303-3: Water withdrawal	Planet
	303-5 Water consumption	Planet ESG data tables
<b>GRI 304: Biodiversity</b>	304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Planet



Standard/ Topic	Disclosure	Report location or additional commentary
<b>GRI 305: Emissions</b>	305-1: Direct (Scope 1) GHG emissions	Planet ESG data tables
	305-2: Energy indirect (Scope 2) GHG emissions	Planet ESG data tables
	305-3: Other indirect (Scope 3) GHG emissions	Planet ESG data tables
	305-5: Reduction of GHG emissions	Planet ESG data tables
<b>GRI 306: Waste</b>	306-3 Waste generated	Planet ESG data tables
	306-4 Waste diverted from disposal	Planet ESG data tables
	306-5 Waste directed to disposal	Planet ESG data tables
<b>GRI 400: social standards</b>		
<b>GRI 401: Employment</b>	401-3: Parental leave	People ESG data tables
<b>GRI 402: Labour/ Management Relations</b>	402-1: Minimum notice periods regarding operational changes	PoM seeks to provide employees with as much notification as possible regarding any workplace changes.
<b>GRI 403: Occupational Health and Safety</b>	403-1: Occupational health and safety management system	People
	403-6 Promotion of worker health	People
	403-9 Work-related injuries	People ESG data tables
<b>GRI 404: Training and Education</b>	404-1: Average hours of training per year per employee	People ESG data tables
	404-2: Programs for upgrading employee skills and transition assistance programs	People
<b>GRI 405: Diversity and Equal Opportunity</b>	405-1: Diversity of governance bodies and employees	People ESG data tables
	405-2 Ratio of basic salary and remuneration of women to men	ESG data tables



Standard/ Topic	Disclosure	Report location or additional commentary
<b>GRI 406: Non-Discrimination</b>	406-1: Incidents of non-discrimination and corrective actions taken	There have been no incidents of non-discrimination in the reporting year.
<b>GRI 407: Freedom of Association and Collective Bargaining</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Collective bargaining and freedom of association is protected by law and the Fair Work Commission in Victoria.
<b>GRI 409: Forced or Compulsory Labour</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	People PoM publishes an annual Modern Slavery Statement available at <a href="http://www.portofmelbourne.com">www.portofmelbourne.com</a>
<b>GRI 411: Rights of Indigenous Peoples</b>	411-1: Incidents of violations involving rights of indigenous peoples	There have been no incidents of human rights violations of indigenous peoples in the reporting year.
<b>GRI 413: Local Communities</b>	413-1: Operations with local community engagement, impact assessments and development programs	Partnerships
<b>GRI 418: Customer Privacy</b>	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	There have been no incidents of customer privacy breaches in the reporting year.



# Sustainability Accounting Standards Board (SASB) index

Standard/ Topic	Metric	Report location or additional commentary
<b>SASB Standard - Marine Transportation</b>		
<b>Greenhouse Gas Emissions</b>	Gross global Scope 1 emissions - (TR-MT-110a.1)	Planet ESG data tables
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets - (TR-MT-110a.2)	Planet
	(1) Total energy consumed, (2) percentage heavy fuel oil, (3) percentage renewable - (TR-MT-110a.3)	Planet ESG data tables
	Average Energy Efficiency Design Index (EEDI) for new ships - (TR-MT-110a.4)	Not applicable. Relevant to shipping lines but not within PoM's control.
<b>Air Quality</b>	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, and (3) particulate matter (PM10) - (TR-MT-120a.1)	Not applicable. Relevant to port tenants and shipping lines but not within PoM control.
<b>Ecological Impacts</b>	Shipping duration in marine protected areas or areas of protected conservation status - (TR-MT-160a.1)	Port of Melbourne waters and shipping channels do not intersect with Marine Protected Areas, but do pass adjacent to Port Phillip Heads Marine National Park.
	Percentage of fleet implementing ballast water (1) exchange and (2) treatment - (TR-MT-160a.2)	Not applicable. Relevant to shipping lines but not within PoM's control.
	(1) Number and (2) aggregate volume of spills and releases to the environment - (TR-MT-160a.3)	Not applicable. Relevant to shipping lines but not within PoM's control.
<b>Employee Health &amp; Safety</b>	Lost time incident rate (LTIR) - (TR-MT-320a.1)	People ESG data tables
<b>Business Ethics</b>	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index - (TR-MT-510a.1)	Not applicable. PoM operates a single port in Australia, which is placed in the top 20 highest rankings of the Index.
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption - (TR-MT-510a.2)	None



Standard/ Topic	Metric	Report location or additional commentary
<b>Accident &amp; Safety Management</b>	Number of marine casualties, percentage classified as very serious - (TR-MT-540a.1)	Not applicable. Relevant to shipping lines but not within PoM's control.
	Number of Conditions of Class or Recommendations - (TR-MT-540a.2)	
	Number of port state control (1) deficiencies and (2) detentions - (TR-MT-540a.3)	
<b>Activity Metrics</b>	Number of shipboard employees - (TR-MT-000.A)	Not applicable. Relevant to shipping lines but not within PoM control.
	Total distance travelled by vessels - (TR-MT-000.B)	
	Operating days - (TR-MT-000.C)	
	Deadweight tonnage - (TR-MT-000.D)	
	Number of vessels in total shipping fleet - (TR-MT-000.E)	
	Number of vessel port calls - (TR-MT-000.F)	ESG data tables
	Twenty-foot equivalent unit (TEU) capacity - (TR-MT-000.G)	ESG data tables
<b>SASB Standard - Professional &amp; Commercial Services</b>		
<b>Data Security</b>	Description of approach to identifying and addressing data security risks - (SV-PS-230a.1)	PoM's Information Security Policy and related procedures define our approach to data security risk identification and management.
	Description of policies and practices relating to collection, usage, and retention of customer information - (SV-PS-230a.2)	
	(1) Number of data breaches, (2) percentage involving customers' confidential business information (CBI) or personally identifiable information (PII), (3) number of customers affected - (SV-PS-230a.3)	None
<b>Workforce Diversity &amp; Engagement</b>	Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees - (SV-PS-330a.1)	People ESG data tables
	(1) Voluntary and (2) involuntary turnover rate for employees - (SV-PS-330a.2)	People ESG data tables
	Employee engagement as a percentage - (SV-PS-330a.3)	People ESG data tables
<b>Professional Integrity</b>	Description of approach to ensuring professional integrity - (SV-PS-510a.1)	Governance
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity - (SV-PS-510a.2)	None
<b>Activity Metrics</b>	Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract - (SV-PS-000.A)	ESG data tables
	Employee hours worked, percentage billable - (SV-PS-000.B)	Not relevant to PoM employees.



# Report from the independent assurers



## Independent Limited Assurance Statement to the Management and Directors of Port of Melbourne

### Our Conclusion

We were engaged by Port of Melbourne Operations Pty Ltd ('PoM') to undertake limited assurance as defined by Australian Auditing Standards, over non-financial disclosures contained within PoM's 2022 Sustainability Report (the 'Report') for the year ended 30 June 2022.

Based on our engagement, nothing came to our attention that caused us to believe that as at 30 June 2022 and for the year then ended the non-financial disclosures contained within PoM's 2022 Sustainability Report detailed below, have not been reported and presented fairly, in all material respects, in accordance with the Criteria detailed below.

### Basis for Our Conclusion

We conducted our review in accordance with the *Australian Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE 3000'), and the terms of reference for this engagement as agreed with PoM. We are independent of PoM in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the 'Code') that are relevant to our review of the Report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the review evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### What Our Engagement Covered

We reviewed the following performance metrics and disclosures within the 2022 Sustainability Report for the year ended 30 June 2022:

What we assure (Subject Matter)	What we assure it against (Criteria)
▶ Scope 1 greenhouse gas emissions	▶ Definitions as per the Global Reporting Initiative's (GRI) Sustainability Reporting Standards
▶ Scope 2 greenhouse gas emissions	▶ Taskforce on Climate-related Financial Disclosures (TCFD)
▶ Lost time injuries for employees and contractors	▶ Greenhouse Gas (GHG) Protocol, as well as the National Greenhouse Accounts Factors for Australia
▶ Annual twenty-foot equivalent unit (TEU) data	
▶ Value of trade through PoM	

Limited assurance over Scope 3 greenhouse gas emissions was not provided by EY as it was completed by Foresight Consulting Group. Please refer to their assurance statement, included within the 2022 Sustainability Report.

### EY's Responsibility

Our responsibility is to express a limited assurance conclusion over the non-financial disclosures contained within PoM's 2022 Sustainability Report.

### PoM's Responsibility

PoM's management is responsible for selecting the Criteria, and fairly presenting the non-financial disclosures in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, adequate records and making estimates that are reasonable in the circumstances, such that it is free from material misstatement, whether due to fraud or error.





### Summary of Review Procedures Performed

Our engagement consists of making enquiries, primarily of persons responsible for preparing the non-financial disclosures, and applying analytical and other review procedures.

We completed the following procedures for the year ended 30 June 2022:

- ▶ Conducting interviews with PoM personnel and collating evidence to understand PoM's, process for reporting selected performance metrics as well as risks of misstatement and quality controls to address risks
- ▶ Conducting limited assurance procedures over the performance metrics and disclosures, including:
  - Checking that the calculation Criteria have been applied as per the methodologies for the non-financial metrics and disclosures
  - Checking the clerical accuracy of input data utilised to calculate selected performance metrics
  - Undertaking analytical procedures to support the reasonableness of selected performance metrics
  - Identifying and testing assumptions supporting calculations
  - Performing recalculations of selected performance metrics using input data and, on a sample basis, testing underlying source information to support accuracy of selected performance metrics
  - Reviewing the accuracy and balance of statements associated with the selected performance metrics.

### Limited Assurance

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

### Use of Our Assurance Statement

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than Management and the Directors of PoM, or for any purpose other than that for which it was prepared.

Our review included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of this web-based information after the date of this assurance statement.

Ernst & Young

Terence Jeyaretnam, FIEAust EngExec  
Partner  
Melbourne  
17 March 2023





## Independent Limited Assurance Report to the Management and Directors of Port of Melbourne Operations Pty Ltd

### Our conclusion

We were engaged by Port of Melbourne Operations Pty Ltd (Port of Melbourne) to undertake a limited assurance of over the total Scope 3 greenhouse gas (GHG) emissions included in its *2022 Sustainability Report*. Based on the work performed, nothing has come to our attention that caused us to believe that the total Scope 3 GHG emissions presented in Port of Melbourne's 2022 Sustainability Report (the Subject Matter) has not been prepared and presented fairly, in all material respects, in accordance with the *Greenhouse Gas Protocol Corporate Value Chain Standard* (the Criteria).

#### 1 What our review covered

For the year ended 30 June 2022 we reviewed the total Scope 3 greenhouse gas emissions, expressed in tonnes of carbon dioxide equivalent (t.CO<sub>2</sub>-e), for Port of Melbourne as presented in Port of Melbourne's *2022 Sustainability Report*.

Total Scope 3 GHG emissions: 360,904 t.CO<sub>2</sub>-e

#### 2 Criteria applied by Port of Melbourne

In preparing the total Scope 3 GHG emissions Port of Melbourne applied the *GHG Protocol Corporate Value Chain (Scope 3) Standard*.

#### 3 Our responsibility

Our responsibility was to express a limited assurance conclusion on the fair presentation of Port of Melbourne's total Scope 3 GHG emissions presented in its 2022 Sustainability Report.

We have maintained our independence and confirm that we have met the independence requirements of the *APES 110 Code of Ethics for Professional Accountants* and have the required competencies and experience to conduct this assurance engagement.

#### 4 Port of Melbourne's responsibility

Port of Melbourne's management was responsible for selecting the criteria and preparing and fairly presenting the total Scope 3 GHG emissions in accordance with the Criteria. This responsibility included establishing and maintaining internal controls, adequate records and making estimates that are reasonable in the circumstances.

#### 5 Our approach to the review

We conducted this review in accordance with the Australian Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ASAE 3000), Australian Standard for Assurance Engagements on Greenhouse Gas Statements (ASAE 3410) and the terms of reference for this engagement as agreed with Port of Melbourne. The evidence obtained is sufficient and appropriate to provide the basis for our limited assurance conclusion.

Our review procedures included:

- Conducting interviews with Port of Melbourne personnel to understand the business and its reporting processes and systems for collecting, storing, and collating data
- Making inquiries with Port of Melbourne's Management to assess the risk of misstatement due to fraud

- Evaluating Port of Melbourne's approach to setting its Scope 3 emissions boundary
- Undertaking analytical review procedures to assess the reasonableness of data used to estimate the total Scope 3 GHG emissions
- On a sample basis, conducting tests of detail of underlying data to assess the accuracy of the data, including tracing data used to estimate emissions amounts to their points of origin
- Checking the appropriateness of calculation methodologies and conversion factors used to estimate emissions amounts and testing the accuracy of calculations
- Assessing the reasonableness of assumptions used to determine the total Scope 3 GHG emissions
- Confirming the total Scope 3 GHG emissions stated in the 2022 Sustainability Report.

Foresight Consulting Group Pty Ltd

Joshua Martin, Director

17 March 2023



# Contact us

Port of Melbourne welcomes feedback and questions about this report and our sustainability program.

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