

Port of Melbourne

2023 Sustainability Report



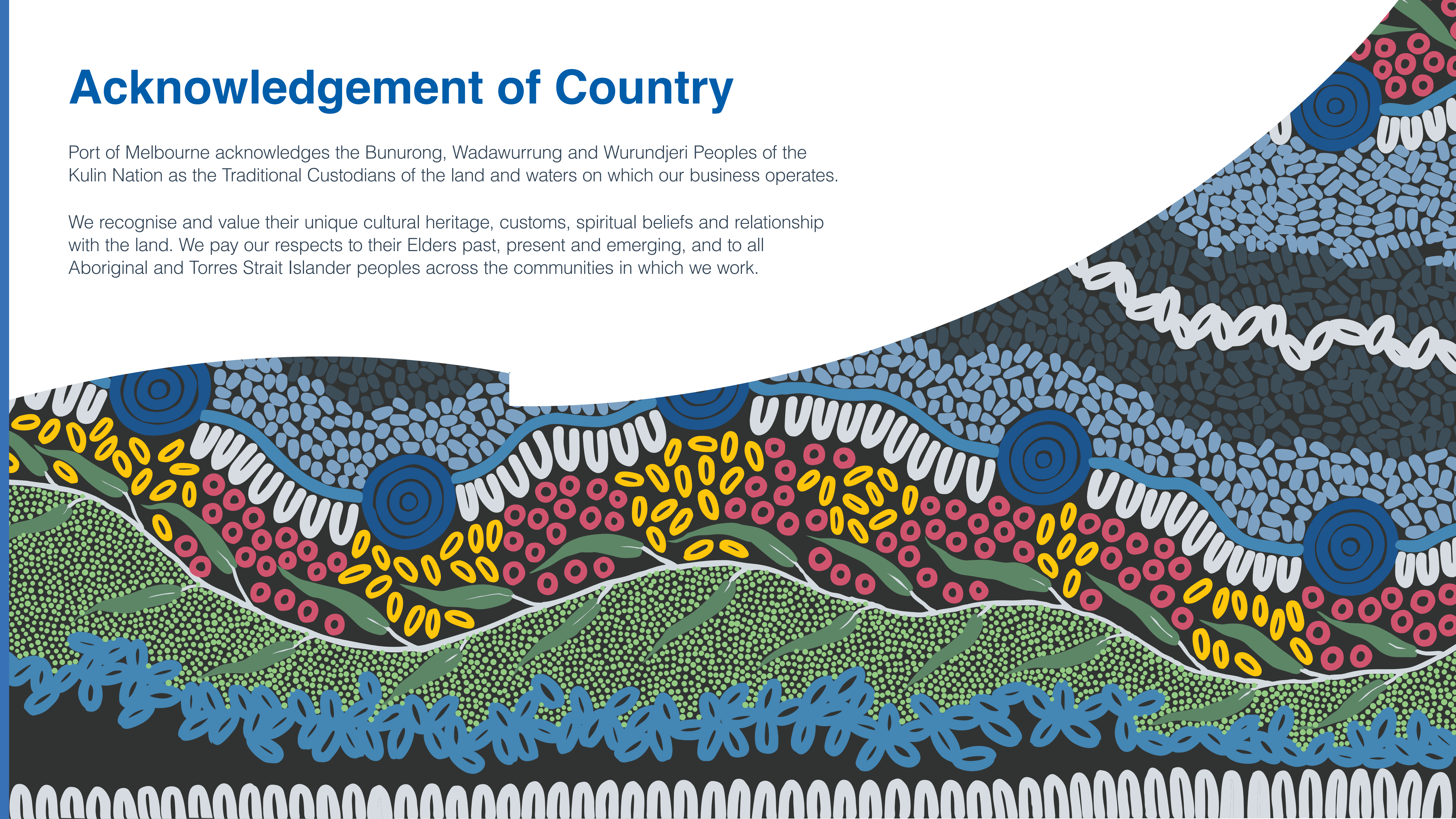
Port of Melbourne



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.



CEO message

“Port of Melbourne is a key driver of the prosperity of our region, delivering not only economic growth but connecting communities throughout south-eastern Australia.”

I am pleased to present Port of Melbourne's 2023 Sustainability Report detailing our progress over the past year.

As Australia's largest container and general cargo port, the Port of Melbourne plays an integral role in the lives of our community and the economy of south-eastern Australia.

The port facilitates more than a third of Australia's container trade, making us a key driver of economic activity with flow-on benefits that are delivered beyond the port gate.

Sustainability is important to support the port's efficient 24/7 operations and grow the port to meet the increasing trade requirements of south-eastern Australia.

Our sustainability approach

Our Sustainability Strategy guides our focus and actions across four pillars: People, Planet, Partnerships and Prosperity. This report provides an overview of the milestones and performance we achieved across each of these pillars in 2023.

Our sustainability performance was once again recognised by the Global Real Estate Sustainability Benchmark (GRESB). We achieved a 5 Star rating in the Infrastructure Asset Assessment, ranking first among Australian and global ports.

We completed our inaugural \$475 million, six year Sustainability Linked Loan in July, which included targets to reduce emissions, engage with port stakeholders and progress workplace mental health.

Responding to climate change

In June we published our Climate Change Statement. In 2023 we set a target to achieve net zero emissions for Scope 1 and 2 by 2030 through sourcing the electricity needed for our business operations from renewables and transitioning our corporate vehicle fleet and marine survey vessel to electric or zero-emissions fuel technologies.

We also set a Scope 3 target to engage with shipping lines, tenants and other port users to identify opportunities to progress the decarbonisation of the port supply chain.

This year we completed a climate risk review to further our understanding of the climate risks our business is exposed to and progress our climate disclosure in alignment with the Taskforce on Climate-related Financial Disclosures.

Developing our port to meet future trade needs

To meet the growth demands of Victoria's economy, we are in the early planning stages of the Port Capacity Enhancement Program. In 2023 we undertook formal consultation on the program's first stage, which involved defining future container trade demand, future ship fleet forecasts and container capacity forecasts.

In July 2023 we completed the infrastructure works on the Port Rail Transformation Project, enabling more containers to be moved by rail, improving efficiency, reducing road congestion in Melbourne's inner western suburbs and contributing to improved road safety and amenity. We achieved a 90 per cent recycle rate of existing structures through project delivery, equating to over 40,000 tonnes of material reused on site.

Partnering with others

Given the nature of our operations, it is essential that we understand the needs of our stakeholders and engage with them in a meaningful way. This year we established a new stakeholder engagement practice with our industry and government partners, and the wider community around our operations who are so critical to our success.

A key focus this year has been on engaging with port users, industry bodies, research organisations, governments and other ports to explore the challenge of decarbonisation and identify opportunities to collaborate on initiatives that may reduce emissions across the freight supply chain.

We signed a Memorandum of Understanding to explore the commercial feasibility of establishing a green methanol bunkering hub at our port, bringing together international shipping line customers, potential producers and key supply chain participants.

Creating an inclusive and safe workplace

Safety continues to be a priority for the port and in 2023 we recorded zero lost time injuries for our employees for the third consecutive year. We work closely with the contractors who undertake construction, operations and maintenance in the port to maintain a safe working environment, and this year we also recorded zero lost time injuries for contractors.

In June we developed a Human Rights Policy demonstrating our commitment to upholding human rights in our operations and across our supply chain.

Looking ahead

As we head into the final year of our three-year Sustainability Strategy, we have set 2024 goals across each of our four pillars. Overarching these goals is our commitment to partnering with others to meet the sustainability challenges we face as an industry.

We remain committed to disclosing our sustainability progress and will continue to improve our reporting in line with emerging sustainability reporting standards, including the International Sustainability Standards Board's disclosure standards.

I thank the Port of Melbourne Board, Executive Leadership Team and our employees for their commitment to our sustainability program and look forward to working together to achieve our sustainability goals.

Saul Cannon
CEO



FY23 highlights


Prosperity


Planet


People


Partnerships



GRESB
INFRASTRUCTURE
sector leader 2023

99% ↑
Maintained **5 Star**
GRESB rating
Increased score
by four percentage
points to 99%

1st
Ranked 1st among
Australian and
global ports



Undertook inaugural
Sustainability-Linked Loan



Completed **Port Rail Transformation Project**
infrastructure works in July 2023

\$213M ↑
Capital spend on port infrastructure
increase from \$93M in FY22

\$148B ↑
Trade value
increase from \$138B in FY22

Scope 1 & 2

Set target to achieve **net zero**
Scope 1 and 2 emissions by 2030

Scope 3

Set **Scope 3 engagement target**
to drive decarbonisation across the
port supply chain



Published **Climate Change Statement**



Undertook **climate risk assessment**

TNFD

Participated in **Taskforce for Nature-related
Financial Disclosures** biodiversity framework pilot

Zero

Lost time injuries for employees and
third-party contractors maintained from FY22¹

43% ↑
Female executive
higher than ASX300 benchmark of 29%²



Developed **Human Rights Policy**

10% ↓
Gender pay gap
reduced from 20 per cent in FY22



Revised **Stakeholder Engagement Framework**



Signed MOU with industry partners to explore
commercial feasibility of bunkering green
methanol at the Port of Melbourne

C40
Joined **C40 Green Ports network**



Completed first stage of stakeholder
engagement for the **Port Capacity
Enhancement Program** in September 2023

¹ Lost time injuries include those recorded for third-party contractors who undertake construction projects, operations and maintenance activities in the port on behalf of PoM.

² Source: Chief Executive Women (CEW), CEW Senior Executive Census 2023

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▶ **About**

About this report

Reporting scope

This report provides an overview of the sustainability activities and performance of entities that are part of the Port of Melbourne Group (referred to after this as 'PoM', 'we', 'our' or 'us'), comprising:

- 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.

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. It also covers certain activities related to planning for the long-term use of port land and shipping channels.

Day-to-day operation of the port is largely undertaken by private businesses, including the provision of cargo shipping, stevedoring, pilotage, towage and road and rail transport services. These operations are not under PoM's control; however, they are part of PoM's value chain and this report provides certain information on these operations, referred to as 'the port' or 'the Port of Melbourne'.

Reporting period

This report outlines PoM's performance for the financial year 2023 (1 July 2022 to 30 June 2023).

Framework alignment

We have prepared this report in accordance with the Global Reporting Initiative (GRI) *2021 Universal Standards*. We have also included disclosures aligned to the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), relevant Sustainability Accounting Standards Board (SASB) Standards disclosures and outlined our contribution to the United Nations Sustainable Development Goals (UN SDGs).

There is no SASB standard specific to port infrastructure. In consultation with SASB, we have 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.

PoM supports global trends towards integrated reporting of financial and non-financial information. We intend to evolve our reporting to comply with emerging sustainability standards, 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 detailed above which are a part of Port of Melbourne Group. This is a proprietary PoM document. While we have made reasonable efforts to ensure 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 considers 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.

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 enabling economic activity in the region. The port services the southeast of Australia, including Tasmania, and occupies a central position in the freight and logistics industry.

As the landlord manager of the port, we are responsible for the strategic planning, development, and management of the port 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 expertise in managing significant infrastructure assets. They are QIC, Future Fund, Global Infrastructure Partners and OMERS Infrastructure.

These long-term shareholders make investment decisions in the strategic interests of the port and its place in the national supply chain.

We are focussed on growing the port's capacity to cater for future demand, as well as maintaining the operational efficiency of our assets and the port freight supply chain. We provide world-class port facilities and services, while investing in infrastructure to drive port efficiencies and productivity that support Victoria's economic growth and social prosperity.

Facilitating economic and social prosperity

The Port of Melbourne is central to the freight and logistics industry in south-eastern Australia, serving as a key domestic and international trade gateway for Tasmania while also having a critical role in supporting regional exporters.

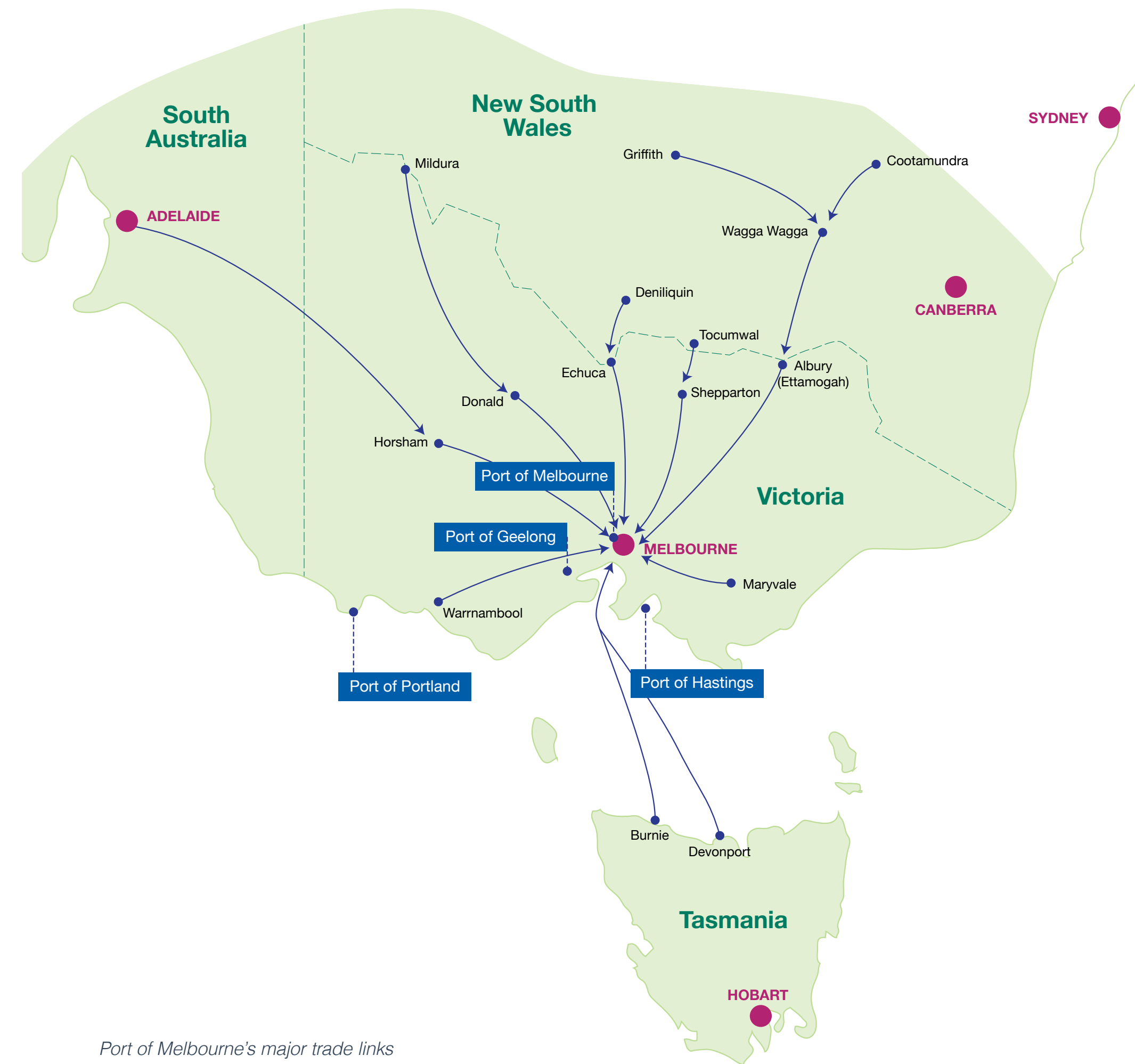
The day-to-day way of life for many Australians depends on the port running efficiently. The building, manufacturing, retail, food, agriculture, and energy industries rely heavily on the port and its road and rail transport connections.

The port supports more than 30,000 jobs and contributes \$11 billion to the national economy each year. These flow-on commercial and employment benefits are delivered well beyond the port gate.

Investing for the long term

Our 30-year Port Development Strategy provides a roadmap for future development to enable sustainable trade growth over the long term by driving investment and innovation across PoM's operations and the broader supply chain.

Since late 2016, PoM has invested more than \$640 million to support trade growth. We have a strong proposed investment pipeline in Australia's supply chain infrastructure over the next decade to drive efficiencies and deliver the productivity that will support economic growth, job creation and social prosperity.



Port of Melbourne's major trade links

Port of Melbourne's operations

We manage 505 hectares of port land stretching from Williamstown in the west around Port Phillip Bay to Port Melbourne in the east. We also manage 52 kilometres of commercial shipping channels within Port Phillip Bay and the Yarra River.

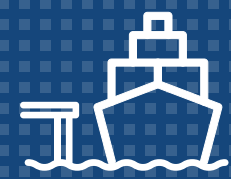
Under a long-term lease arrangement from the Victorian Government, we are responsible for maintaining and developing these lands, waters, port facilities and the associated infrastructure which includes 30 commercial berths and wharves, terminal and trade-handling facilities and connections to surrounding road and rail networks. Our responsibilities also include planning for the long-term use of port land and shipping channels to ensure we have the capacity and capability to handle cargo well into the future.

The berths, wharves, terminals, and trade handling facilities are used by our 71 tenants and other private businesses who largely undertake the port's daily operations including the provision of cargo shipping, stevedoring, pilotage, towage and road and rail transport services.

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 which 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, including wharves, slipways, gangways, roads and rail infrastructure. In setting prices for prescribed services, PoM must comply with the requirements of the *Port Management Act 1995 (Vic)*. PoM also charges tenants to lease space and facilities in the Port of Melbourne precinct.



FY23 port statistics



2,810

ship visits



24

hours a day,
7 days a week
operations



3,188,453

TEUs⁴



108.9

million revenue
tonnes



505

hectares
of land



31

hectares of
open space



71

tenants³



30

commercial
berths



18

hectares of
public land



52

kilometres of
shipping channels



27

kilometres of
waterfront



4

municipal
boundaries

³ FY23 tenants exclude assets such as common user facilities and navigational aids held by the Port of Melbourne.

⁴ TEU: Twenty-foot equivalent unit, the most common container sizes are 20 and 40 feet long.

Our vision, mission and values

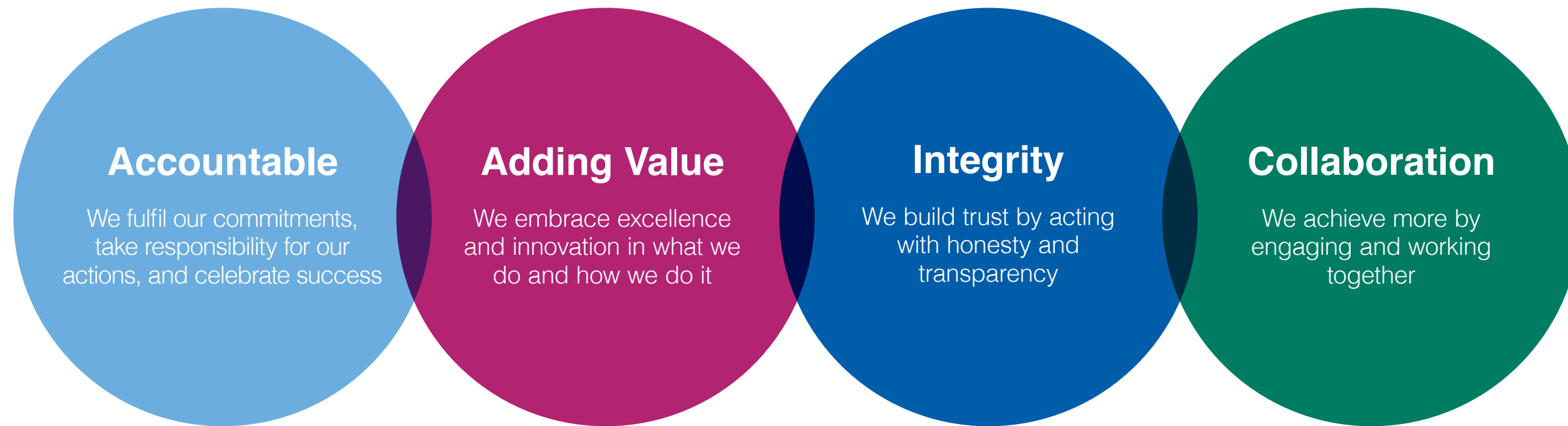
Our Vision

Port of Melbourne's passion for growing trade creates an enduring city port, driving the economy and enriching lives.

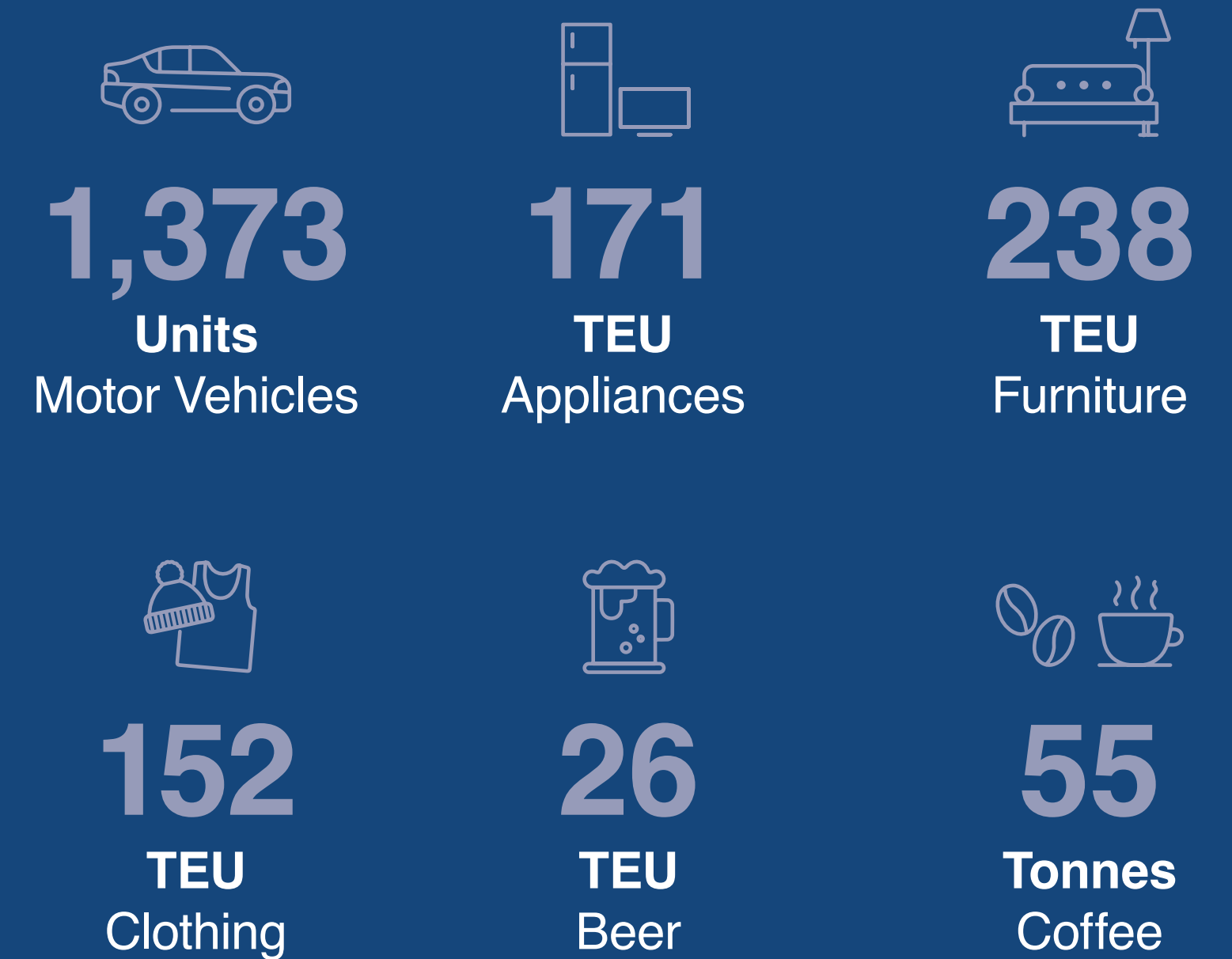
Our Mission

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

Our Values



Our average trade imports each day



Our stakeholders

Successful stakeholder engagement is vital to the delivery of our port facilities and services.

Given the nature of our operations, it is essential that we understand the needs of our stakeholders and engage with them in a meaningful way. Those that use our port, our industry and government partners, and the wider community around our operations are critical to our success.

We are committed to meeting the obligations of our regulatory framework to effectively consult with port users. We aim to move beyond compliance in order to strengthen our stakeholder engagement to achieve our organisation goals and benefit the wider community.

The table to the right summarises our key engagement activities with each stakeholder group. See People (page 36) and Partnerships (page 47) sections for more information about our engagement in FY23.

Stakeholder group	How we engage	Key areas of interest
Our people	<ul style="list-style-type: none"> All-employee meetings Education sessions Intranet and internal communications Forums and workshops, both in-person and virtually Surveys Site inspections Workplace volunteering program 	<ul style="list-style-type: none"> Business strategy and performance Workplace culture and engagement Health, safety, and wellbeing, including mental health in the workplace Diversity and inclusion Key operational matters Training and professional development opportunities
Customers and port users This includes shipping lines, road & rail transport operators, cargo owners, freight forwarders, empty container parks and terminal operators	<ul style="list-style-type: none"> Stakeholder meetings Surveys Port tours Industry supply chain sessions Conferences (sponsorships and industry speaking engagements) 	<ul style="list-style-type: none"> Port development Infrastructure investment and capacity enhancement planning Trade volumes and forecasts Services and pricing Sustainability and decarbonisation Health and safety Global supply chain considerations
Tenants	<ul style="list-style-type: none"> Stakeholder meetings Port-wide consultative groups and forums Surveys Online briefings and consultation sessions Commercial negotiations 	<ul style="list-style-type: none"> Port development Infrastructure investment and capacity enhancement planning Services and pricing Sustainability and decarbonisation Health and safety Trade volumes and forecasts Operations management Global supply chain considerations
Government and industry groups	<ul style="list-style-type: none"> Stakeholder meetings Industry round tables Port tours Formal submissions Newsletters Conferences and speaking engagements Ministerial meetings 	<ul style="list-style-type: none"> Port regulatory framework Local communities Sustainability and decarbonisation Services and pricing Port development Infrastructure investment and capacity enhancement planning Intermodal planning including rail Land use planning Trade and geopolitical trends



Stakeholder group	How we engage	Key areas of interest
Suppliers and contractors	<ul style="list-style-type: none"> • Procurement process and contract negotiation • Project and performance meetings 	<ul style="list-style-type: none"> • Operational performance • Specialist engineering and strategic asset advice • Financial performance • Safety and environmental performance • Healthy and safety • Sustainability and decarbonisation
Community	<ul style="list-style-type: none"> • Digital communications • Sponsored partnerships and activities • Correspondence (meetings, phone calls, public notices) • Community boat tours • Dedicated community inbox 	<ul style="list-style-type: none"> • Port development • Local community impacts (noise, heavy vehicles, air emissions) • Local community group support
Shareholders	<ul style="list-style-type: none"> • Board and Committee meetings • Working groups • Reports 	<ul style="list-style-type: none"> • Port Stewardship • Infrastructure investment and capacity enhancement planning • Operations management • Business and financial performance • Stakeholder engagement • People and culture • Sustainability and decarbonisation • Safety and environmental performance
Financiers and credit rating agencies	<ul style="list-style-type: none"> • Transactional roadshows and presentations • Semi-annual updates • Conferences 	<ul style="list-style-type: none"> • Business and financial performance • Port development • Infrastructure investment and capacity enhancement planning • Sustainability and decarbonisation • Safety and environmental performance • Operations management • Stakeholder engagement • People and culture

Our approach to sustainability

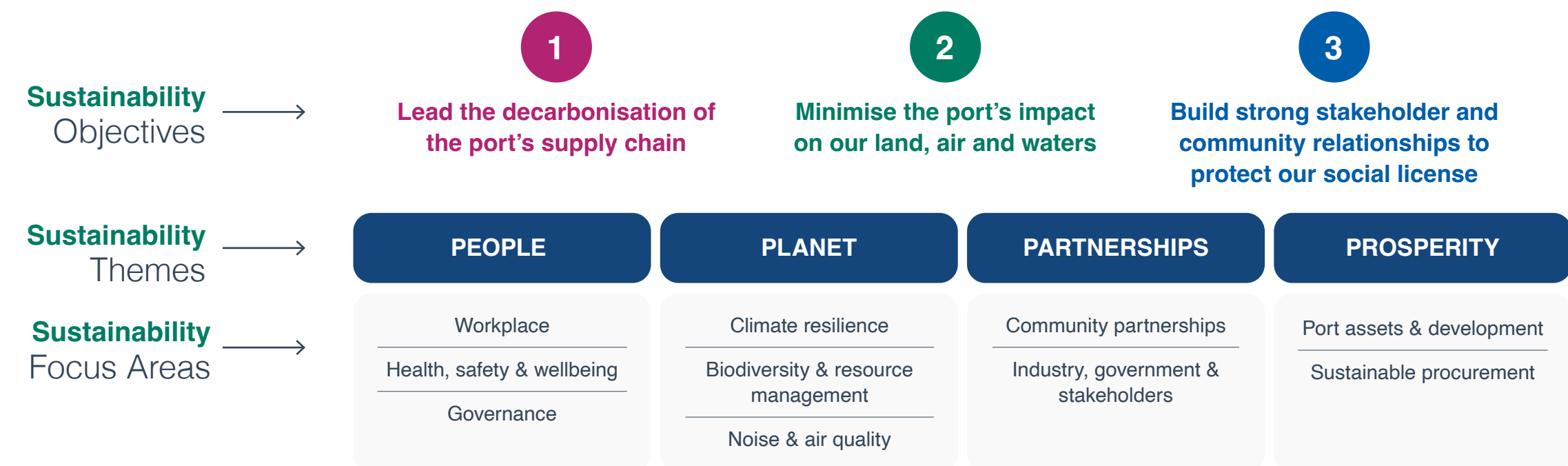
Our focus on sustainability is core to our purpose and strategy, and critical to our future success. Our Sustainability Strategy is integrated into our corporate strategy as a key business priority.

Our Sustainability Strategy

PoM's three-year Sustainability Strategy was approved by our Board in August 2021. It establishes a foundation for our sustainability program, articulating what sustainability means in the context of our business and responds to those issues most material to our stakeholders.

This is underpinned by three key objectives, supported by four sustainability themes: people, planet, partnerships, and prosperity. Our strategy's objectives, themes and areas are shown in the figure below.

Our overarching sustainability goal is to work with our stakeholders to build a more sustainable port for the benefit of the Victorian economy and liveability of Melbourne.



Materiality assessment

In FY22 PoM undertook a comprehensive materiality assessment to identify the economic, social and environmental topics to inform our Sustainability Strategy and future priorities.

The assessment considered several inputs, including:

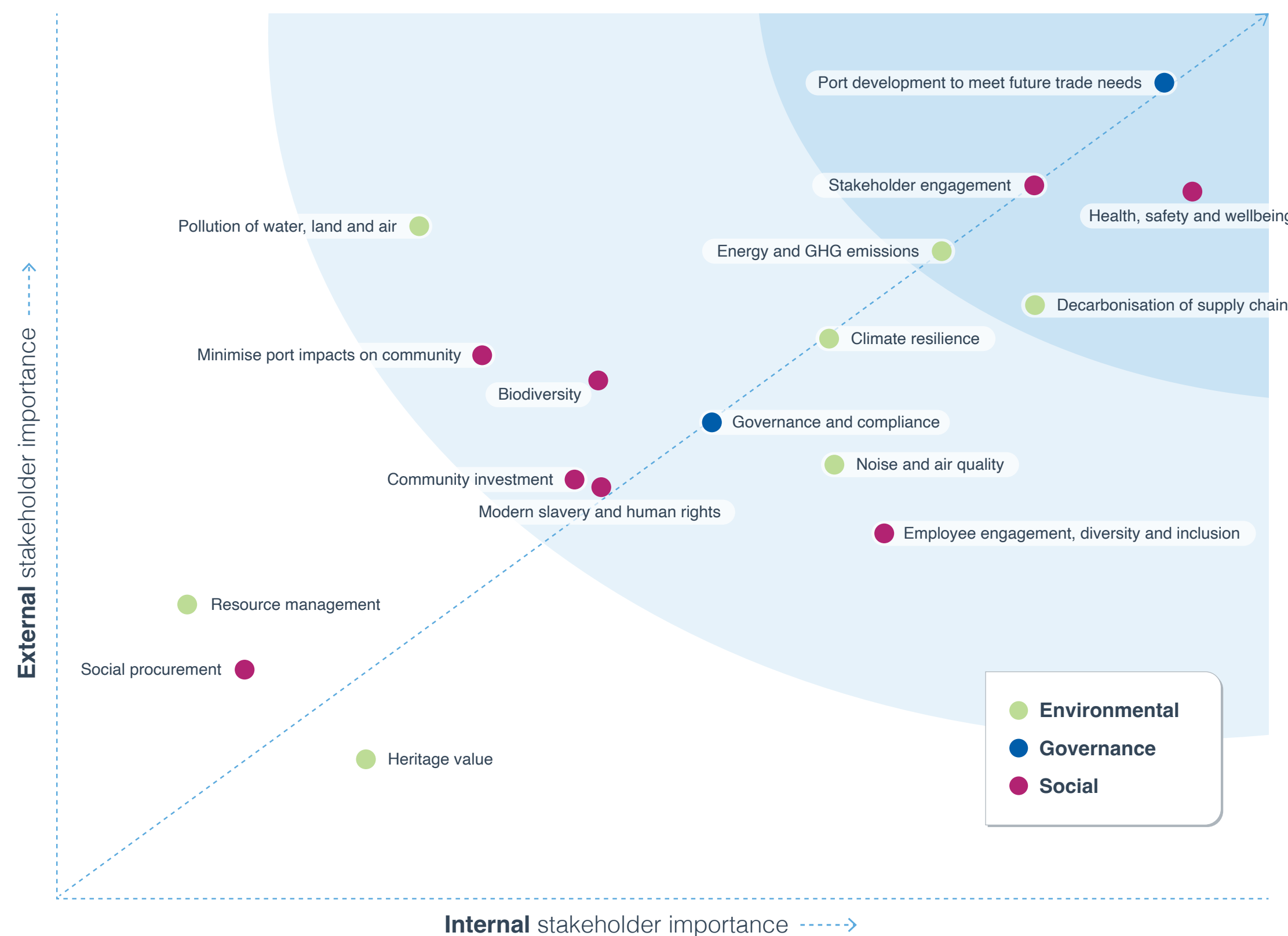
- data obtained through independent stakeholder perceptions research which included input from more than 50 external stakeholders, our Board and executive leadership team;
- global sustainability trends and peer reviews;
- relevant sustainability standards; and
- ESG topics prioritised by financiers.

Through the assessment, we identified 17 topics which were prioritised based on their impact and importance to our business and stakeholders, with the most material issues highlighted in the materiality matrix.

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

In FY23, to check the continued relevance of our most material topics, we undertook an independent survey of 63 stakeholders, including tenants, government, industry, port users and port supply chain representatives. The findings confirmed the importance of our key material topic - port development to meet future trade needs. Three of the top impacts identified by stakeholders included economic contribution, cargo transport efficiency and adequate port capacity.

PoM's material issues



United Nations Sustainable Development Goals contribution

UN SDG	Our contribution
	Economic contribution through enabling port capacity and efficiencies
	Creating port resilience and sustainable infrastructure development
	Facilitating emissions reduction across the port supply chain and building climate resilience into port infrastructure

Our governance

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

Sustainability governance

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

We are working to embed sustainability into all aspects of our business and operations. In FY22 the Board set five-year KPIs for the senior management team to progress the most material sustainability topics, including emissions reduction and stakeholder engagement.



- QIC
- Future Fund
- Global Infrastructure Partners
- OMERS Infrastructure



- INDEPENDENT CHAIR**
John Stanhope
- QIC**
Leisel Moorhead
Anastasiia Bessonova
(Alternate)
- FUTURE FUND**
James White
Robert Nicholson
- GLOBAL INFRASTRUCTURE PARTNERS**
Russell Smith
Veeral Kanji
Robert Stewart
(Alternate)
- OMERS INFRASTRUCTURE**
Stasha Prnjatovic
Simon Palagyi
Christopher Curtain
(Alternate)



- AUDIT & RISK MANAGEMENT**
Committee
- SAFETY & SUSTAINABILITY**
Committee
- PEOPLE & CULTURE**
Committee
- PORT DEVELOPMENT**
Steering Committee



- CHIEF EXECUTIVE OFFICER**
Saul Cannon
- GENERAL COUNSEL & COMPANY SECRETARY**
Tiffany Newgreen
- EGM PEOPLE & CULTURE**
Alex Kuras
- EGM OPERATIONS**
Craig Faulkner
- EGM STRATEGY & PLANNING**
Caryn Anderson
- CHIEF FINANCIAL OFFICER**
Darryl Mutzelburg
- EGM COMMERCIAL**
Shaun Mooney
- EGM CORPORATE RELATIONS**
Sarah Browne

Governance structure at 30 June 2023

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

Board Charter

PoM's Board Charter outlines the principles the PoM Board 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

PoM's Code of Conduct establishes a clear standard of behaviour expected of all employees and contractors 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. PoM underwent a recertification audit and was re-certified in FY23 for all 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 our Board to employees, reporting requirements, and our strategic approach to risk.

Sustainability Policy

PoM's Sustainability Policy sets the standards for how we will achieve our sustainability objectives, outlining the principles that guide the way PoM plans, operates and makes business decisions. These include principles to maintain a safe, diverse, equitable and inclusive workplace, respect and support the communities in which we operate and manage sustainability risks, including climate change.

The policy references relevant regulatory and intergovernmental instruments, including the United Nations Sustainable Development Goals, which guide our approach to managing climate, environment, economic, and human rights impacts.



 **Prosperity**



Prosperity

HIGHLIGHTS



Undertook inaugural
Sustainability-Linked Loan

\$148B↑

Trade value
increase of \$10B from FY22

\$5,614M

GDP contribution to Australia (FY22)

\$108.9M revenue tonnes ↑

Trade volume
increase of over \$1M revenue tonnes in FY22

30,342

Jobs supported (FY22)



Completed **Port Rail Transformation Project**
infrastructure works in July 2023

\$213M

Capital spend on port infrastructure
increase of \$129M from FY22

GOALS



Develop guidelines for **PoM sustainable infrastructure development and operations**








Introduce a **Supplier Code of Conduct**

Economic impact

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 Australian economy.

In May we released the *2021-22 Economic Contribution* report prepared by ACIL Allen. It reaffirms that, under our management, the port has been a key economic driver for Australia, handling more than one-third of the nation’s

container trade. The report found that the Port of Melbourne contributed more than \$11 billion in economic output to the Australian economy, and directly and indirectly supported the employment of more than 30,000 Australians.

	Direct ⁵	Indirect (flow-on effects in the supply chain)	TOTAL
 Output	\$4,004M	\$7,083M	\$11,088M
 GDP contribution to Australian economy (value added)	\$1,951M	\$3,663M	\$5,614M
 GSP contribution to Victoria (value added)	\$1,829M	\$3,516M	\$5,345M
 Australian jobs	10,754M	19,589	30,343
 Victorian jobs	10,127	18,776	28,902

⁵ Direct activities involve many of our business partners who keep the port operating including stevedores, shipping companies, pilots and tug operators, public agencies, container park managers and landside logistics. Indirect economic impacts include the proportion of spend by industries using the port that are linked to port activities, and the spend by employees supported by port activities.

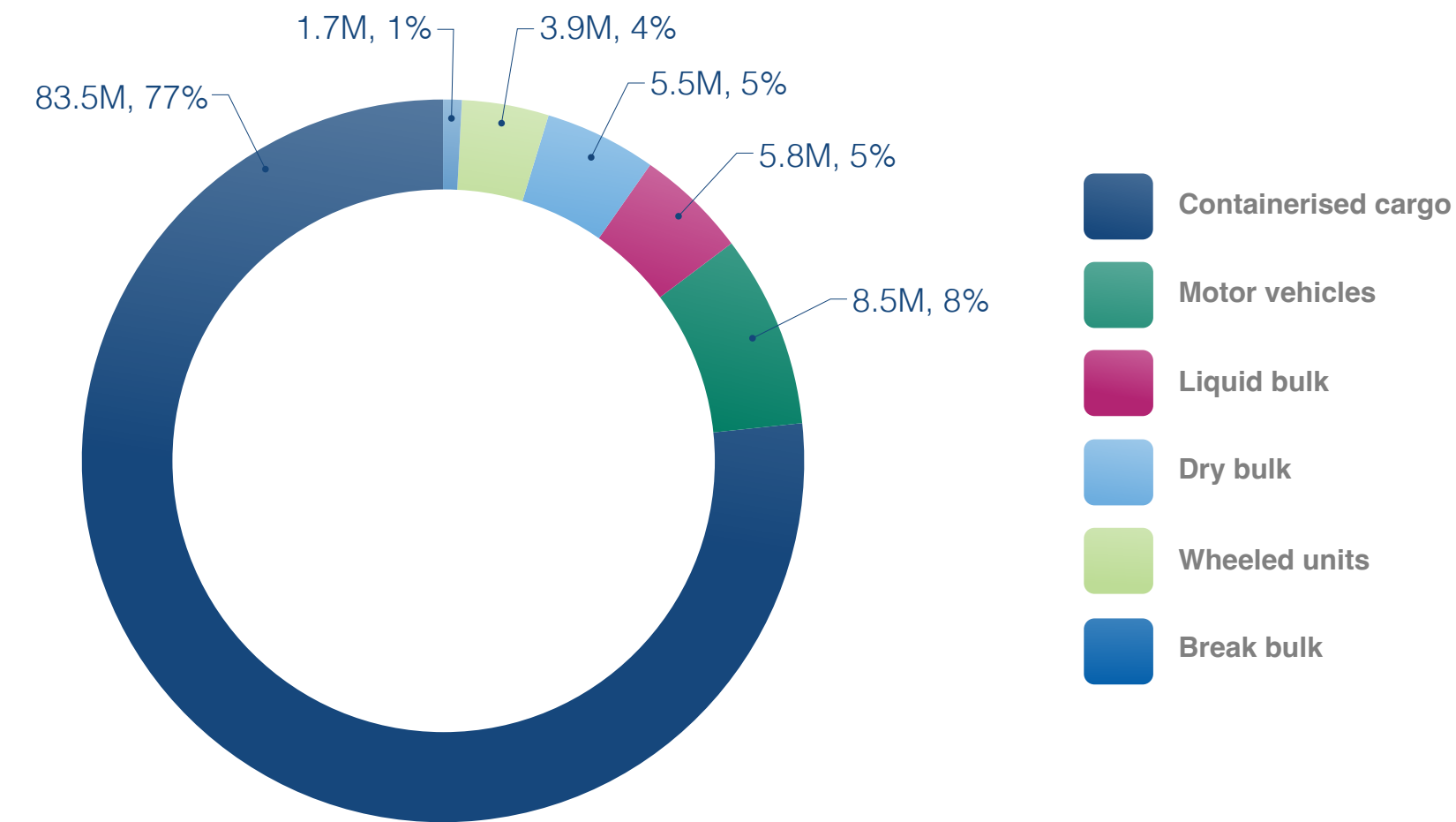
Trade performance

Trade in FY23 made a strong start to the year, with volumes significantly surpassing those of FY22 from July to October. Trade declined in November 2022, and remained subdued to the end of FY23.

During FY22 there were significant supply chain disruptions and container equipment shortages which led to volatility in pricing and movement. In FY23 there was greater container supply and lower ocean freight rates as consumers reduced spending in response to rising inflation. The ongoing conflict in Ukraine has also exerted pressure on commodity and oil prices across the supply chain. Overall, the port remained an essential trade gateway, recording 109 million revenue tonnes for FY23, which was a growth of 1.2 per cent on FY22 volumes.

- Container trade (both full and empty TEU) at the port fell marginally during FY23, down 1.4 per cent from FY22 due to reduced consumer demand.
- Dry bulk for FY23 increased by 1.3 per cent over the prior year due to increases in export bulk grain shipments from an above average harvest.
- Break bulk volumes were down by 5.4 per cent, attributed to slowing demand for infrastructure project materials.
- Motor vehicles continued their strong trade growth with an 8.4 per cent increase in FY23.
- Liquid bulk volumes grew strongly in FY23 with growth in air travel increasing demand for fuel. Total liquid bulk trade at the port rose by 5.1 per cent.

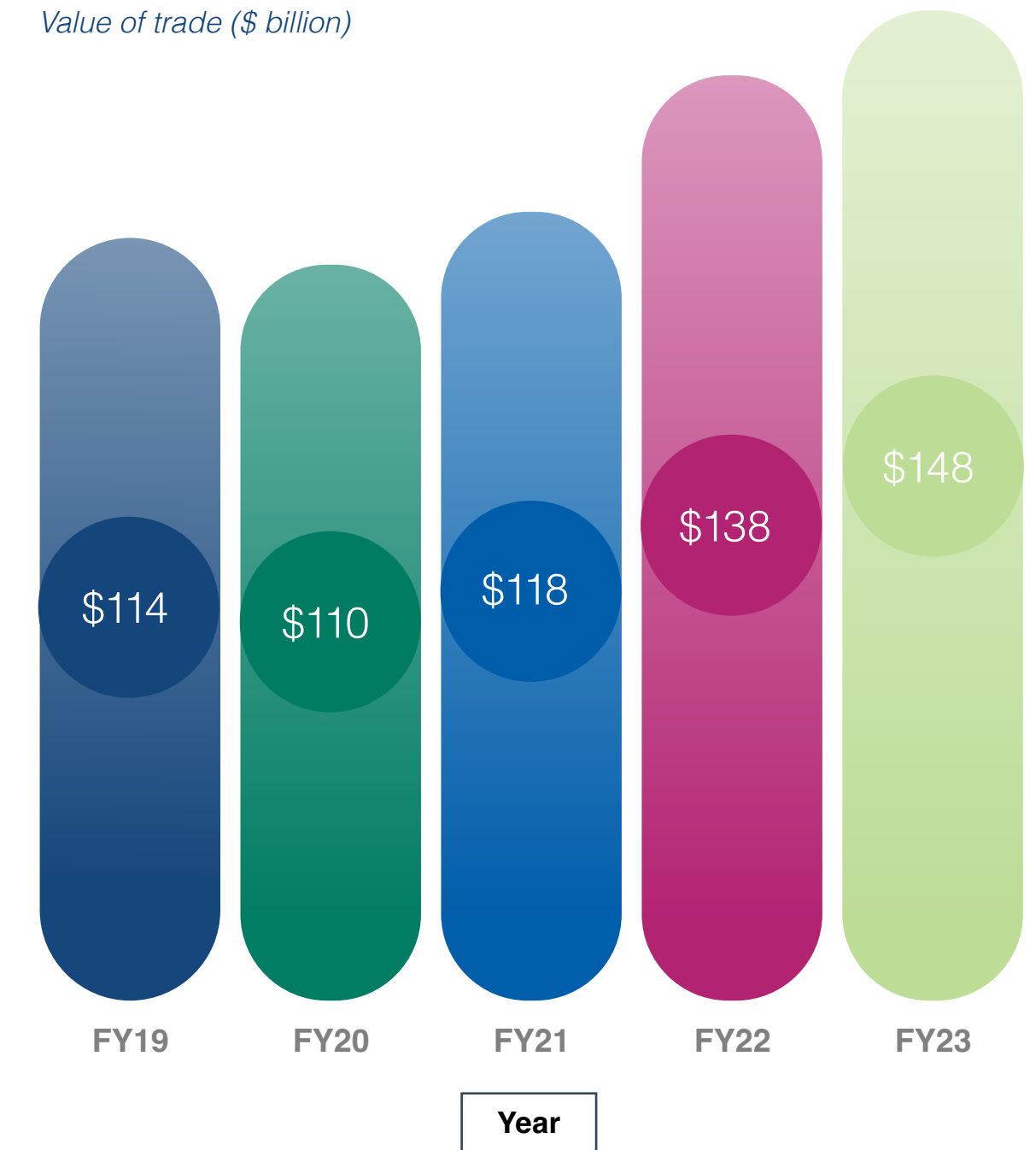
Total trade composition FY23 (revenue tonnes)



Trade through PoM

Cargo type	Key trades
Containerised cargo	Highly diversified product base which can be divided into broad economic categories: consumer, intermediate and capital goods.
Liquid bulk	Refined petroleum products and other liquid products (including chemicals, agricultural products).
Motor vehicles	Port of Melbourne is the only motor vehicle port in the State, servicing the entire Victorian and Tasmanian markets.
Dry bulk	Net importer of dry bulk volumes which largely include building materials: mostly cement and gypsum. Exports include cereal grains (wheat and barley) and canola.
Break bulk	Primarily agricultural equipment, machinery, iron, steel, timber and roll-on roll-off (RoRo) cargo. The majority of the port's break bulk volume is RoTo cargo between Melbourne and Tasmania.

Value of trade (\$ billion)



Port of Melbourne FY23 top origin and destination countries

Top 5 Imports: Country of Origin (TEU)

- China
- USA
- Thailand
- New Zealand
- Malaysia

Top 5 Exports: Country of Destination (TEU)

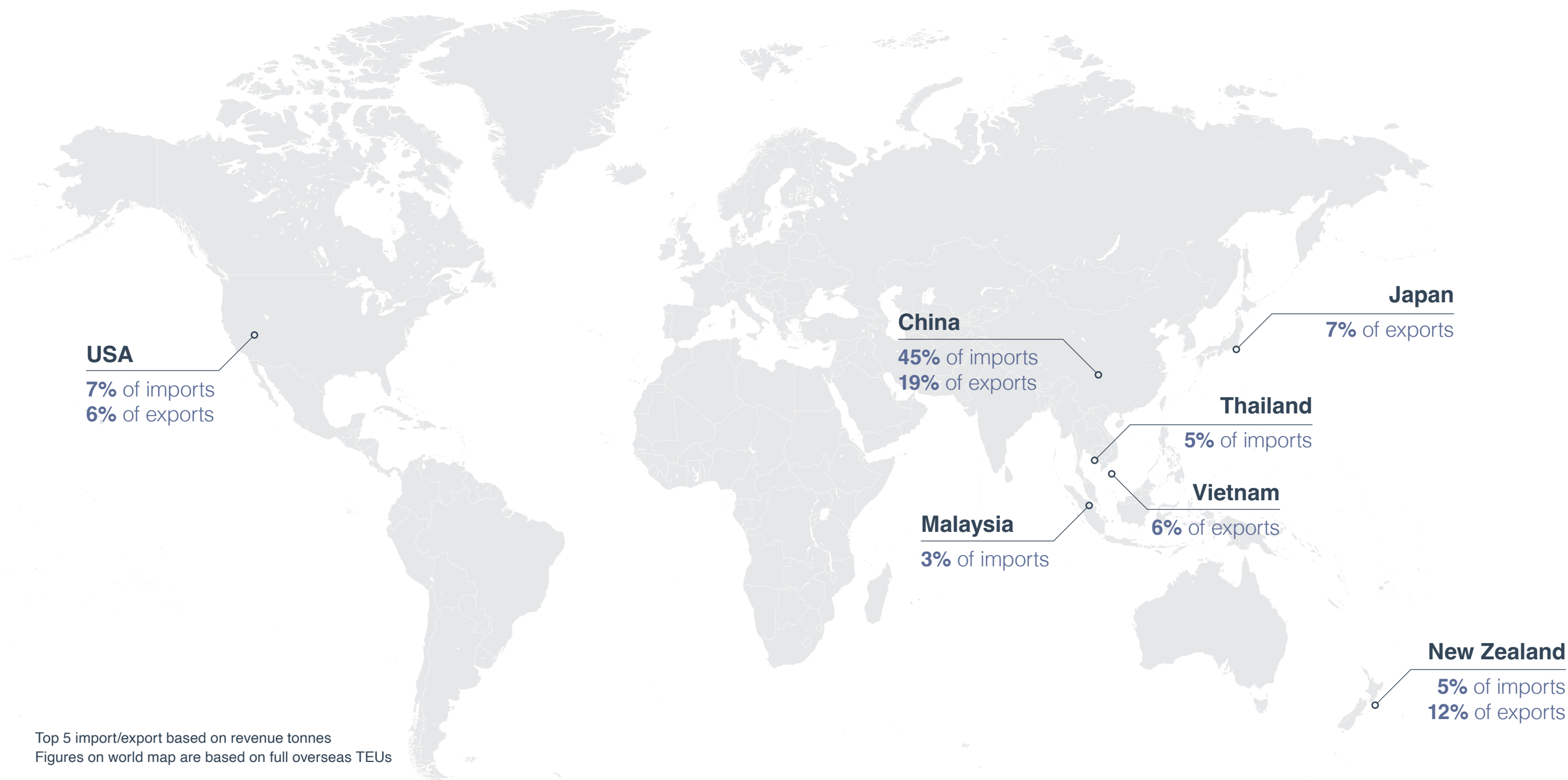
- China
- New Zealand
- Japan
- USA
- Vietnam

Top 5 Imports: Commodity (TEU)

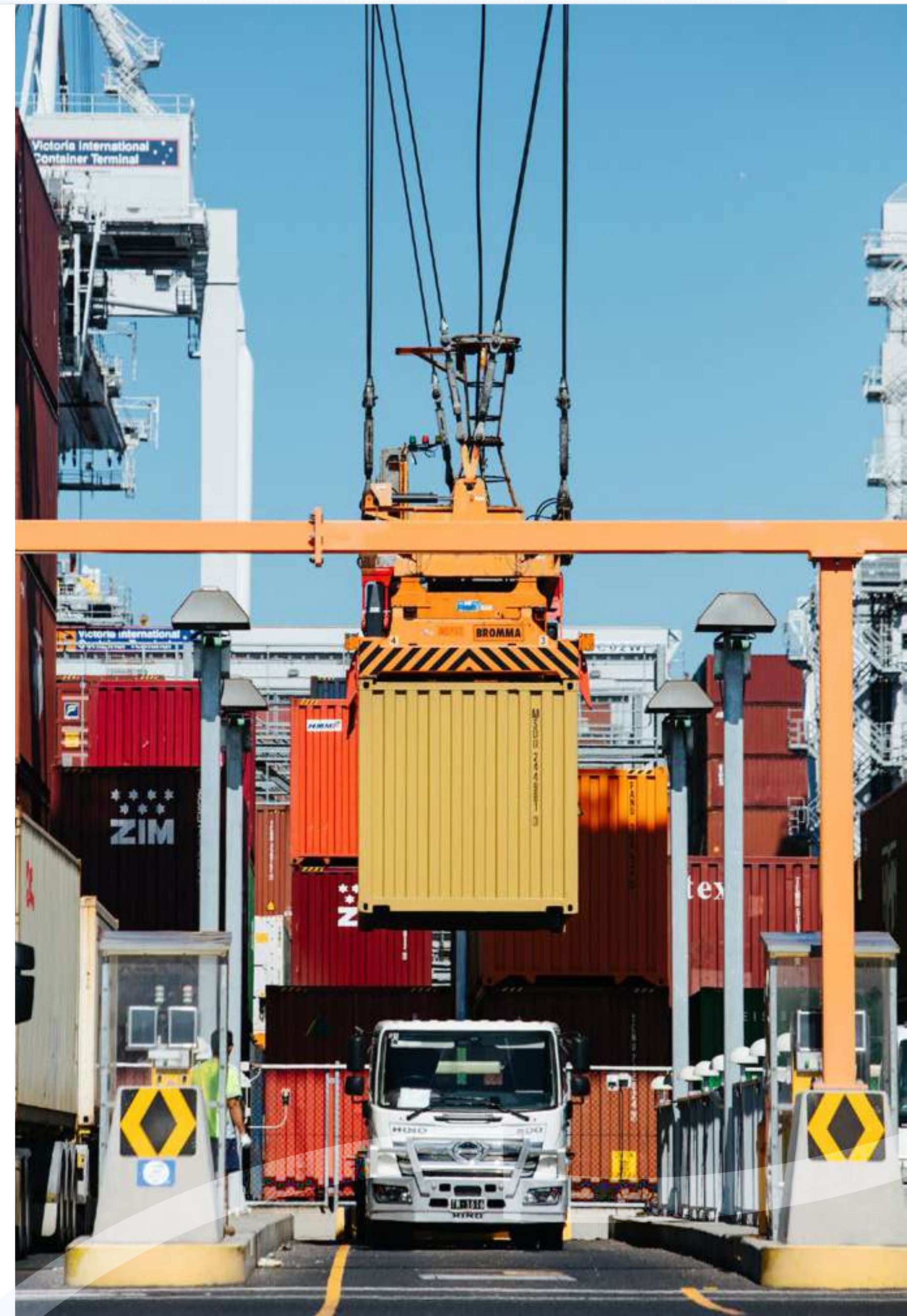
- Miscellaneous manufactures
- Furniture
- Machinery (non-electrical)
- Metal manufactures
- Domestic appliances

Top 5 Exports: Commodity (TEU)

- Wheat
- Fresh fruit
- Pulp and waste paper
- Hay, chaff & fodder
- Dried milk



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



Port development

In performing our port stewardship obligations, we plan and invest in infrastructure to ensure the port's capacity can meet the demands of a growing Victorian economy. Our strong forward investment pipeline will contribute to Australia's supply chain infrastructure over the next decade.

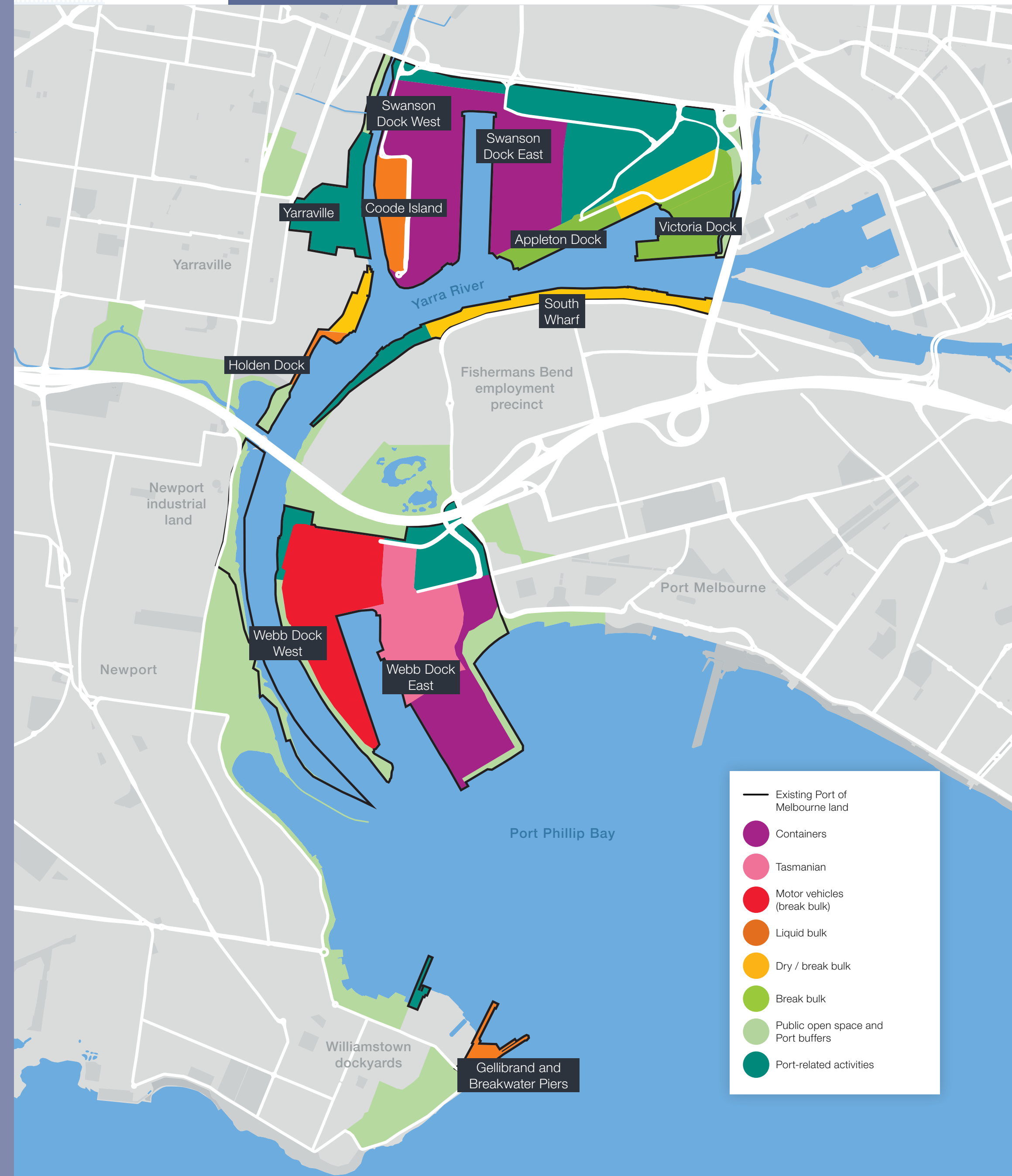
2050 Port Development Strategy

Our 2050 Port Development Strategy provides a roadmap for the future development of the port. It outlines the high-level plans for developing the capacity and efficiency of the port for the next 30 years, while also providing an adaptable and responsive planning framework.

The strategy identifies nine major projects to expand capacity, improve operational performance, and manage the port's asset portfolio.

Nine projects are forecast to be delivered to meet demand and efficiency improvement.

<p>IMPLEMENTATION UNDERWAY:</p>	 <p>Remediating Swanson Dock East & West berths</p>	 <p>Port Rail Transformation Project</p>	 <p>Expanding Webb Dock East</p>		
<p>IN PLANNING:</p>	 <p>Relocation of Tasmanian terminals</p>	 <p>Developing Webb Dock North</p>	 <p>Webb Dock Freight Link</p>	 <p>Northward integration with Dynon</p>	 <p>Develop Yarraville precinct</p>
<p>NOT REQUIRED at this stage</p>	 <p>Develop new liquid bulk berth</p>				



Rail mode shift

PoM is providing the infrastructure to allow greater use of trains to move shipping containers to and from the port and reduce the number of trucks on roads surrounding the port. A 600-metre train can take around 84 TEU containers compared to an average 2.8 TEU per truck⁶.

We completed infrastructure works for our major Port Rail Transformation Project in July 2023 which is a key milestone in delivering our Rail Access Strategy – Our Plan for Rail in 2020. The new on-dock rail terminal has been constructed at Swanson Dock.

This project achieved a number of environmental outcomes:

-  41,000 tonnes of materials re-used on site – primarily recycled pavement, refined and re-laid as part of the terminal base
-  30 million litres of contaminated ground water treated onsite before discharge to sewer for further treatment
-  59 new trees and 10,000 grasses and shrubs planted
-  Solar lighting towers utilised for night works
-  Removed vegetation and mulched for reuse on site
-  Low carbon piping installed
-  Old and unneeded Personal Protection Equipment recycled at end of project through Upparel

⁶ Department of Transport and Planning (Vic), 2023, Voluntary Port Performance Model Quarter 2 – 2023

Port Capacity Enhancement Program

To meet the growth demands of Victoria's economy and the increasing size of visiting vessels, we are in the early planning stages of the Port Capacity Enhancement Program, outlined in our Port Development Strategy. Formal consultation on the program's first stage was completed in September 2023. It involved defining future container trade demand, future ship fleet forecasts and container capacity forecasts.



Expanding Webb Dock East

Upgrades to Webb Dock East will improve efficiency, restore Webb Dock East to a two-berth terminal and accommodate larger ships. On the back of project works, the tenant has installed six automated stacking cranes in August 2023 and two additional ship-to-shore cranes in October 2023.

The project has successfully recycled and repurposed building materials, including 430 tonnes of steel and 5,770 tonnes of concrete.

Two hundred timber piles have been recycled providing a significant amount of hardwood for recycled timber planks or biomass. Some have been donated for display at Geelong Arts Centre in partnership with Development Victoria.

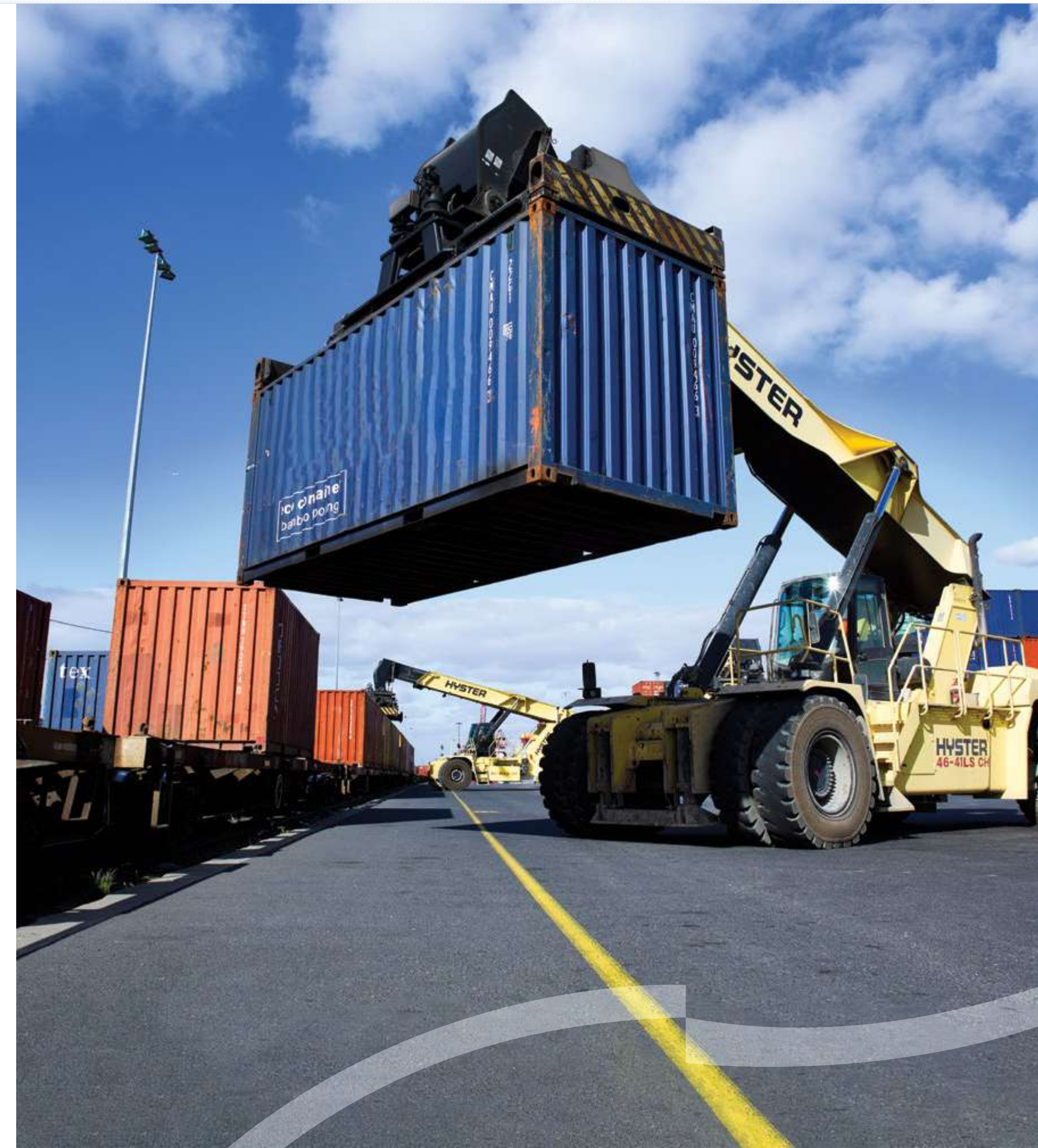


Swanson Dock West remediation

Swanson Dock West is a key international container terminal. Sections of the wharf are close to or beyond the typical design life of 30 years. The berth structures are being remediated to extend their operational life by 50 years. Two of the three berths will be operational during the work, scheduled to be completed in 2027.

Concrete removed from Swanson Dock West has been recycled. A solar hybrid generator is used onsite to reduce greenhouse gas emissions from the project. Approximate fuel savings over the life of the project are expected to be in the order of 500 tonnes of CO₂-e.

There has been a strong safety culture on site, achieving zero lost time injuries. Noise monitoring during demolition, concrete cutting and piling was undertaken along with monitoring of crystalline silica dust to ensure health protection controls were effective.



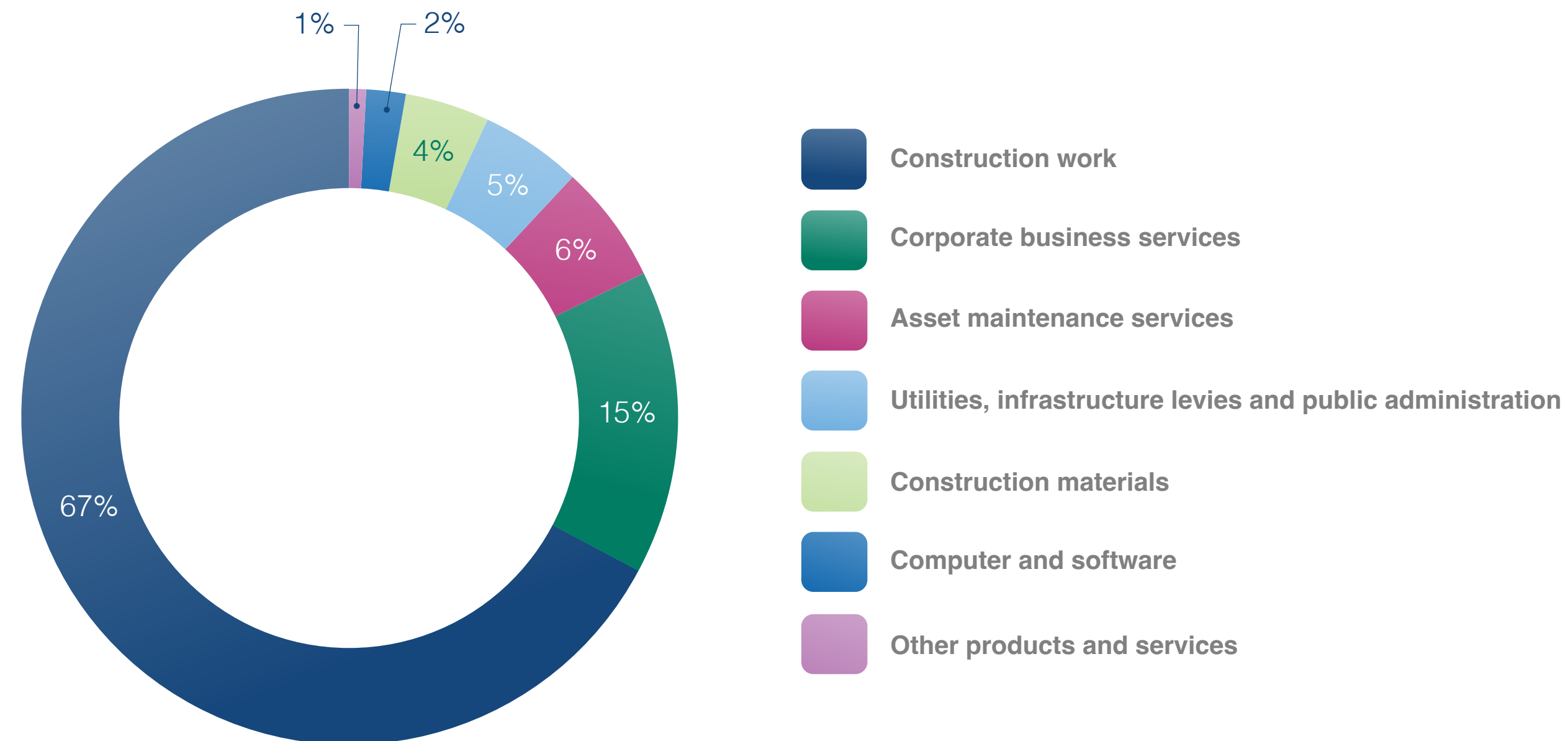
Our suppliers

In FY23, PoM spent \$258 million for goods and services from more than 400 suppliers who represent a variety of categories. Over 99 per cent of our spend and over 97 per cent of our suppliers were based in Australia.

The spend categories in FY23 were:

- **Construction work:** this includes suppliers who develop and construct PoM's infrastructure assets such as wharves, roads, rail and civil works as part of our capital construction. In FY23 this included the Port Rail Transformation project, which comprised the majority of our overall spend, and the Swanson Dock West remediation project.
- **Corporate business services:** a range of businesses provide PoM with services including consultancy, IT, accounting, tax, audit, market research, cleaning and waste services.
- **Asset maintenance:** this includes suppliers that perform infrastructure operations and maintenance services including specialists in marine, electrical, real estate, civil infrastructure and port security.
- **Utilities, infrastructure and public administration:** we work with public authorities and other infrastructure managers to deliver port operations, including services provided by rail, electricity and water utilities.
- **Construction materials:** this includes the procurement of materials and parts for our infrastructure assets.
- **Computer and IT software:** the port uses a range of technical and general corporate IT and computer software.

PoM supplier spend



Data protection and cybersecurity

Our IT strategy prepares us for changing digital conditions and emphasises resilience to potential breaches rather than just preventing them. We have implemented several procedures to ensure good data protection and cybersecurity practices at PoM.

Information Security Policy	Aligned with AS ISO/IEC standards
Privacy and Information Management Policies	Ensure accurate data handling, minimise misuse risks and enhance accountability
Training and procedures	Designed to build a culture of vigilance and readiness across workforce
Threat and risk assessments	Conducted biennially to identify vulnerabilities and enhance cybersecurity posture
Cybersecurity Forum	Hosted with other port operators to facilitate industry-wide improvements

In March 2023, we were among several institutions targeted by a distributed denial-of-service (DDoS) attack by Melbourne Fashion Week activists. PoM's website is hosted externally by a third party and is not connected to or hosted by PoM's core infrastructure. Responding promptly, we switched hosting providers and engaged a robust alternative, effectively minimising downtime and reinforcing our dedication to a secure digital presence.

CASE STUDY: CYBER-ATTACK RANSOM EXERCISE



PoM conducted a dynamic crisis management exercise to strengthen our response to potential cyber threats in FY23. It simulated a breach scenario, where our Crisis Management Team responded to a ransom cyber-attack.

The exercise provided a sense of realism and a chance to refine our communication skills through simulated press interactions and an all-staff meeting that had to be organised with limited IT access. The exercise tested our operational resilience in the face of evolving challenges.







Planet

HIGHLIGHTS

Scope 1 & 2

Set net zero target for Scope 1 & 2 emissions by 2030

Scope 3

Set Scope 3 engagement target to drive decarbonisation across the port supply chain



Published **Climate Change Statement**



Undertook **climate risk analysis**

TNFD

Participated in **Taskforce for Nature-related Financial Disclosures** biodiversity framework pilot



Undertook **biodiversity species review**

90%

Recycle rate for the Port Rail Transformation Project

GOALS



Progress **climate risk assessment**



Develop baseline for the port's biodiversity footprint



Undertake **shore power pre-feasibility study** for ships at berth



Progress **noise and air strategy**



Develop **renewable energy plan** for our operations



Plan **shellfish reef pilot project** in Port Phillip Bay in collaboration with The Nature Conservancy

Environmental management

The Port of Melbourne is situated within an estuarine environment, surrounded by a variety of urban land and marine activities, that have rich connections with nature and populated areas.

Strategy and management

Our approach to environmental management is to understand potential environmental impacts and take action to minimise them. We work with port users and stakeholders to put protective measures in place for the long-term health of the natural environment.

PoM's Safety and Environment Management Plan, 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.

As a landlord port manager, we require tenants and relevant suppliers operating in the port to develop environmental management plans that outline how they will manage environmental risks and ensure their operations and activities minimise waste, pollution, resource use and adverse environment impacts. We undertake regular reporting and assurance programs to review compliance and identify opportunities for further improvement where practicable.

POM'S ENVIRONMENTAL MANAGEMENT SYSTEM

Safety and Environment Management Plan	Environment Policy	Port Environment Strategy	Risk Management Framework
Embeds environmental protection into port operations	Guides our actions and activities	Sets priorities, plans, procedures, reporting and accountabilities	Enables us to manage environmental risks
ISO 14001 – Environmental Management Systems accredited			

Climate change

Climate strategy and management

PoM recognises that climate change is a significant global challenge that will have wide-reaching effects on our business, the economy, and society. We support the Paris Agreement goals and efforts to limit global temperature rise to 1.5 degrees Celsius above pre-industrial levels by the end of this century. We also support the State of Victoria and Australia's transition to net zero emissions.

In FY23 we published a Climate Change Statement that affirmed this position and committed to managing the risks and opportunities arising from climate change to ensure the long-term sustainability of the port and the ongoing resilience of our assets.

We have aligned our climate change management approach and reporting to the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), now incorporated into the International Sustainability Standards Board's IFRS S2 Climate-related Disclosures. This is our second report aligned to TCFD and we will continue to enhance our climate-related disclosures each year.

TCFD recommendation

PoM's disclosure and progress



GOVERNANCE

The PoM Board has oversight of climate related risks, supported by:

- the Board's Audit and Risk Management Committee, which assesses climate risks as they relate to financial risk;
- the Board's Safety and Sustainability Committee, which advises on strategy in response to risks and opportunities; and
- the Board's People and Culture Committee, which approves and monitors climate-related Key Performance Indicators for PoM employees.

The PoM Executive Leadership Team has responsibility for assessing and managing climate risk.



STRATEGY

In FY23 PoM completed a climate risk review, undertaking analysis of three climate scenarios to update our understanding of physical and transition risks and opportunities. This review progressed our risk assessment in line with TCFD and other emerging standards.

We also monitor emerging legislation and reporting standards to ensure we are prepared to respond to these requirements.

(See page 25 for more information on our climate-related risks and opportunities)



RISK MANAGEMENT

Climate-related risks are managed through the Enterprise Risk Management Framework. Regular reviews of the corporate risk register, including climate-related risks, are undertaken throughout the year.

Corporate risks are reported to the Board annually and to the Audit and Risk Management Committee twice a year. Climate-related risks are also reported to the Board Safety and Sustainability Committee annually.



METRICS AND TARGETS

We measure and report Scope 1, 2 and 3 emissions in this annual Sustainability Report.

In FY23 we set a net zero target for Scope 1 and 2 emissions by 2030, using the Science Based Targets initiative (SBTi) framework for guidance.

We also set a Scope 3 engagement target to identify opportunities to collaborate with our stakeholders to facilitate emissions reduction initiatives.

(See pages 26-28 for energy use and greenhouse gas emissions data)

Climate risk review

In FY23 PoM completed a climate risk review, undertaking analysis of three climate scenarios to update our understanding of physical and transition risks and opportunities. This is the first phase of an ongoing program to identify, assess, prioritise, develop controls and monitor climate-related risks and opportunities for PoM.

The review identified physical and transition risks and opportunities to which the port may be exposed, related impacts and how we currently mitigate identified risks. The next phase of this work, planned for FY24, is to undertake a more detailed assessment and prioritisation of the identified risks and opportunities.

Scenario analysis



Climate risk exposure



Climate impact



Mitigation and next steps

Considered three climate scenarios:

Rapid transition: rapid climate action, achieve global net zero emissions by 2050–2070, global warming limited to 1.5°C by 2100 as significant policy and technological changes come into effect.

Current global pledges: steady transition towards current global targets, global net zero emissions by 2070–2100, warming of 2–3°C by 2100 as current global commitments and steady change continue.

No change to BAU: increasing global emissions, warming of 3°C+ by 2100 with physical climate impacts becoming extreme.

Physical risks: we may be exposed to physical climate risks including:

- supply-chain and trade impacts from drought, bushfire, flooding and other widespread events;
- heavy rainfall and storm events; and
- sea level rise

Transition risks: the port is also exposed to a range of transition and economy-wide risks including:

- regulatory and financial market changes resulting from climate change legislation
- changing technology driven by low-emissions objectives; and
- market-related risk as the global economy and trade patterns adapt to climate impacts.

Key risk themes include:

Port infrastructure: physical climate impacts resulting in changes to infrastructure maintenance or design and construction needs.

Port users and operations: physical climate risks affecting port users and land use, or broader transition risks affecting key industries within the port.

Trade and supply chain: physical climate risks resulting in disruption to supply chain movements to the port, and transition risks and opportunities from potential long term structural changes to global industries, trade goods and technology.

Finance and regulation: transition risks from legal, regulatory and market-based changes linked to climate change and greenhouse gas emissions.

Health and biodiversity: physical climate impacts on people, flora, and fauna in the port precinct.

Many of the identified risks are factored into our current corporate risk register, port maintenance programs and business planning.

In the next phase of this program, we will undertake a more detailed assessment and prioritisation of the identified risks and opportunities, review existing risk ratings and controls and identify additional mitigation actions based on the findings of this assessment.

Scope 1 & 2 emissions

In FY23 PoM set a target to achieve net zero Scope 1 and 2 emissions by 2030 by:

- sourcing 100 per cent of our electricity from renewables; and
- transitioning the corporate vehicle fleet and marine survey vessel to electric or zero-emissions fuel technologies.

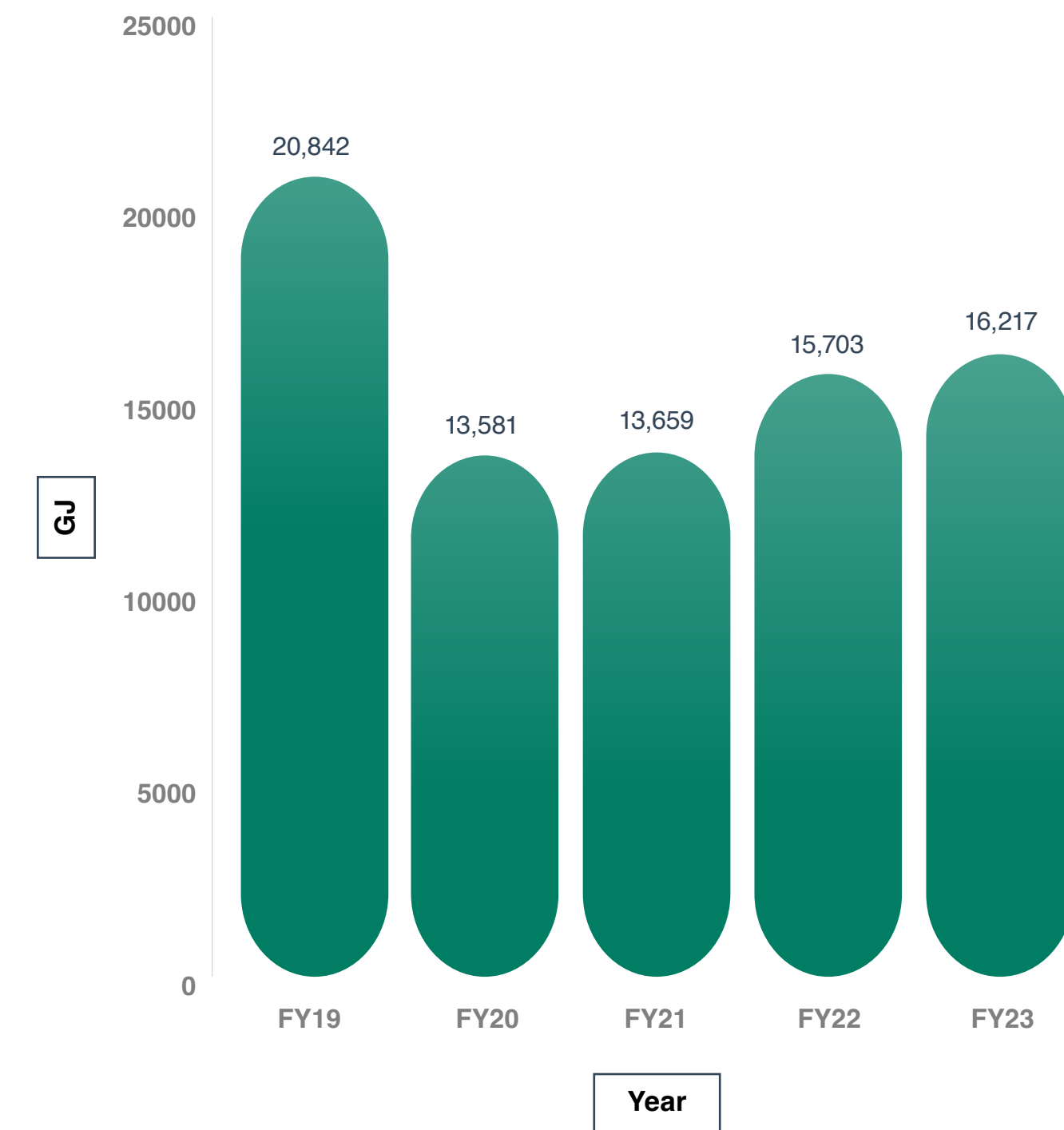
Our Scope 1 and 2 emissions are produced from our fleet vehicles, marine survey vessel, and the electricity used in buildings and port infrastructure directly managed by us.

In FY23 PoM's Scope 1 and 2 emissions were 2,807 tonnes CO₂-e, a decrease of four per cent from the previous year due to a decline in our fuel usage and the continuing decarbonisation of the Victorian electricity grid. Energy use increased slightly overall, but as PoM implements its net zero plan and sources a higher proportion of renewable energy over time, we expect our emissions to decouple from our energy use.

Scope 1 and 2 GHG emissions



Energy consumption



Scope 3 emissions

We measure Scope 3 emissions across the port precinct and our supply chain. In FY23 our Scope 3 emissions were 363,456 tonnes CO2-e. This reflects our role at the centre of global shipping, logistics, road, and rail supply chains. The most significant emissions sources are shipping movements, tenants and infrastructure development projects.

In FY23, PoM set a target to engage with our most material Scope 3 stakeholders to drive decarbonisation across the port supply chain. Through this engagement we will share emissions-related data and information which will improve the accuracy of our Scope 3 calculations and enable us to identify potential collaboration opportunities to reduce emissions⁷.

⁷ Material Scope 3 stakeholders include shipping; tenants; major projects; rail and road transportation; and operations and maintenance.

Emissions source	Tonnes CO2-e	Activities included	Our data and approach
Scope 1 and 2 2,807 PoM's operational GHG emissions			
 Scope 1 (fuel)	434	Fuel used by fleet vehicles and marine survey vessel, owned and managed by PoM.	Fuel used in contracted, tenant and shipping activities is included in Scope 3.
 Scope 2 (electricity)	2,373	Electricity used by buildings and port services managed by PoM.	Electricity used in contractor, tenant and shipping activities is included in Scope 3.
Scope 3 363,456 PoM's upstream and downstream supply chain emissions			
 Shipping	240,459	Ocean-going vessels and tugs travelling, anchored and at berth within port 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. FY23 shipping emissions increased compared to last year despite a similar number of vessels visiting the port. We infer this change was due to a different mix of vessel types visiting the port.
 Tenants	105,399	Operational activities, fuel and electricity used by tenants in the port precinct. We operate a landlord port model and most landside activity is managed by tenants.	Tenant emissions are based on fuel and electricity data provided by our largest tenants representing over 85% of total tenant revenue. Unavailable data is extrapolated to provide an estimated total. We are increasing our engagement over time and in FY23 we received data from a larger proportion of our tenants compared to the previous year, which has improved the accuracy of our Scope 3 calculations.

Continued on page 28

Continued from page 27

 Major projects	12,782 	Fuel, electricity, waste and embodied emissions from materials on port development projects. We expect significant year-on-year variation depending on development projects underway.	Emissions are based on fuel and electricity used on-site, life cycle embodied emissions of materials used in construction and waste transported to landfill.	
 Road and rail	2,073 	Transportation of cargo by trucks and trains within PoM's landside boundaries. External road and rail networks are outside our control and Scope 3 boundary; however we do develop port infrastructure to support efficiency and emissions benefits to the wider network.	Emissions are based on total trade volumes and tonnages, average travel distances in the port precinct, and distance-based truck and rail emission factors.	
 Operations and maintenance contractors	779 	Operations and maintenance of infrastructure including dredging, surveying, landscaping and other activities performed by contractors.	Emissions are based on a combination of actual data and average spend-based emissions factors for contractors and suppliers. In FY23 we received fuel and electricity data from a larger proportion of our contractors compared to the previous year. This has improved the accuracy of our Scope 3 calculations which resulted in lower emissions compared to FY22.	
 Business operations	1,066 	Corporate activities including office goods and services purchasing, waste, business travel and employee commuting.	Emissions are based on a combination of actual data and average spend-based emissions factors for contractors and suppliers.	
 Professional services	899 	Professional services including business, legal, human resources, accounting and engineering consulting.	Emissions are based on a combination of actual data and average spend-based emissions factors for contractors and suppliers.	
Scope 1, 2 and 3 total		366,263		

CASE STUDY: DREDGING PROGRAM EFFICIENCIES



Dredging is a key part of our port management to ensure the safe passage of commercial and cruise vessels using Port Phillip Bay. We undertake dredging within the rivers in the northern port area and the navigational channels in northern and southern Port Phillip Bay. Dredged materials from northern port areas are deposited into two designated dredged material grounds. We protect key ecological assets as part of our dredging management plan including listed and protect flora and fauna, seagrass habitat, marine protected areas and wetlands designated as Ramsar sites⁷.

Our 2023 dredging campaign was conducted by the *Gateway*, a large Trailing Suction Hopper Dredger which is approximately four times larger than the smaller dredgers we typically use for maintenance dredging. This significantly reduced the time required for maintenance dredging which also reduced the impact on vessel movements in the port. The *Gateway* worked continuously for seven weeks. By comparison, a maintenance program of the same scope would traditionally last up to 20 weeks.

Over the last three years we have completed several scientific studies into how we can improve the management of dredged materials. The studies have focussed on dredged material grounds in Port Phillip Bay where the sand and silt dredged from the port's berths and river channels are deposited within clay bunds. The bunds prevent the redispersal of deposited sediments and are capped with sand between separate dredging campaigns.

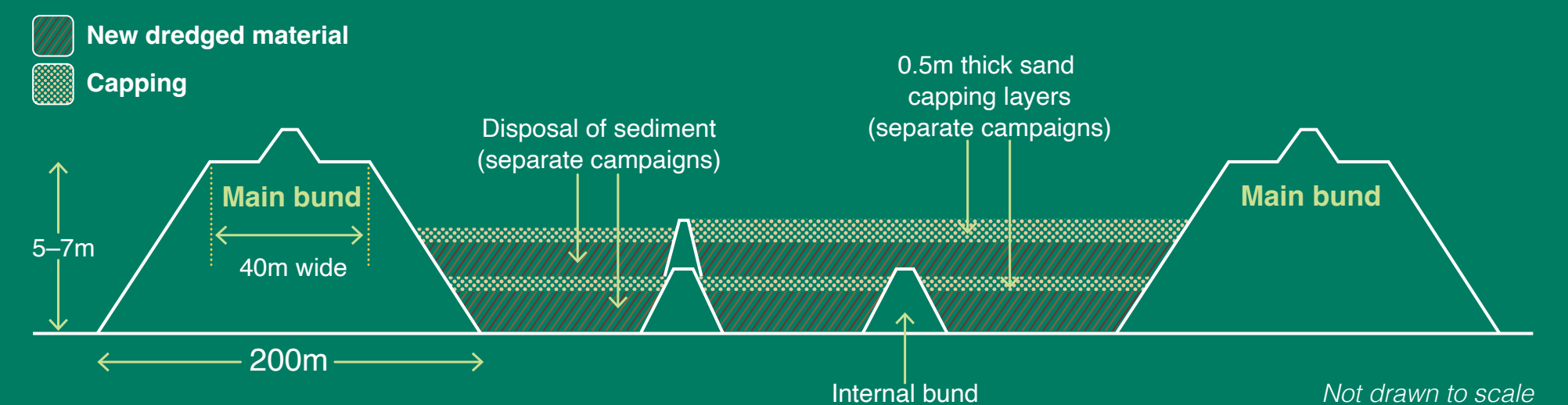
Our research found that dredged material rapidly consolidates and strengthens upon placement in the dredged material grounds. In addition, capping too frequently carries additional risks of material dispersion and ecosystem disturbance by reducing sand resources for beach renourishment.

Based on the results of these studies, the Victorian Department of Energy, Environment and Climate Action is supporting PoM's revised dredging management program that will reduce the frequency and extent of capping between dredging campaigns without changing the risk profile of the dredged material grounds.

Instead of capping after each dredging program, additional monitoring and surveying will be undertaken to confirm the required frequency of capping. This monitoring tracks the expected consolidation, erosion, and potential environmental impacts.

The benefits of this new approach include:

- reduced fuel use resulting in fewer greenhouse gas emissions generated by dredging campaigns;
- increased capacity within our northern dredged material ground, by reducing the amount of sand used for capping; and
- reduced impacts on the wider Port Phillip Bay ecosystems.



⁷ A Ramsar site is a wetland site designated to be of international importance under the Ramsar Convention, an international environmental treaty signed on 2 February 1971.

Biodiversity and habitat management

PoM manages 505 hectares which interfaces with marine and estuarine ecosystems. This area is primarily repurposed industrial or reclaimed land. Considering the area's urban nature, the biodiversity and structure of habitats are the result of both human and natural elements that frequently change.

As part of our lease agreement with the Victorian Government, PoM conducts sea floor surveying of 95,000 hectares in Port Phillip Bay. We maintain some habitat within this area including the key shipping channels and the dredged material grounds where the sand and silt dredged from the port's berths and river channels are deposited within clay bunds.

We work with public agencies to protect marine national park areas inside and around port waters as part of our shipping channel management. For example, we avoid dredging the Yarra River during the spawning of Australian grayling and in the South Channel around Port Phillip National Marine Park we navigate vessels away from sensitive areas and dredge in a manner that avoids rockfall and sand plumes into sensitive ecosystems.

Biodiversity initiatives

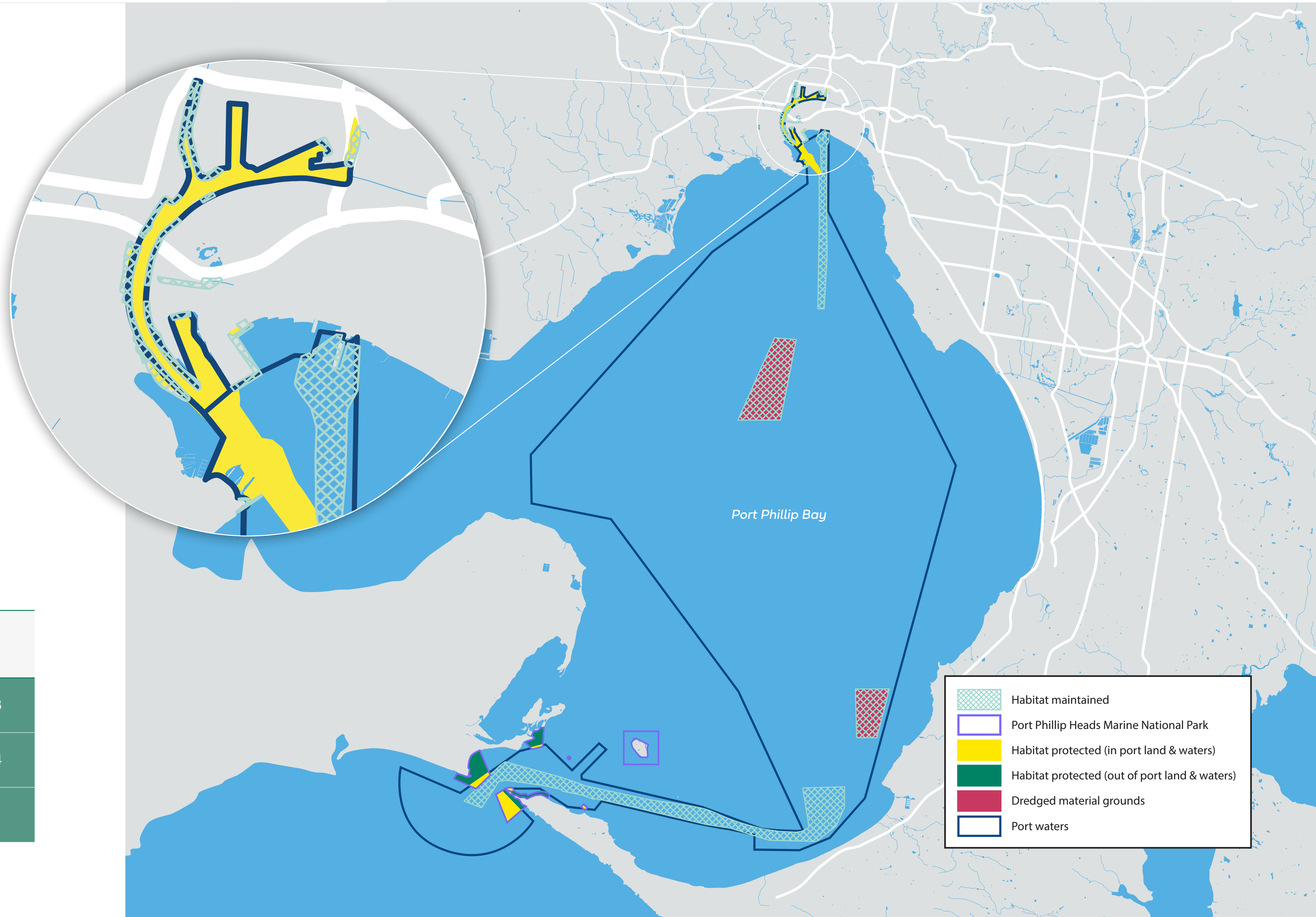
In FY23 we continued our participation in port biodiversity initiatives:

- **Testing the Waters – Victorian Ports Marine Surveillance Pilot Program**, a shared initiative between PoM, Agriculture Victoria, Ports Victoria, Deakin University and EnviroDNA to provide early surveillance tools to detect exotic marine pests within commercial ports.
- **Hosting sentinel bee hives** as part of the National Bee Pest Surveillance Program.
- **Providing Seal the Loop bins** to encourage anglers to responsibly dispose of discarded fishing line.

In FY24 we will plan the implementation of a shellfish reef pilot project in collaboration with The Nature Conservancy. We plan to initiate a new site at one of the port's dredged material grounds which will support a broader Victorian Government program to restore what was once an extensive shellfish reef habitat across Port Phillip Bay.









Habitat protected and maintained by PoM



FY23 Biodiversity (ha)

Habitat protected	1,248
Habitat maintained	6,244
Habitat removed / use change	0

	Habitat maintained
	Port Phillip Heads Marine National Park
	Habitat protected (in port land & waters)
	Habitat protected (out of port land & waters)
	Dredged material grounds
	Port waters

Biosecurity

PoM supports the work of the Department of Agriculture, Fisheries and Forestry to protect Australia from harmful pests and diseases that may enter the country via traded commodities through the port.

CASE STUDY BIOSECURITY TRIAL



Resources at the border are coming under increasing pressure from expanding trade volumes, more complex freight movements and increasingly dynamic and pervasive biosecurity threats.

In FY23 PoM partnered with the Department of Agriculture, Fisheries and Forestry and industry to trial a new approach at the port's motor vehicle terminal to optimise biosecurity outcomes. The aim of the trial was to design and implement a system that is efficient (for example, improving offshore cleaning through the roll out

of an industry training package), able to leverage data and automation, and financially sustainable for all.

The trial included Departmental and industry co-design of a potential end-to-end solution in the first half of 2022 and a Proof-of-Concept trial was run from August to October 2022. Overall, the trial was successful and some of the recommendations are currently being implemented at the Port of Melbourne, with a view to expand the solution to other Australian ports and other commodities arriving at Australian ports.



CASE STUDY TNFD AND BIODIVERSITY BASELINE



This year we participated in a national pilot project to apply the Taskforce for Nature-related Financial Disclosures (TNFD) framework to our business.

The process helped us identify our most material impacts including our role in preventing invasive species arriving in Australia, greenhouse gas emissions, and noise, water, and air pollution. The project also gave us a better understanding of the data, systems and technical skills we will need to align to the framework.

To improve our understanding of species richness and vulnerability, we undertook the first stage of a biodiversity baseline study which developed an inventory of species surveyed on port lands and waters. We reviewed literature and port reports and records spanning 200 years. It has provided us with insight on the presence of threatened and endangered species and how to plan future field verification research.



Resource management

Waste & materials

During the development and maintenance of our port infrastructure we seek to minimise waste production by reusing and recycling materials where possible. This principle has been embedded into current major projects.

PoM achieved a 52 per cent diversion from landfill on our corporate office waste which is unchanged from FY22. In FY23 our total office waste increased to 2.9 tonnes, including 1.4 tonnes of waste going to landfill, for the first year since the end of the Victorian COVID-19 lockdowns. This is due to increased employee presence in our corporate office over the year.



Port Rail Transformation Project

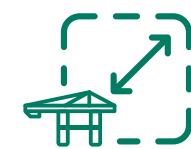
90%

construction waste diversion from landfill

41,000t

materials re-used on site

Material recycled



Webb Dock East expansion

200

wooden piles recycled or re-used

430t

of steel recycled

5,770t

of concrete recycled

Material recycled



Swanson Dock West remediation

62.6%

construction waste diversion from landfill

86t

of metal recycled

2,465t

of concrete recycled

Material recycled



Water

PoM consumed 32,543 kilolitres of potable water in FY23 compared 26,463 kilolitres in FY22, which is just above our average for the last three years. To support commercial shipping entering the port and as part of our services, we make available the infrastructure, connectivity, and metering for fresh water needed by visiting vessels. This made up 27 per cent of our water use in FY23, up from 24 per cent in FY22. The variance in our water use each year is influenced by the uptake of this service along with the amount of infrastructure development activity.

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

As a landlord port, we undertake periodic environmental inspections of tenant facilities to assess whether they are appropriately managing risks including to stormwater systems. We also require any new relevant tenant developments to incorporate effective stormwater management systems.

We maintain an extensive network of groundwater wells across the port that are sampled to check that groundwater has not been affected by tenant operations.

Pollution

There were no major pollution incidents on land or water around the port in FY23⁸.

PoM has an important role in preventing, identifying and responding to pollution incidents in the port precinct. We require our tenants to have established emergency management plans and procedures in place that include Whole of Port Emergency Notification contact details. Pollution events of all severities are reported.

We are responsible for providing a 'First Strike' response to any marine pollution incident that occurs within the berth pockets of the port. Ports Victoria assumes the role of Incident Controller in the event a marine pollution incident requires a response beyond first strike.

⁸ Classification by five levels of the AMSA system for pollution incident severity. Major (level four) or severe (level five) incidents are medium or larger spills requiring significant action, or they may be impacting or about to impact sensitive environments. Negligible (level one) or minor (level two) are minor spills or non-persistent hydrocarbon with minimal or no environmental impact.

CASE STUDY

AUSTRALIAN MARITIME SAFETY AUTHORITY
EMERGENCY MARINE POLLUTION EXERCISE



A marine pollution exercise was held in October 2022 to practice responding to a major spill of a hazardous substance in Port Phillip Bay. The Australian Maritime Safety Authority led the exercise which included all agencies with response roles including fire services, the port Harbour Master, police, and maritime industry. The exercised involved 190 people over two days.

PoM practiced our shared role in co-ordinating and planning a response, as well as joining the Operations cell to support the shore clean-up exercise.

The exercise gave us the opportunity to practice responding to a marine pollution event and demonstrated our knowledge of the emergency management structures required to support both the emergency services and broader maritime industry.



Noise and air quality

Our Noise and Air Management Plan sets out our commitment to proactively manage and minimise impacts on the local community.

Noise

We undertake our own noise monitoring programs to help minimise disturbance from our construction activities in the port and work with our tenants to reduce noise emissions from their operations.

We also require new leases or developments within the port to include noise management plans and, where necessary, noise modelling or assessments when 24-hour operations are intended. In FY23 noise management and stakeholder engagement plans were incorporated into the Port Rail Transformation Project, Swanson Dock West Remediation and Expanding Webb Dock East projects.

In FY23 we received a small number of noise complaints related to three vessels visiting the port and one relating to piling construction works. Upon investigation, we established that one of these vessels had been the subject of complaints in New South Wales and New Zealand. Following the noise complaints, the shipping line subsequently removed the vessel from the Melbourne shipping route.

Air quality

We proactively engage with port tenants on air pollution from port activities and require tenants and construction projects to develop and implement environmental management plans.

One significant air quality issue in the port in FY23 related to the operational failure of a grain loading arm at Appleton Dock. Temporary conveyors and crane grabs used in standard operations were routinely inspected as part of our assurance program. On several occasions we found dust was reaching the water and nearby tenancies. Operations were subsequently ceased by the tenant during periods of high wind and clean-up operations were undertaken.

PoM co-funded a Victorian Environment Protection Authority air monitoring project in the inner-west area of Melbourne which includes the northern port area. The project identified and quantified significant sources of fine particulate matter (PM) of size <2.5 micrometre (PM2.5) in diameter.

The project examined PM2.5 samples collected from two sites that were generally representative of ambient air conditions and nine sites located close to known pollution sources such as shipping docks or roads with heavy vehicle traffic within the port. When the Authority's report is complete, we will provide key findings to our tenants, customers, and port users and use these findings to refine our ongoing air quality strategies.





▶ People



People

HIGHLIGHTS

Zero

Lost time injuries for employees and third-party contractors – record maintained from FY22

10% ↓

Gender pay gap reduced from 20 per cent in FY22

43% ↑

Female executive higher than ASX300 benchmark of 29%⁹

61%

Employee engagement score in line with the Australian average

326

Completed **health and safety inspections**



Commenced delivery of the **Leadership Development Program**



Developed **Human Rights Policy**

GOALS

Zero

Lost time injuries



Employee engagement score in top quartile of PoM's industry group



Achieve **Tier 1 Mental Health First Aid Workplace Certification**



Establish employee **Diversity, Equity, Inclusion and Belonging Council**



Refresh **Diversity, Equity, Inclusion and Belonging Strategy**



Undertake **cultural heritage review**

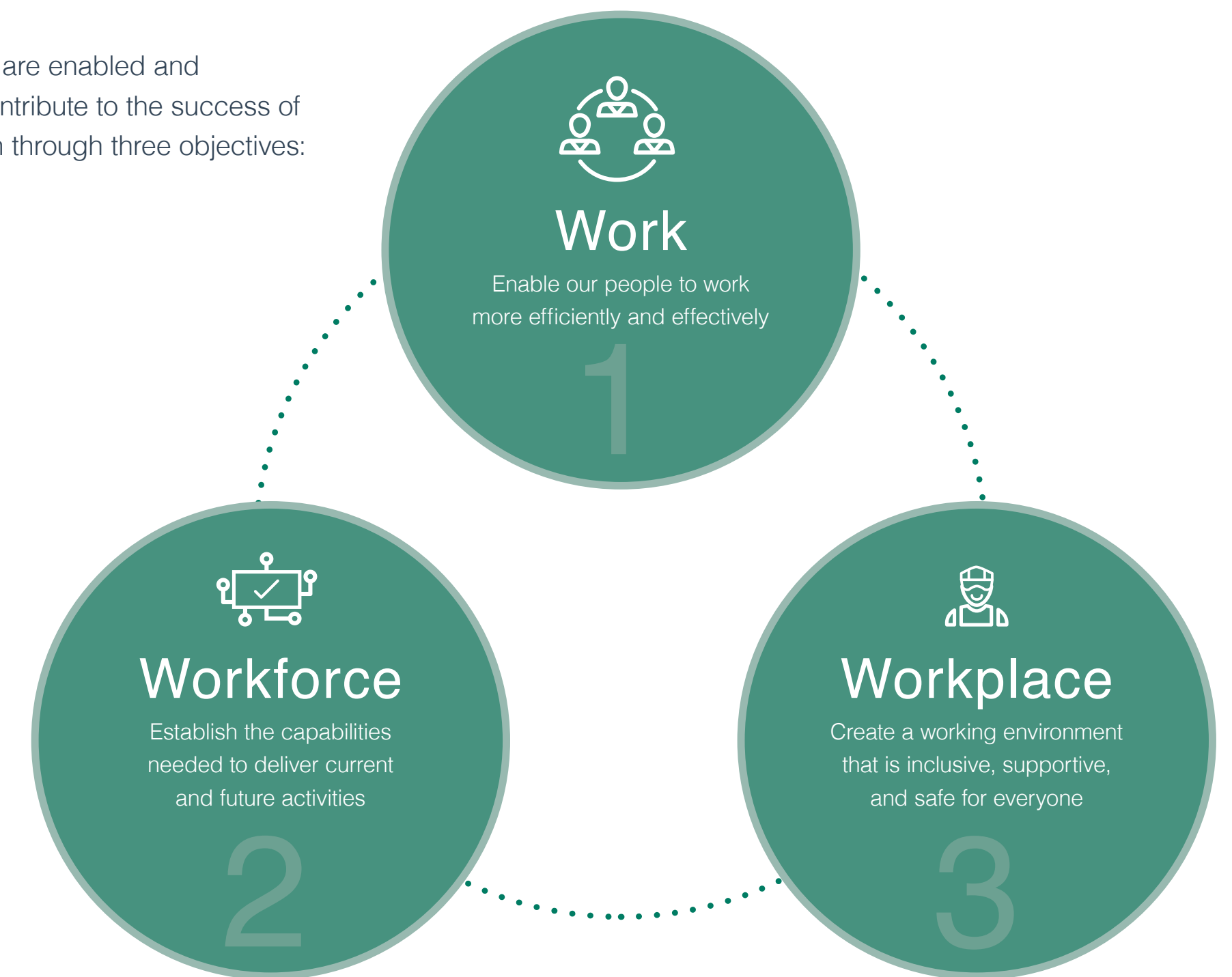


Deliver **Women's Leadership Program**

Our people strategy

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:



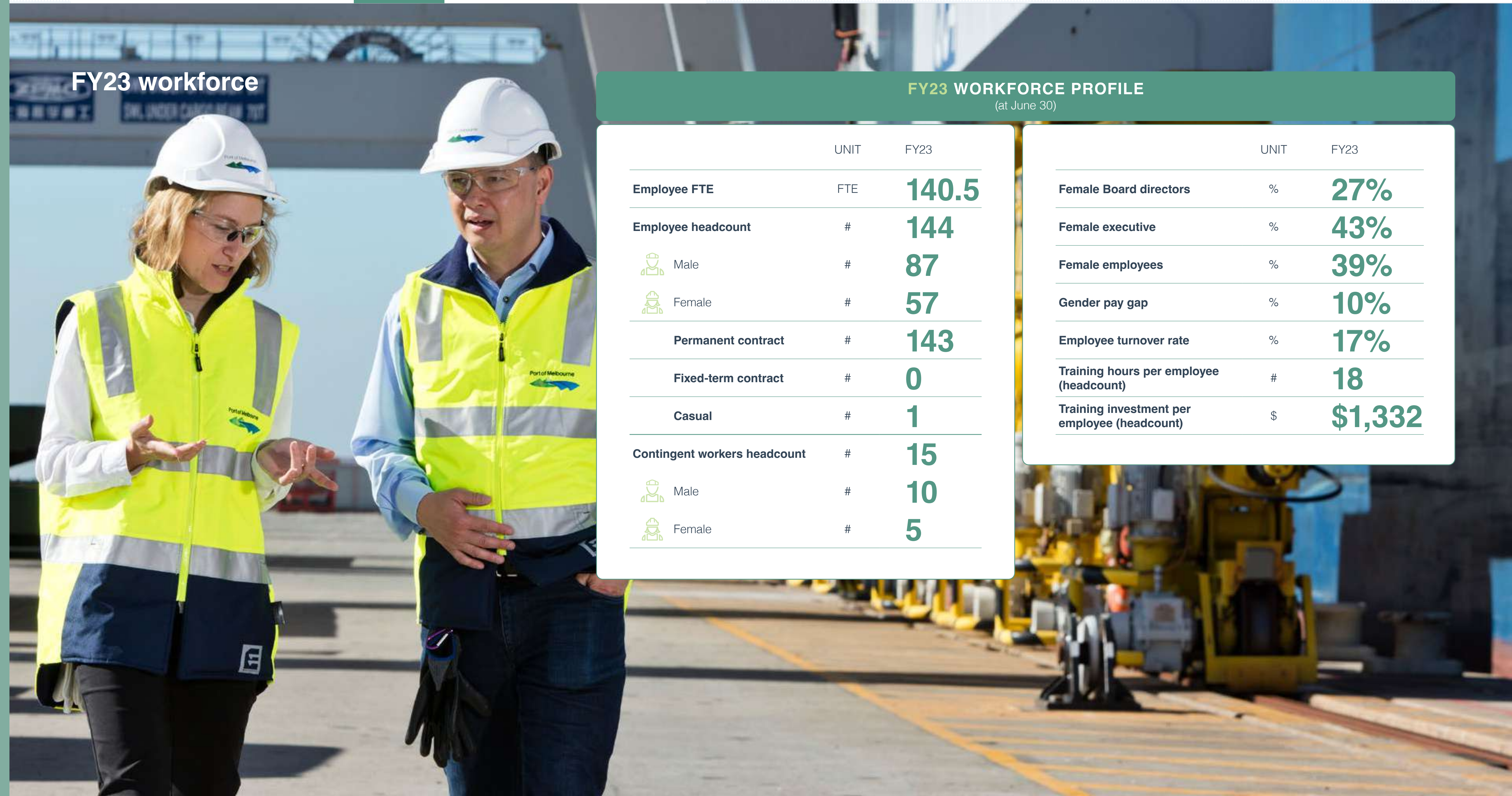
FY23 workforce

FY23 WORKFORCE PROFILE

(at June 30)

	UNIT	FY23
Employee FTE	FTE	140.5
Employee headcount	#	144
 Male	#	87
 Female	#	57
Permanent contract	#	143
Fixed-term contract	#	0
Casual	#	1
Contingent workers headcount	#	15
 Male	#	10
 Female	#	5

	UNIT	FY23
Female Board directors	%	27%
Female executive	%	43%
Female employees	%	39%
Gender pay gap	%	10%
Employee turnover rate	%	17%
Training hours per employee (headcount)	#	18
Training investment per employee (headcount)	\$	\$1,332



Employee engagement

A key measure of success in delivering our Corporate Strategy and Business Plan is employee engagement. We conduct an annual employee engagement survey to inform our People and Culture Strategy and action plan for the following year.

2023 employee engagement survey results

98%

of employees completed the survey, well above the industry average of between 60 – 65%.

61%

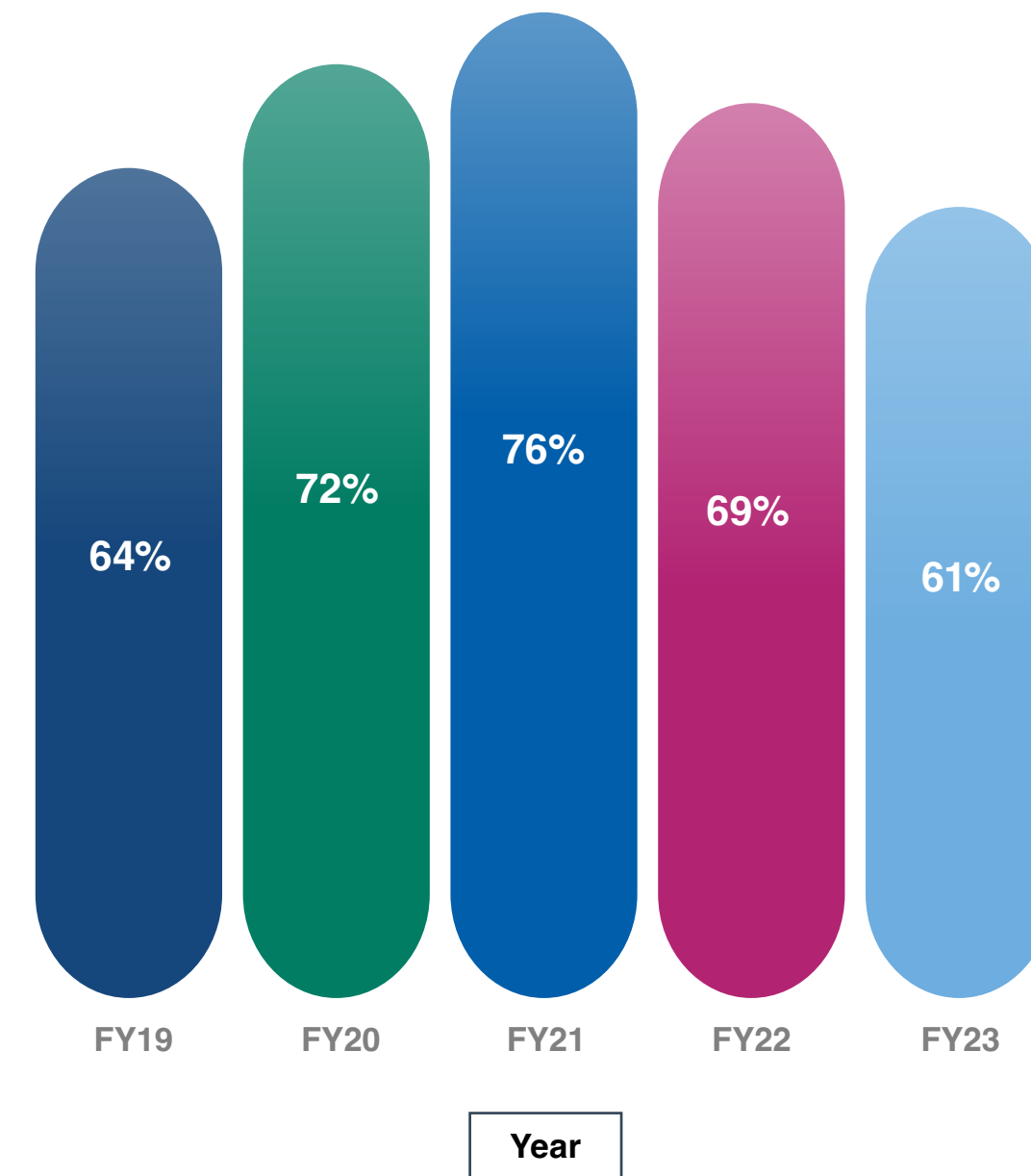
employee engagement score, a decline of eight percentage points from FY22.

Engagement score of 61% is in line with the average engagement score for Australian organisations and 8% below the top quartile score for Australian and New Zealand organisations.

We continued to score well on a number of dimensions measured in the survey such as employee wellbeing, work-life balance, and manager support. There was a decline in the score of some dimensions and we will conduct workshops with employees across the business to understand the reasons for the change and identify actions to drive improvement in FY24.

Over the past five years, our average engagement score was 68 per cent. We recognise that engagement changes over time and that we must continue to take action to improve the experiences of our people, ensuring we provide an environment that enables and empowers them to be their best and contribute to the success of PoM.

Employee engagement score



Learning and development

All PoM employees participate in annual performance assessment and development planning. In FY23 training hours per employee increased by 40 per cent from FY22, from 13 to 18 hours per employee.

We offer a combination of internal training courses, external training providers, and mentoring to develop bespoke development programs for our people. Courses are varied and focus on governance and strategy as well as the operational aspects of our business and individual development needs.

In FY23 we introduced additional group training sessions, based on feedback from our people who value the opportunity to be onsite to leverage informal conversation and connection.

During the year our staff completed:

- 341 face-to-face training sessions; and
- 976 eLearning courses.

The biennial Appropriate Workplace Behaviour online training course was provided to all employees in December. It is mandatory for all PoM payroll employees and contingent workers, and encompasses the following online modules:

- Appropriate Workplace Behaviour;
- Financial Code of Practice; and
- Whistleblower Policy training.




In FY23 PoM commenced delivery of a Leadership Development Program that will run over 2023 and 2024. Fifty-eight employees are participating in the program, including the Executive Leadership Team, senior managers, people leaders and emerging leaders. The program includes leadership assessments, workshops and coaching activities.



Diversity, equity, inclusion and belonging

PoM's Diversity, Equity, Inclusion and Belonging Strategy supports our objective of creating an inclusive, supportive, and safe working environment for our people. Our goal is for all employees to feel valued and respected, have equal access to opportunities, and to safely participate in contributing to our purpose.

Focus areas for FY23

-  Workplace inclusion
-  Gender equality
-  Reconciliation

In FY23 we engaged an independent facilitator to run employee focus groups to better understand the experiences of our people, hear about what matters most to them, and identify opportunities to improve diversity, equity and inclusion across our business. Forty employees participated in the focus groups representing all divisions and levels of the business. The key themes included:

- strengthening underlying systems and processes for talent and recruitment;
- providing greater education on diversity, equity, inclusion and belonging; and
- building on our inclusive behaviours.

The themes and specific recommendations will inform the development of a revised Diversity, Equity, Inclusion and Belonging Strategy in FY24.

CASE STUDY: GENDER PAY GAP REDUCTION



In February 2023 we undertook our annual gender pay gap analysis to identify and address any disparities. The gender pay gap is 10 per cent in FY23, a reduction from 20 per cent at the same time last year¹⁰.

The reduction is due to more women being placed in senior roles and was also influenced by promotions and pay reviews that are based on clear salary structures and independent job

evaluation practices. PoM has a relatively small workforce so minor changes to our workforce composition can have a significant influence on the pay gap.

We will continue to prioritise closing the gender pay gap through regular remuneration reviews and our commitment to diversity and inclusion in our succession planning and recruitment.



¹⁰ This result is based on comparing the average total employment cost (base pay and superannuation) for females and the average total employment cost for males (excluding the CEO) as at 30 June 2023.

Employee leave guideline update

In FY23 we updated the employee leave guideline to promote diversity, equity, inclusion and belonging by introducing:

- cultural leave allowance to enable First Nations employees to take a paid day of leave to participate in cultural activities and events;
- a broader definition of family to take into consideration the kinship and family structures of First Nations people, and improved accessibility to personal leave to support attendance at cultural and spiritual ceremonial practices; and
- public holiday substitute guideline to enable employees to celebrate cultural and religious days of significance outside the established calendar of cultural and religious holidays.

Industry mentorship

In FY23 we participated in two industry mentorship programs: Women in Transport and Women in Rail. Four of our executives, including our CEO, and two senior leaders participated as mentors, providing guidance, advice, and valuable insights to aspiring women leaders in the transport and logistics industry. Additionally, three employees participated in the mentorship program as mentees, receiving practical support and guidance in their professional journeys.

Reconciliation Action Plan implementation

The focus of our first Reflect Reconciliation Action Plan (RAP) implementation year has been on building relationships with First Nations people, especially our local Registered Aboriginal Parties, founded on respect, mutuality, and partnership.

To support this, we have commenced a cultural heritage assessment and historical review of the Port of Melbourne land and waters. As part of the work, we will engage each of our local Registered Aboriginal Parties to gather and verify information. The findings will be used to help identify opportunities and focus areas for our future reconciliation areas.

We have deepened our understanding of the history and cultures of Aboriginal and Torres Strait Islander peoples through education and training for our Board, executives and all employees facilitated by Corporate Culcha.

We have adopted First Nations cultural protocols in our operating practices and built inclusivity into our policies and guidelines, including recognising the rights of Indigenous people in our Human Rights Policy developed in FY23.



Health and safety

PoM is committed to a culture that ensures the health, safety and wellbeing of our people, port users, and the wider community. Our goal is to be a zero-harm workplace.

We maintain an integrated management system certified for Occupational Health and Safety under ISO45001 which provides a systematic way to manage our risks. This certification was renewed in FY23, and our auditors acknowledged our system as well- founded with strong monitoring and risk management. It is supported by a policy underscoring our commitment to a systematic approach and safety culture.

During FY23 we implemented a new incident and hazard reporting system, the Safety, Environment and Assurance Link (SEAL), which enables in-field reporting by mobile capture of incidents. This has improved accountability and timeliness in responding to incidents.

Strategy

PoM's Health, Safety and Wellbeing Strategy provides the framework for our robust safety performance, linking physical and mental wellbeing and outlining our approach to build a culture of safety supported by risk management and monitoring.

Performance

We monitor our safety performance through leading and lagging key performance indicators (KPIs)¹⁰.

In FY23 we achieved our targets for lead indicators including Board and Executive Leadership Team inspections, the number of safety assurance activities undertaken, and the proportion of new employees who completed safety induction requirements.

We also recorded zero lost time injuries for both employees and third-party contractors undertaking construction projects, operations and maintenance activities in the port. Our Total Recordable Injury Frequency Rate (TRIFR) including lost time, medical treatment and restricted work case injuries were zero for employees. Seven minor injuries were recorded for third-party contractors at the port resulting in a combined (PoM and third-party contractors) TRFIR of 8.13 for FY23.

¹⁰ Leading indicators relate to preventative actions, including our actions taken to strengthen safety culture such as the number of safety assurance activities undertaken, and the proportion of new employees who complete necessary safety induction requirements.

0
Lost Time Injury Frequency Rate for employees and third-party contractors

0
Total Recordable Injury Frequency Rate for employees

100%
targets met for lead indicators

326
PoM led health and safety inspections

0
fatalities

8.13
Total Recordable Injury Frequency Rate for employees and third-party contractors combined



Launched contractor safety forum



SEAL monitoring system implemented

CASE STUDY: HEALTH AND SAFETY FORUMS

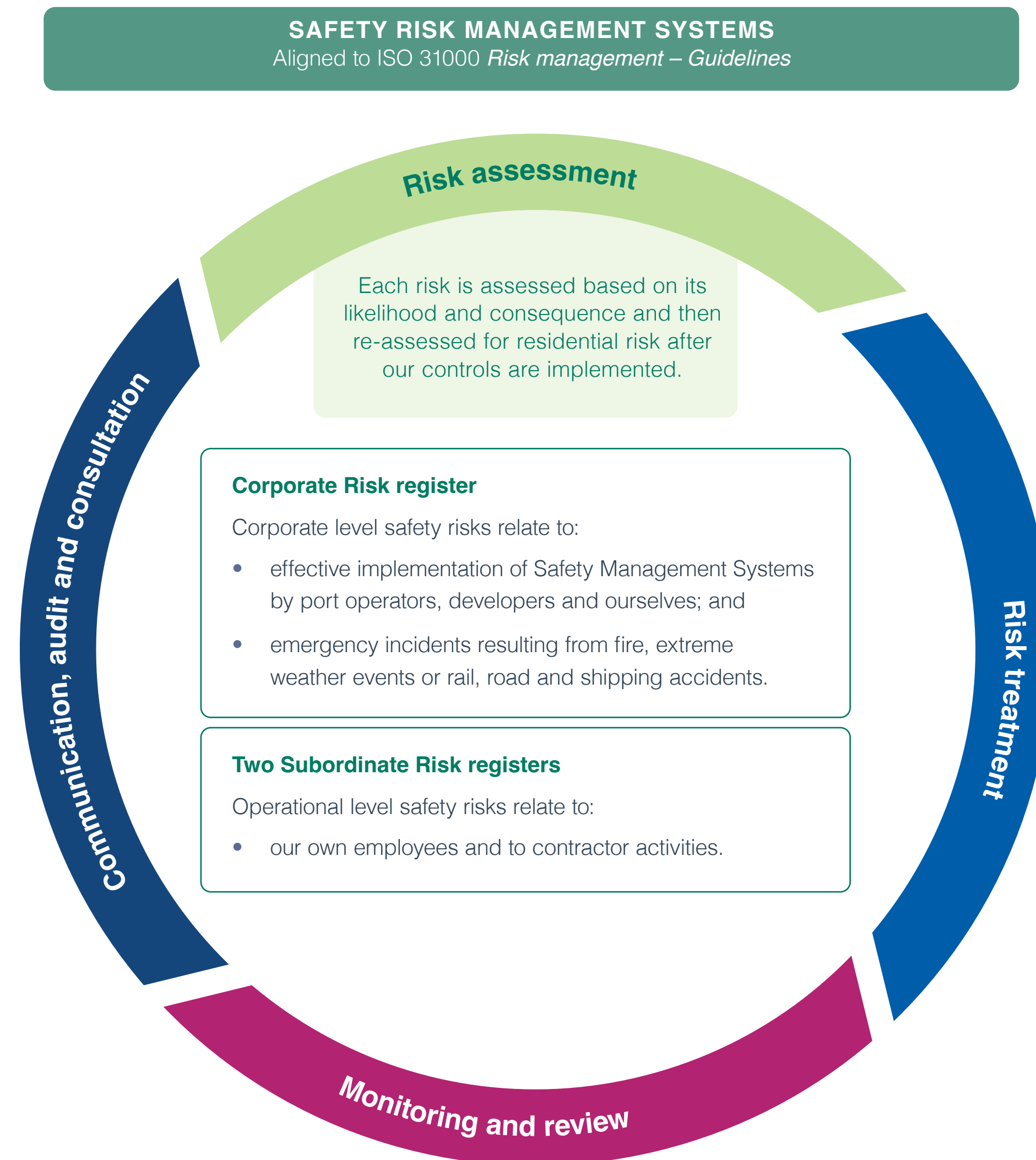


We co-chair a quarterly port Safety, Health and Environment Consultative Forum with Ports Victoria ensuring our whole-of-port approach can be effectively implemented. Participants include industry, regulatory bodies, and government agencies. In FY23 the agenda covered the mechanical integrity of arriving vessels, the emerging risk presented by electric vehicle fires and psycho-social legislation. Further meetings with the terminal operators allow us to look closely at dock-side health and safety.

In FY23 we initiated a new contractor forum on safety which includes third-party construction, operations, and maintenance contractors. Participants provide information on upcoming changes, feedback, lessons learnt, or ideas for improvement around health and safety. We also share upcoming projects and expectations under our Safety Management System. The increased level of contractor engagement on safety has enabled us to be more proactive on risk management, improve our visibility on their performance, and it has enhanced our monitoring of incident and hazard reporting.

Risk management

Our safety management approach focuses on developing a culture where risks and hazards are actively managed for employees, contractors, and others. We employ a *whole-of-port risk* methodology based on continual monitoring, assessment, treatment, and communication.



Emergency management

While organisations have little control over when an emergency occurs, they have full control over how prepared they are to respond to them.

Part of our response preparedness involves close collaboration with maritime agencies and all levels of government to ensure we can respond appropriately and proportionately to any incident.

The Port of Melbourne is part of Victoria's vital critical infrastructure and was added to the Victorian Critical Register under the *Emergency Management Act 2013* (Vic) during FY23. We are also a security regulated port as set out in the *Maritime Transport and Offshore Facilities Security Act 2003* (Cth).

Our Emergency Management Plan and resilience program involves running or participating in regular emergency exercises to ensure our capability to respond decisively when incidents occur. The types of incidents the port may encounter include biosecurity breaches and cyber-terrorism, as well as incidents which may involve equipment or infrastructure failure.

CASE STUDY:
OCTOBER FLOODING



On 14 October 2022, the Maribyrnong and Yarra Rivers were affected by heavy rain and flooding, which created several hazards for our upriver shipping berths and operations, including:

- strong currents and fresh water which can affect vessel manoeuvring and mooring integrity;
- siltation reducing the river depth;
- surface and underwater debris causing hazards and unpredictable conditions; and
- flood water and large debris posed damage risks to berths and related marine infrastructure.



Photo credit: Andrew Ternes

The port took timely action to mobilise our marine assets and survey vessel, including coordinating our emergency response with Ports Victoria, our terminal operators, tug providers, Parks Victoria, and the Australian Maritime Safety Authority, among others. Collectively, we worked to:

- collect and clear debris;
- deploy a tug for sweeping and bed levelling; operations around berths and through channels to clear sediment deposition;
- measure flood water current velocities;
- monitor and assess berths to ensure safe usage; and
- undertake hydrographic surveys to monitor changing depths.

Timely planning and proactive stakeholder engagement minimised disruption to the port to a single day of upriver berth closures.

CASE STUDY:
HOEGH TROOPER FIRE AND SALVAGE OPERATION



A major fire broke out in the engine room of a vehicle carrier, the Hoegh Trooper, at Webb Dock on 18 February 2023. The damage left the ship immobilised at berth.

The fire damaged the ship's three auxiliary engines and power cables, meaning the ship was without power to operate the ship's machinery and essential services on board. Compatible heavy-duty portable generators and power cables were transported interstate so that the ship could discharge cargo.

PoM co-ordinated the salvage and recovery operation, working with the ship owner and operator, terminal operator, insurers, the Harbour Master, salvage and

towage companies, legal teams, and the Australian Maritime Safety Authority to plan the Hoegh Trooper's passage to Singapore for salvage.

Given the size of the Hoegh Trooper, a specialised salvage tug was engaged to tow her safely into international waters and subsequently to Singapore for repairs. Three months later, on 15 May 2023, following a risk assessment, detailed preparation and with the assistance of local Svitzer tugs, Hoegh Trooper departed the port, ending one of the port's longest stationary visits.



Mental health and wellbeing

Our comprehensive Mental Health and Wellbeing Framework addresses three key principles:

Preventing harm – building a supportive work environment which promotes wellbeing.

Early intervention – providing programs and professional support that respond to early signs of mental health challenges and reduce the long-term impact on wellbeing.

Supporting workers – individualised support for those experiencing mental health challenges including reasonable adjustments and compassionate return-to-work arrangements after leave.

In FY23 we conducted a psycho-social risk assessment and implemented a mental health program to address the risks specific to our workforce such as job demands and change management.

Mental health first aid workshop

We built the capacity of our leadership team through a mental health first aid workshop about the characteristics of a mentally healthy workplace and management techniques to effectively respond to mental health concerns.

Mindfulness

Mindfulness Works for Organisations conducted introductory sessions and a fortnightly program called Fitness for the Mind. Our employees learned techniques to manage stress and enhance mental clarity.

OzHarvest

We joined forces with OzHarvest to transform rescued food into meals for people in need while fostering a sense of purpose, community connection and fulfillment among employees.

Swinburne Edge course

We offered courses on effective communication and negotiation skills, empowering employees with valuable tools for reducing stress and improving emotional wellbeing.

R U OK Day

By actively supporting R U OK? Day, we encourage open conversations about mental health while emphasising the importance of supporting each other. Activities and resources promoted empathy and a culture of wellbeing.

Wellbeing Room

Our Wellbeing Room provides a peaceful space for employees to practice mindfulness, take breaks, decompress, recognising the significance of mental health in the workplace.

Health and wellbeing reimbursement program

Employees can receive reimbursement for certain wellbeing and mental health activities, such as fitness classes or gym memberships.



Modern slavery and human rights

We are dedicated to operating our business responsibly and ethically and expect that our stakeholders and suppliers to operate in the same way. We work with various stakeholders and suppliers to identify and respond to potential modern slavery and human rights risks in our supply chain. PoM publishes an annual Modern Slavery Statement in compliance with the *Modern Slavery Act 2018* (Cth).

Risk-based and continuous improvement approach

In FY23 we strengthened our internal assessment of modern slavery risks across our extended supply chain. Working with FairSupply, we used a risk profiling model to gain insights into potential modern slavery risks from tier one to tier ten of our supply chain, providing a more comprehensive analysis of our risk exposure.

This analysis has enabled PoM to identify the categories, geographic regions and tiers within our supply chain where the potential risk of modern slavery exposure is highest so that we can be more targeted in our supplier engagement and assessment going forward.

Human Rights Policy

In FY23 PoM developed a Board-approved Human Rights Policy to demonstrate our commitment to upholding human rights in our operations and supply chain. Our Human Rights Policy:

- is guided by the *United Nations Guiding Principles on Business and Human Rights*;
- defines what human rights mean to PoM;
- outlines our principles for respecting and protecting human rights;
- provides guidance on reporting breaches; and
- describes its application through our existing policies, plans and procedures that support human rights principles.

Seafarer welfare

This year we provided ongoing financial support to our long-term community partners, Stella Maris and Mission to Seafarers, whose mission is to support the welfare of seafarers. In FY23 we also funded bespoke mental health first aid training for the employees and volunteers of these organisations to strengthen their ability to provide direct support to seafarers visiting Melbourne.





▶ Partnerships



Partnerships

HIGHLIGHTS



Revised **Stakeholder Engagement Framework** and developed Board-approved Stakeholder Engagement Policy



Completed first stage of stakeholder engagement for the **Port Capacity Enhancement Program** in September 2023



Signed MOU with industry partners to explore commercial feasibility of green methanol bunkering at the Port of Melbourne

C40

Joined **C40 Green Ports network**

\$250,000

Contributed to PoM's community partners

31

Schools participated in our Port Education Program

64

Port tours conducted for the public, industry and other stakeholders

GOALS

Scope 3

Identify **emissions reduction opportunities** to drive decarbonisation across the port supply chain



Complete first phase of **green methanol bunkering** feasibility study for the Port of Melbourne



Refresh **community engagement strategy** and investment program



Stakeholder engagement

Given the nature of our operations, it is essential that we understand the needs of our stakeholders and engage with them in a meaningful way.

We are committed to meeting the obligations of our regulatory framework to effectively consult with port users. We aim to move beyond compliance to strengthen our stakeholder engagement to achieve our organisation goals and benefit the wider community.

Stakeholder Engagement Framework

In FY23 we refreshed our stakeholder engagement framework, which supports our stakeholder planning and applies to our port users, government and regulators, industry partners, our neighbours and the wider community. All our engagement is mindful of the commercial and competitive tensions within the port and the need to operate within our regulatory framework.

The stakeholder engagement framework outlines the way we engage and sets clear expectations for our employees, contractors and stakeholders, identifying our principles for genuine, appropriate, and respectful stakeholder engagement.

The development of our framework and principles have been informed by the International Association for Public Participation (IAP2) Spectrum.

Genuine



- We are clear about what, when and how we engage
- We are flexible in our approach to engagement guided by our stakeholders' communication preferences
- We are clear on what is and is not negotiable and how feedback can inform decisions
- We use a range of methods and mediums to communicate and engage with stakeholders
- Our stakeholders have adequate time, information, and opportunities to provide us with feedback before we make decisions

Inclusive



- We strive to identify stakeholders that may be interested in, or affected by, Port of Melbourne's activities
- We want to understand the interests and views of relevant stakeholders and seek their input to help us make well-informed decisions
- We seek to ensure accessibility and equity through engagement strategies and processes that support the inclusion and participation of stakeholders
- We communicate clearly and widely with stakeholders to ensure they are well informed about our activities

Timely



- We communicate with our stakeholders in a timely manner
- We promote opportunities to take part in engagement
- We provide adequate time and opportunity for meaningful, fit for purpose engagement with stakeholders who may be affected by our decisions
- We provide accessible, relevant, tailored and timely information
- We use a clear structure of staged engagement in the development and delivery of long-term plans or projects

Transparent



- We are transparent where our decisions and engagement approach are affected by statutory and contractual obligations
- We acknowledge where there are different stakeholder views

Accountable



- We seek to deliver engagement that has a clear purpose, scope and objectives
- We provide clear pathways for questions and feedback from stakeholders
- We advise stakeholders how their input affects or does not affect our decisions at the end of engagement, and how and why we make decisions
- We share relevant information with stakeholders

Continuous Improvement



- We listen and learn to improve our engagement
- We evaluate and monitor our engagement, measuring our approach and outcomes against these principles

Approach to engagement

We aim for all our stakeholder engagement to be fit for purpose. It may take the form of planned project specific engagement programs or be part of our everyday business approach. There is no one single stakeholder engagement method and we use several methods at various stages of the engagement process.

In FY23 we supported the delivery of the stakeholder engagement framework with a Board-approved Stakeholder Engagement Policy and introduced a new stakeholder relationship management database. We also recruited two new dedicated stakeholder engagement employees to build our internal capability in this area.

INFORM

CONSULT

INVOLVE

COLLABORATE

EMPOWER

What this might look like for Port of Melbourne engagement

<ul style="list-style-type: none"> • Fact sheets • Website • Social media • Digital and print publications • Presentations and events • Media releases 	<ul style="list-style-type: none"> • Contributions to enquiries • Electronic Direct Mail (EDM) • Correspondence • Calls for comment or submissions • Surveys • Focus groups 	<ul style="list-style-type: none"> • Workshops • Roadshows and briefings • Public or industry meetings • Webinars • Education sessions • Stakeholder workshops 	<ul style="list-style-type: none"> • Involvement in Taskforces and advisory panels • Advisory committees • Technical advisory groups • Roundtables • Reference groups or expert panels 	<ul style="list-style-type: none"> • Working Groups • Joint ventures • Provision of data • Sponsorships
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Industry engagement

Tariff Compliance Statement

In FY23 PoM undertook extensive industry and stakeholder engagement to inform the preparation of the annual Tariff Compliance Statement, a regulatory requirement outlining how our prices for prescribed services comply with the Pricing Order. This engagement was informed by our Pricing Order Engagement Protocol.

The 2023 Industry Engagement program involved a range of port users and other stakeholders, including international and domestic shipping lines, stevedores and transport providers, cargo owners and freight forwarders. Based on feedback from port users and stakeholders, the scope of this year's engagement included:

- tariffs and the length of the regulatory period;
- rail project updates;
- our sustainability strategy and priorities;
- our role in the industry; and
- our approach to engagement.

This year we experienced greater participation in the engagement process compared to 2022.

15 ↑

in-depth interviews to co-design the engagement compared to 12 in 2022

65 ↑

people attended our in-person and online briefing sessions compared to 51 in 2022

14 ↑

stakeholders requested one-on-one meetings, compared to nine in 2022

41 ↑

submissions via our Feedback Form compared to eight in 2022

The feedback we received influenced our business decisions including:

- adopting a five-year regulatory period to promote stability and certainty for prices and service delivery;
- investing to maintain service levels and preparing to ensure we can meet Victoria's future trade needs;
- taking on project risks around the timing and delivery of major projects on behalf of port users; and
- maintaining prices in real terms over the regulatory period.

CASE STUDY:

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 which 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. In setting prices for prescribed services, PoM must comply with requirements in the Pricing Order – a regulatory instrument of the *Port Management Act 1995 (Vic)*.

The Pricing Order Engagement Protocol, adopted in 2022, outlines PoM's approach to consulting port users on regulatory matters under our Pricing Order. It articulates our consultation approach and the process by which we incorporate port user feedback into our decision making through five consultation steps:

- 1 Identify need
- 2 Plan approach
- 3 Implement
- 4 Seek port user feedback
- 5 Consideration and decision making

Stakeholder perceptions research

In FY23 we built on the independent research into stakeholder perceptions undertaken in FY22 by conducting an online perceptions survey of over 60 stakeholders comprising commercial and institutional stakeholders. The survey included questions to assess stakeholder perceptions of our reputation and performance with a particular focus on our engagement approach.

The research identified an uplift in stakeholders' perceptions of our engagement approach, activity and communications over the past year. It also identified areas for continuous improvement including undertaking tailored engagement for distinct types of stakeholders.

Port Capacity Enhancement Program engagement

To meet the growth demands of Victoria's economy and the increasing size of visiting vessels, we are in the early planning stages of the Port Capacity Enhancement Program, outlined in our Port Development Strategy.

In September 2022, we commenced the first stage of engagement with a broad range of stakeholders including port users, government, community and industry, focussed on gathering feedback and defining the inputs for a draft Cost Benefit Analysis and subsequent stakeholder engagement.

Over 12 months we undertook three rounds of engagement aligned to our Pricing Order Engagement Protocol and the International Association for Public Participation (IAP2) Spectrum.

Round one engagement

Sought feedback on technical reports on trade demand forecasts, ship fleet forecasts and container capacity review.

Round two engagement

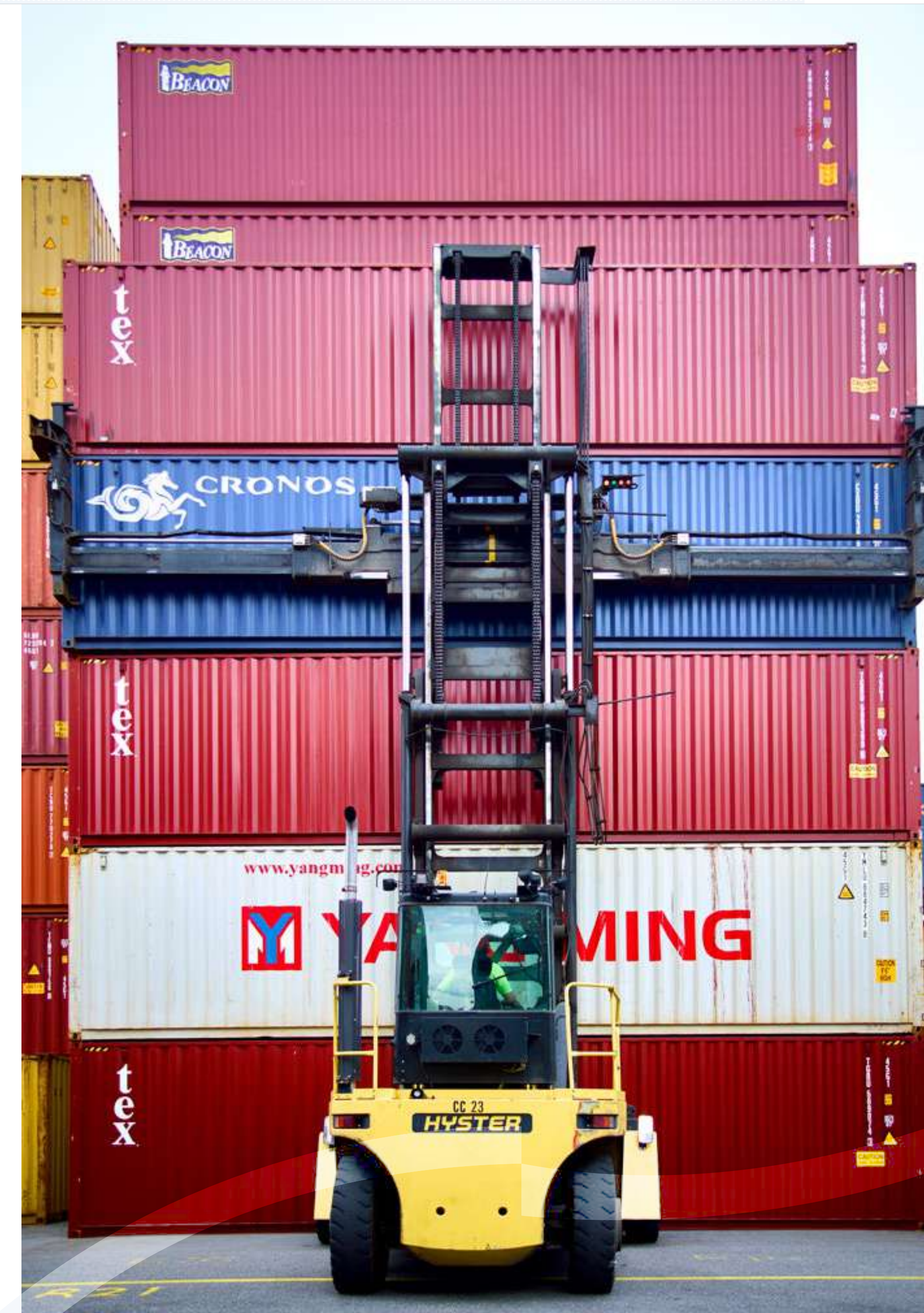
Adapted our engagement approach and timeline following feedback received in Round one engagement to prioritise stevedore engagement on port capacity modelling, capacity input assumptions and port performance data.

Round three engagement

Sought stakeholder feedback on revised trade demand forecasts and ship fleet forecasts.

The second stage of engagement will consider the draft cost-benefit analysis for the project which will be developed based on inputs from the technical reports published following the first stage.

In addition to the specific feedback about the technical reports, we heard broad views and insights that will help us to continuously improve our engagement approach in future stages of the project.



Supply chain engagement to drive decarbonisation

To deliver on our objective to lead the decarbonisation of the port supply chain, we set a target in FY23 to engage with stakeholders on our approach to climate change and emissions reduction with a view to identifying potential collaboration opportunities to drive decarbonisation across the port supply chain.

We undertook engagement with shipping lines, tenants, industry bodies, climate research organisations, local government, Australian and global ports, and other infrastructure providers to share information and learnings. This engagement has led to opportunities to collaborate on initiatives that may facilitate decarbonisation, such as exploring the feasibility of green methanol bunkering at the Port of Melbourne.

In June 2023 we joined the C40 Green Ports Forum, an organisation of leading cities and ports around the world with ambitious goals to mitigate air pollution and greenhouse gas emissions and deliver positive health and economic benefits for communities. The C40 Green Ports Forum brings together dozens of cities and their ports to advance maritime decarbonisation and the broader energy transition, providing us with valuable learnings on decarbonisation initiatives being undertaken by ports globally.

Australian ports benchmarking

This year we led a study to benchmark strategy and expenditure in the industry in collaboration with Ports Australia. Eleven organisations operating 36 ports participated in the study. This was a first for the sector, enabling participants to make comparisons relating to workforce (composition, strategy and remuneration), sustainability (strategy, spend and performance) and financial aspects.

CASE STUDY:

GREEN METHANOL BUNKERING FEASIBILITY



In April 2023, we signed a memorandum of understanding with Maersk, ANL (a subsidiary of CMA-CGM), Svitzer, Stolthaven Terminals, HAMR Energy and ABEL Energy to explore the commercial feasibility of establishing a green methanol bunkering hub at the Port of Melbourne.

This collaboration will examine a potential project involving the transportation of green methanol from production sites in Bell Bay, Tasmania (ABEL Energy)

and Portland, Victoria (HAMR Energy) to the Port of Melbourne for storage and bunkering services.

The MoU provides a starting point for the parties to work together to explore the various elements of establishing a green methanol bunkering hub and identify any challenges that would need to be addressed. The initial phase of this feasibility assessment will be undertaken in FY24.



Boat tours

In FY23 PoM hosted 64 boat tours which were attended by 8,579 participants.

PoM regularly operates boat tours for the community and our partners. These tours include a chartered boat trip through port waters, with on-board commentary provided by port employees. Guests can get up close to major port facilities including Victoria, Appleton, Swanson and Webb Docks. 100 per cent of surveyed attendees recommended the tour.

“ The commentator provided good information about the port, its history and its current activities. This tour takes you behind the scenes and gives an interesting insight to the Port’s infrastructure and activities.

Boat tour participant

INDUSTRY GROUP MEMBERSHIPS

- Australian Logistics Council
- Australasian Railway Association
- Bulk Liquids Industry Association
- Committee for Melbourne
- Committee 4 Wagga
- Freight and Trade Alliance
- Geography Teachers Association
- Grain NSW
- Grain Trade Australia
- Infrastructure Partnerships Australia
- Launceston Chamber of Commerce
- Maritime Industry Australia Limited
- Melbourne Chamber of Commerce
- Ports Australia
- Property Council of Australia
- Tasmanian Chamber of Commerce
- Tasmanian Transport Association
- Victorian Chamber of Commerce

Community

PoM is committed to maintaining strong relationships with our neighbouring communities. We are adjacent to four local government areas: the City of Hobsons Bay, City of Maribyrnong, City of Melbourne, and City of Port Phillip.

Local community investment

We support and strengthen communities by providing sponsorships and in-kind support to community partners. PoM supported six community partners in FY23, including our primary partnership with Foodbank Victoria.

\$254,000

contributed to our community partners.

222

employee volunteer hours invested with local food and hunger charities.

240,792

meals supported via Foodbank.



Supported the Williamstown Football Club's Accelerated program for secondary school students to develop football and leadership skills.



Supported seafarer welfare through our ongoing sponsorship of Stella Maris and Mission to Seafarers.

In FY23 we also provided personal protection equipment and funding for mental health first aid training for staff and volunteers.

625

hours of donated event space for community, industry, schools, and public sector organisations at our Port Education Centre.



Supported young people and all-abilities participation in swimming through funding for Williamstown Swimming and Life Saving Club. In FY23 we sponsored the WOW open water swim event which attracted 400 participants.



Port education

Schools program



Our schools program explores the port's operations, maritime engineering and how goods are transported around the world. It is designed to share and build knowledge about the importance of port management. It also brings the port closer to our communities and stakeholders.

The program includes classroom education and guided tours around the port boundary for primary, secondary and tertiary students. Content is tailored for secondary school cohorts to align with Australian National Curriculum topics such as geography, humanities, economics, vocational pathways, and business management. We also provide free online resources for students and teachers.

Port Education Centre



In FY23 we hosted and delivered 45 education sessions in our purpose-built Port Education Centre.

4

primary schools

27

secondary schools

9

community groups

5

industry groups

The Port Education Centre is used by community, industry and safety groups who regularly access the centre for self-hosted meetings and gatherings.

Engineering Tomorrow



Through our shareholder company, Global Infrastructure Partners, we initiated a Melbourne chapter of Engineering Tomorrow. The program introduces engineering to secondary students through a hands-on lab that includes the opportunity to work with the National Aeronautics and Space Administration, Global Infrastructure Partners and PoM engineers to hear their career stories and receive guidance on their lab work.

Twenty-four Year 9 students from Williamstown High School attended our first half-day session exploring electric vehicles. The students designed, deployed, tested, and completed model electric vehicles.

The intended outcomes are to strengthen engineering skills and include more diversity in the field by awakening student curiosity and passion for engineering. Feedback from the first session indicated an 80 per cent increase in engineering career interest because of the session.

“ I liked it because it allowed us to have creative freedom while also being practical. Doing this workshop has definitely made me more interested than I was before about engineering.

Feedback from female participant

Work experience program



PoM hosts a work experience program for secondary students interested in broadening their awareness of the port and engineering industries. In FY23 we hosted five students from four secondary schools. Students can shadow a mix of PoM employees over a week and see different kinds of work activities. These include safety and environment site inspections, collation of data, trips on our survey vessel and visits to asset maintenance and development sites to better understand port infrastructure.



▶ Appendices

ESG data

ECONOMIC

Port Trade	Unit	FY21	FY22	FY23
Ship arrivals	Number	2,872	2,912	2,810
Value of trade	\$ Billion	\$118	\$138	\$148
Total trade volume	Million revenue tonnes	104.1	107.6	108.9
Containers (TEU)	TEUs	3,294,306	3,232,608	3,188,453
New motor vehicles (units)	Units	304,486	328,825	387,991
New motor vehicles (revenue tonnes)	Million revenue tonnes		4.8	5.8
Liquid bulk	Million revenue tonnes	5.4	5.5	5.8
Dry bulk	Million revenue tonnes	4.9	5.4	5.5
Break bulk	Million revenue tonnes	8.2	9.7	10.3
Break bulk (exc. motor vehicles)	Million revenue tonnes		4.9	4.4

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.

Value of trade calculation:

- The value of trade is the sum of overseas and Australian coastal cargo.
- The value of trade of overseas cargo was extracted from data provided by MariTrade.
- The value of trade of Australian coastal cargo is calculated by multiplying total revenue tonnes with a dollar value per revenue tonne. The dollar per revenue tonne is approximated by dividing the value of trade of overseas cargo by the revenue tonnes of overseas cargo.
- For the purposes of calculating the value of trade of Australian coastal cargo only, the revenue tonnes of containerised cargo was calculated by multiplying the number of full TEUs by 28.8 to arrive at the weight in tonnes of containerised cargo.

ENVIRONMENT

Greenhouse gas emissions	Unit	FY21	FY22	FY23
Scope 1 & 2 total	tCO2-e	2,524	2,916	2,807
Scope 1	tCO2-e	416	456	434
Scope 2	tCO2-e	2,108	2,460	2,373
Scope 3 total	tCO2-e	32,2998	360,904	363,456
Shipping	tCO2-e	207,223	228,513	240,459
Tenants	tCO2-e	107,877	104,886	105,399
Development projects	tCO2-e	1,919	21,126	12,782
Road and rail	tCO2-e	1,920	2,147	2,073
O&M contractors	tCO2-e	1,586	1,110	779
Business operations	tCO2-e	1,175	911	1,066
Professional services	tCO2-e	1,298	2,210	899

PoM uses the NGER Act to define its Scope 1 and 2 boundaries and methodology. PoM uses the GHG Protocol Corporate Value Chain (Scope 3) Standard to define its Scope 3 boundaries, in addition to methodologies and assumptions for individual categories outlined in the "Scope 3 emissions" section of this Sustainability Report.

Energy consumption	Unit	FY21	FY22	FY23
Total consumption	GJ	13,659	15,703	16,217
Fuel	GJ	5,914	6,479	6,169
Unleaded petrol (vehicles)	GJ	137	139	78
Diesel (vehicles)	GJ	516	385	289
Diesel (marine survey vessel)	GJ	5,261	5,955	5,802
Natural gas	GJ	-	-	-
Electricity	GJ	7,745	9,224	10,048

Water	Unit	FY21	FY22	FY23
Total water consumption	kL	44,909	26,463	32,543
Potable	kL	44,909	26,463	32,543
Recycled	kL	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 27% of FY23 water use.				

Waste	Unit	FY21	FY22	FY23
Total waste disposal	kg	1,039	2,081	2,895
Landfill	kg	460	1,001	1,397
Organics	kg	42	106	487
Recycled	kg	538	974	1,011
Landfill diversion	%	56%	52%	52%
Landfill diversion rate calculated as total recycling and organics over total waste in FY23. In the FY22 Sustainability Report diversion rate was previously equated to recycling rate so numbers are not directly comparable.				
Waste is from PoM's offices. Waste from development projects managed by contractors is included in Scope 3 emissions data and recycling rates reported in the Planet section of report.				

Biodiversity	Unit	FY21	FY22	FY23
Habitat protected	ha			1,248
Habitat protected on-site	ha			663
Habitat protected off-site	ha			585
Habitat maintained	ha			6,244
Habitat removed/ use change	ha			0

Pollution	Unit	FY21	FY22	FY23
Total major pollution incidents	#			0
Marine: major or severe pollution incidents	#			0
Marine: moderate incidents	#			0
Marine: minor or negligible incidents	#			12
Landside: major or severe reportable pollution incidents	#			0
Landside: moderate incidents	#			0
Landside: minor or negligible incidents	#			15

PoM's FY23 Sustainability Reporting introduces the AMSA Incident Severity Matrix for pollution reporting. Major or severe incidents are medium or larger spills requiring significant action, or they may be impacting or about to impact sensitive environments.

A spill of 0.2 – 0.4 litres of petrol in the water at South Wharf on 18/01/23 was classified by a third party as moderate in the National Environmental Maritime Operations system but more appropriately fits the negligible severity category and is reflected as such in this table.

WORKFORCE

Profile	Unit	FY21	FY22	FY23
Employee headcount (at 30 June)	#	124	135	144
Male	#	80	84	87
Female	#	44	51	57
Permanent contract	#	120	133	143
Fixed-term contract	#	4	2	0
Casual	#	0	0	1
Contingent worker headcount	#	8	13	15
Male	#	4	8	10
Female	#	4	5	5
Employee FTE	FTE	120.2	132.1	140.5
Full time employees	FTE	113	124	131.6
Male	FTE	75.6	83	83.6
Female	FTE	44.6	49.1	48
Part time employees	FTE	7.2	8.1	9
Male	FTE	1.6	1	1.6
Female	FTE	5.6	7.1	7.4
Under 30 years old	FTE	8	10	7
Male	FTE	5	6	3
Female	FTE	3	4	4
30-50 years old	FTE	66.6	77.1	85.4
Male	FTE	38	45	49
Female	FTE	28.6	32.1	36.4
Over 50 years old	FTE	45.6	45.1	48.1
Male	FTE	32.6	32.1	33.1
Female	FTE	13	13	15

PoM defines contingent workers as temporary workers with a limited tenure that are engaged to do work controlled by PoM and are employed as independent contractors, freelancers or employees of PoM's suppliers. PoM's contingent workers are provided with a workspace and/or tools and may complete mandatory compliance training modules.

Diversity and inclusion	Unit	FY21	FY22	FY23
Female Board directors*	%	20%	29%	27%
Female executive*	%	29%	29%	43%
Female employees*	%	37%	37%	39%
Gender pay gap*	%	19%	20%	10%
CEO to median employee total compensation	Ratio CEO/median	4.3	5.8	5.1
Aboriginal and Torres Strait Islander employees	%		0%	0%
Culturally and/or linguistically diverse employees	%		40%	35%
LGBTQIA+ employees	%		6%	2%

*At 30 June 2023.

Executive refers to the executive leadership team excluding the CEO. It includes EGM Strategy and Planning, EGM Corporate Relations, EGM People and Culture, EGM Commercial, EGM Operations, Chief Financial Officer and General Counsel and Company Secretary.

Engagement, turnover and development	Unit	FY21	FY22	FY23
Employee engagement score	%	76%	69%	61%
Engagement survey participation rate	%	99%	98%	98%
Employee turnover rate	%	7%	15%	17%
Training hours per employee (headcount)	#	10	13	18
Training investment per employee (headcount)	\$	\$685	\$800	\$1,332
Employees covered by collective bargaining agreements	%	23%	18%	9%

FY23 training data excludes contingent workers.

HEALTH, SAFETY & WELLBEING

Health and safety	Unit	FY21	FY22	FY23
Lost Time Injury Frequency Rate (LTIFR)	rate	0	0	0
Employees	rate	0	0	0
PoM suppliers	rate	0	0	0
Total Recordable Injury Frequency Rate (TRIFR)	rate	0	0	8.13
Employees	rate	0	0	0
PoM suppliers	rate	0	0	11.96
Lost time injuries	#	0	0	0
Employees	#	0	0	0
PoM suppliers	#	0	0	0
Total recordable injuries	#	0	0	7
Employees	#	0	0	0
PoM suppliers	#	0	0	7
Restricted work cases	#	0	0	4
Employees	#	0	0	0
PoM suppliers	#	0	0	4
Medical treatment injuries	#	0	0	3
Employees	#			0
PoM suppliers	#			3
Fatalities	#	0	0	0
Employees	#	0	0	0
PoM suppliers	#	0	0	0

- 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
- Lost time injuries is defined and calculated as per the Australian Standards AS1885.1 Workplace Injury and Disease Recording Standard 1990.

GRI content index

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

Standard/ Topic	Disclosure	Report location or additional commentary
	2-14 Role of the highest governance body in sustainability reporting	About Port of Melbourne: Our governance / Sustainability governance
	2-15 Conflicts of interest	PoM has a Conflicts of Interest Guideline that clarifies the expectations, provisions and procedures associated with managing conflicts of interest internally.
	2-16 Communication of critical concerns	About Port of Melbourne: Our governance
	2-17 Collective knowledge of the highest governance body	About Port of Melbourne: Our governance
	2-18 Evaluation of the performance of the highest governance body	About Port of Melbourne: Our governance
	2-19 Remuneration policies	PoM has a Remuneration Policy that describes our approach to determining and reviewing employee remuneration.
	2-20 Process to determine remuneration	In line with PoM's Remuneration Policy, we review employee remuneration annually against market levels and trends. We target pay parity for all employees performing 'like for like' roles with similar levels of experience and performance outcomes and undertake a gender pay gap review each year.
	2-21 Annual total compensation ratio	Appendices: ESG data
	2-22 Statement on sustainable development strategy	About Port of Melbourne: Our approach to sustainability
	2-23 Policy commitments	About Port of Melbourne: Our governance People: Modern slavery and human rights
	2-24 Embedding policy commitments	About Port of Melbourne: Our approach to sustainability
	2-25 Processes to remediate negative impacts	About Port of Melbourne: Our governance (Code of Conduct – see reference to employee grievance mechanisms and our Whistleblower Policy). Partnerships: Stakeholder engagement
	2-26 Mechanisms for seeking advice and raising concerns	About Port of Melbourne: Our governance Partnerships: Stakeholder engagement
	2-27 Compliance with laws and regulations	PoM had no significant instances of non-compliance with laws and regulations in FY23 About Port of Melbourne: Our governance
	2-28 Membership associations	Partnerships: Stakeholder engagement
	2-29 Approach to stakeholder engagement	About Port of Melbourne: Our stakeholders Partnerships: Stakeholder engagement
	2-30 Collective bargaining agreements	Appendices: ESG data / Workforce

Standard/ Topic	Disclosure	Report location or additional commentary
GRI 3: Materials Topics	3-1 Process to determine material topics	About Port of Melbourne: Our approach to sustainability / Materiality assessment
	3-2 List of material topics	About Port of Melbourne: Our approach to sustainability / Materiality assessment
	3-3 Management of material topics	Commentary on specific material topics provided throughout report.
GRI 200: economic standards		
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	Prosperity
	201-2: Financial implications	Planet: Climate risk review
GRI 202: Market Presence	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> (Cth). All PoM employees are paid above the minimum wage.
	202-2: Proportion of senior management hired from the local community	All PoM senior management are hired locally. For our corporate office this refers to the Melbourne metropolitan area and surrounding areas including Greater Geelong.
GRI 203: Indirect Economic Impacts	203-1: Infrastructure investments and services supported	Prosperity: FY23 Highlights
	203-2: Significant indirect economic impacts	Prosperity: Economic impact
GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	Appropriate Workplace Behaviour, Financial Code of Practice and Whistleblower Policy training was completed by 138 employees between December 2022 and January 2023. Our Board completed competition law training in December 2022 and is aware of all our policies including corruption related policies.
	205-3: Confirmed incidents of corruption and actions taken	No incidents of corruption have taken place in the reporting year.
	206-1: Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	Between the 1 July 2021 and 17 August 2022 PoM was engaged in legal proceedings with Patrick Terminals in relation to entry into leases at Swanson Dock. The Federal Court of Australia ordered the proceedings dismissed and that there be no order as to costs. ¹⁰
GRI 300: environmental standards		
GRI 302: Energy	302-1: Energy consumption within the organisation	Planet: Scope 1 & 2 emissions Appendices: ESG data
	302-4: Reduction of energy consumption	Planet: Scope 1 & 2 emissions

¹⁰ Correction to 2022 Sustainability Report on GRI 206 Anti-competitive behaviour. In 2022 we disclosed "No legal actions for anti-competitive behaviour, anti-trust and monopoly practices". We would like to correct this to "Between 1 July 2021 and 17 August 2022 PoM was engaged in legal proceedings with Patrick Terminals in relation to entry into leases at Swanson Dock. The Federal Court of Australia ordered the proceedings dismissed and that there be no order as to costs. There has been no acceptance or finding of misconduct against PoM."

Standard/ Topic	Disclosure	Report location or additional commentary
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	Planet: Water
	303-3: Water withdrawal	Planet: Water
	303-5 Water consumption	Planet: Water Appendices: ESG data
GRI 304: Biodiversity	304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Planet: Biodiversity and habitat management
	304-2 Significant impacts of activities, products and services on biodiversity	Planet: Biodiversity and habitat management
	304-3 Habitats protected or restored	Planet: Biodiversity and habitat management
GRI 305: Emissions	305-1: Direct (Scope 1) GHG emissions	Planet: Scope 1 & 2 emissions Appendices: ESG data
	305-2: Energy indirect (Scope 2) GHG emissions	Planet: Scope 1 & 2 emissions Appendices: ESG data
	305-3: Other indirect (Scope 3) GHG emissions	Planet: Scope 3 emissions Appendices: ESG data
	305-5: Reduction of GHG emissions	Planet: Climate Change Appendices: ESG data
GRI 306: Waste	306-3 Waste generated	Planet: Waste and materials Appendices: ESG data
	306-4 Waste diverted from disposal	Planet: Waste and materials Appendices: ESG data
	306-5 Waste directed to disposal	Planet: Waste and materials Appendices: ESG data
GRI 400: social standards		
GRI 401: Employment	401-1 New employee hires and employee turnover	Appendices: ESG data
	401-3: Parental leave	Parental leave is available to all employees of PoM who have worked for the company for a minimum of twelve months at the time their child joins the family (regardless of gender). 143 employees were eligible during FY23 and six took parental leave: five male and one female. All employees returned to work at PoM after their leave, which represents a 100 per cent return rate.

Standard/ Topic	Disclosure	Report location or additional commentary
GRI 403: Occupational Health and Safety	403-1: Occupational health and safety management system	People: Health and safety
	403-6 Promotion of worker health	People: Health and safety
	403-9 Work-related injuries	People: Health and safety Appendices: ESG data
GRI 404: Training and Education	404-1: Average hours of training per year per employee	People: Learning and development Appendices: ESG data
	404-2: Programs for upgrading employee skills and transition assistance programs	People: Learning and development
	404-3 Percentage of employees receiving regular performance and career development reviews	People: Learning and development
GRI 405: Diversity and Equal Opportunity	405-1: Diversity of governance bodies and employees	Appendices: ESG data
	405-2 Ratio of basic salary and remuneration of women to men	Appendices: ESG data
GRI 406: Non-Discrimination	406-1: Incidents of non-discrimination and corrective actions taken	There were no incidents of discrimination in the reporting year.
GRI 407: Freedom of Association and Collective Bargaining	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.
GRI 409: Forced or Compulsory Labour	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	People: Modern slavery and human rights PoM publishes an annual Modern Slavery Statement available at www.portofmelbourne.com
GRI 411: Rights of Indigenous Peoples	411-1: Incidents of violations involving rights of indigenous peoples	There were no incidents of human rights violations of indigenous peoples in the reporting year. We manage our impact on the rights of Indigenous people as part of our Reconciliation Action Plan. See People: Diversity, equity, inclusion and belonging.
GRI 413: Local Communities	413-1: Operations with local community engagement, impact assessments and development programs	Partnerships
GRI 418: Customer Privacy	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no incidents of customer privacy breaches in the reporting year.

SASB content index

Standard/ Topic	Metric and code	Report location or additional commentary
SASB Standard - Marine Transportation		
Greenhouse Gas Emissions	Gross global Scope 1 emissions - (TR-MT-110a.1)	Planet: Scope 1 & 2 emissions Appendices: ESG data
	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: Climate change
	(1) Total energy consumed, (2) percentage heavy fuel oil, (3) percentage renewable - (TR-MT-110a.3)	Planet: Scope 1 & 2 emissions Appendices: ESG data
	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. Further, we had no major or reportable pollution incidents on land or water around the port in FY23. For further information on pollution management and incidents see Planet: Pollution and Appendices: ESG data.
Air Quality	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's control.
Ecological Impacts	Shipping duration in marine protected areas or areas of protected conservation status - (TR-MT-160a.1)	Planet: Biodiversity and habitat management Port of Melbourne 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.
Employee Health & Safety	Lost time incident rate (LTIR) - (TR-MT-320a.1)	People: Health and safety Appendices: ESG data
Business Ethics	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. Port of Melbourne 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 and code	Report location or additional commentary
Accident & Safety Management	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)	
Activity Metrics	Number of shipboard employees - (TR-MT-000.A)	Not applicable. Relevant to shipping lines but not within PoM's 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)	Appendices: ESG data
	Twenty-foot equivalent unit (TEU) capacity - (TR-MT-000.G)	Appendices: ESG data
SASB Standard - Professional & Commercial Services		
Data Security	Description of approach to identifying and addressing data security risks - (SV-PS-230a.1)	Prosperity: Data protection and cybersecurity
	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
Workforce Diversity & Engagement	Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees - (SV-PS-330a.1)	Appendices: ESG data
	(1) Voluntary and (2) involuntary turnover rate for employees - (SV-PS-330a.2)	Appendices: ESG data
	Employee engagement as a percentage - (SV-PS-330a.3)	People: Employee engagement Appendices: ESG data
Professional Integrity	Description of approach to ensuring professional integrity - (SV-PS-510a.1)	About Port of Melbourne: Our governance
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity - (SV-PS-510a.2)	None
Activity Metrics	Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract - (SV-PS-000.A)	Appendices: ESG data
	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 Operations Pty Ltd

Our Conclusion

Ernst & Young ('EY', 'we') were engaged by Port of Melbourne Operations Pty Ltd ('PoM') to undertake a limited assurance engagement as defined by Australian Auditing Standards, hereafter referred to as a 'review', over the Subject Matter defined in Table 1 contained within PoM's 2023 Annual Sustainability Report (the 'Report') for the year ended 30 June 2023.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe the Subject Matter has not been prepared, in all material respects, in accordance with the Criteria defined in Table 1.

Our approach to conducting the review

We conducted this review in accordance with the Australian Auditing and Assurance Standards Board's *Australian Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE3000') and the terms of reference for this engagement as agreed with PoM on 7 September 2023. That standard requires that we plan and perform our engagement to express a conclusion on whether anything has come to our attention that causes us to believe that the Subject Matter is not prepared, in all material

respects, in accordance with the Criteria, and to issue a report.

What Our Review Covered

We reviewed the following Subject Matter within PoM's 2023 Annual Sustainability Report for the year ended 30 June 2023:

Table 1: Non-financial disclosures contained within PoM's 2023 Annual Sustainability Report assured by EY

What we assure (Subject Matter)	What we assure it against ('Criteria')
<ul style="list-style-type: none"> ▶ Scope 1 greenhouse gas emissions (tCO2e) ▶ Scope 2 greenhouse gas emissions (tCO2e) 	<ul style="list-style-type: none"> ▶ GRI 305: Emissions 2016 ▶ Greenhouse Gas (GHG) Protocol, and the National Greenhouse Accounts Factors for Australia and National Greenhouse and Energy Reporting (Measurement) Determination ▶ Recommendations from the Taskforce for Climate-related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB) and the United Nations Sustainable Development Goals (UN SDGs)
<ul style="list-style-type: none"> ▶ Number of lost time injuries for employees and contractors 	<ul style="list-style-type: none"> ▶ GRI 403-9: Occupational Health and Safety (Work-related injuries) 2018 ▶ Lost time injuries as defined under the Australian Standards AS1885.1 Workplace Injury and Disease Recording Standard 1990

What we assure (Subject Matter)	What we assure it against ('Criteria')
<ul style="list-style-type: none"> ▶ Volume of containerised trade through the port (TEU) ▶ Value of trade through the port (\$ billion AUD) 	<ul style="list-style-type: none"> ▶ Those defined by management which are disclosed in their 2023 Annual Sustainability Report

Key Responsibilities

EY's Responsibility

Our responsibility is to express a limited assurance conclusion over the Subject Matter detailed in Table 1 above contained within PoM's 2023 Annual Sustainability Report.

We have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.



Port of Melbourne's Responsibility

PoM's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

Summary of Review Procedures Performed

A review consists of making enquiries, primarily of persons responsible for preparing the Subject Matter, and applying analytical and other review procedures.

The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error. The procedures we performed included, but were not limited to:

- ▶ 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.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our review conclusion

Inherent Limitations

Procedures performed in a review engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained from a review 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.

While 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 assessing aggregation or calculation of data within IT systems.

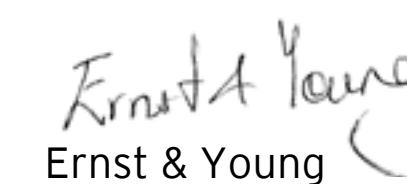
The greenhouse gas quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of greenhouse gases. Additionally, greenhouse gas procedures are subject to estimation and measurement uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Other Matters

We have not performed assurance procedures in respect of any information relating to prior reporting periods, including those presented in the Subject Matter. Our report does not extend to any disclosures or assertions made by PoM relating to future performance plans and/or strategies disclosed PoM's 2023 Annual Sustainability Report.

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.


Ernst & Young



Terence Jeyaretnam, FIEAust EngExec
Partner, Melbourne
28 November 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 over the total Scope 3 greenhouse gas (GHG) emissions included in its 2023 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 2023 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 2023 we reviewed the total Scope 3 greenhouse gas emissions, expressed in tonnes of carbon dioxide equivalent (t.CO₂-e), for Port of Melbourne as presented in Port of Melbourne's 2023 Sustainability Report.

Total Scope 3 GHG emissions: 363,456 t.CO₂-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 and independence

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 2023 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 2023 Sustainability Report.

Foresight Consulting Group Pty Ltd

Joshua Martin, Director

28 November 2023

Contact us

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

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