

Port of Melbourne Modern Slavery Statement

For the Reporting Period 1 July 2019
to 30 June 2020 (Financial Year 2020)



Port of Melbourne



Chairman's Foreword

The Port of Melbourne Group acknowledges the introduction of the Modern Slavery Act 2018 (Cth) (the Modern Slavery Act) (the Act) which is an important measure to address combatting the occurrences of modern slavery and other harmful practices, and provides the increased transparency and accountability to protect workers and ensure ethical labour standards are upheld.

This Statement is made on behalf of the entities as detailed in Section 2 which are a part of the Port of Melbourne Group (referred to as PoM or 'we') and has been prepared in accordance with, and for the purposes of, the Act. It describes the risks of modern slavery in our operations and supply chain during the year ended 30 June 2020 (the Reporting Period) and details the steps that we have taken to respond to the risks of occurrence of

modern slavery in our operations and supply chain, along with an assessment of the effectiveness of these steps.

This Statement was approved by the Board on behalf of each of the Reporting Entities comprising PoM on 23 February 2021 and is correct as of that date.



John Stanhope AM
Chairman, Port of Melbourne



This statement includes the following sections:

Section 1 – Vision, Mission and Values

Section 2 – Our Business and Structure

Section 3 – Our Operations and Supply Chain

Section 4 – Modern Slavery Risks

Section 5 – Actions taken to assess and address Modern Slavery Risks

Section 6 – Assessing the effectiveness of our actions

Section 7 – Other relevant information

About our Business



3,008 SHIP
ARRIVALS PER YEAR



\$114.4 BILLION
TRADE VALUE PER YEAR



119
DIRECT EMPLOYEES*



≈ 650
ACTIVE SUPPLIERS

*114 permanent and 5 casual

1. Vision, mission and values

We are committed to increasing the level of transparency in our operations and supply chain so as to positively contribute to tackling the issues associated with modern slavery. Our Vision and Mission Statement detailed below, along with our Corporate Values detailed in Figure 1, are consistent with this aim:

Vision

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

Mission

Working together with customers and the community, delivering innovative and sustainable port solutions - creating the future and building on our proud history.

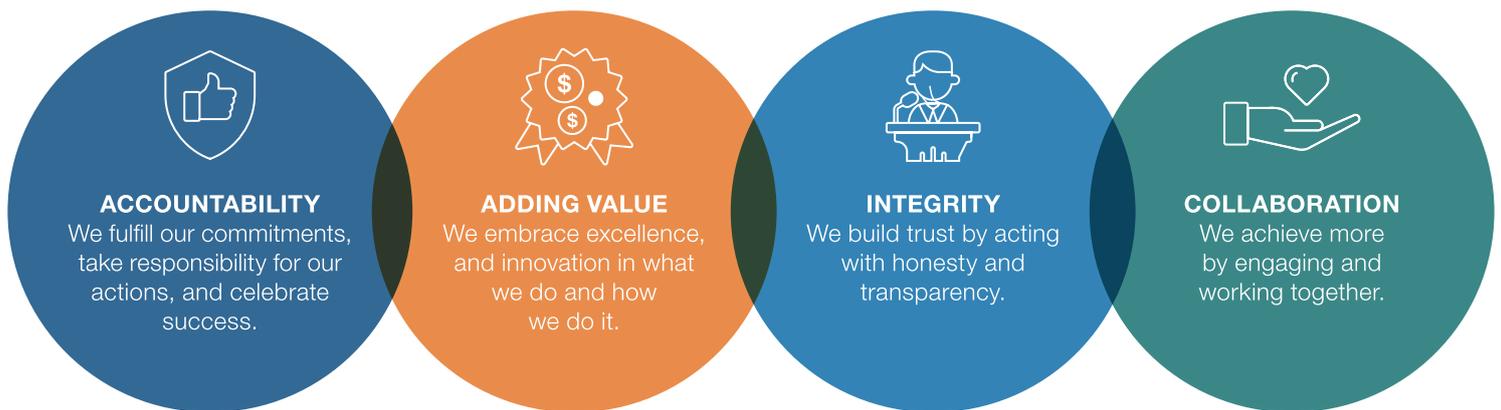


Figure 1: PoM's Corporate Values

2. Our business and structure

The Port of Melbourne is Australia's largest capital city container and general cargo port, handling more than one-third of the nation's container trade. The Port of Melbourne was previously operated by Port of Melbourne Corporation (PoMC), a Victorian Government owned entity. In 2016, PoM was awarded a 50-year lease of the Port of Melbourne by the Victorian Government.

We operate as a landlord port and are responsible for planning, operating and maintaining port land, infrastructure and shipping channels. Our port tenants are responsible for the handling of the import and export trade that flows through the port. The Harbour Master and related functions are undertaken by the Victorian Government entity Victorian Ports Corporation (Melbourne).

This Statement is made on behalf of the entities within PoM which are reporting entities under the Act as they carry on business in Australia and have a consolidated revenue of over \$A100 million during the Reporting Period:

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

- Lonsdale Asset Property Pty Limited as trustee for Lonsdale Asset Property Trust; and
- Lonsdale Finance Pty Limited, (together, the Reporting Entities).

Port of Melbourne Pty Ltd as trustee for the Port of Melbourne Unit Trust is the operating company of PoM and provides services to the entities within PoM under management agreements. In its role as service provider to the entities within PoM it is informed on all activities undertaken by PoM and employs all staff within PoM.

In this Statement, a reference to the Board is to the Board of Port of Melbourne Operations Pty Ltd as trustee for the Port of Melbourne Unit Trust.

PoM's shareholder base includes the following large, well-established Australian and global infrastructure investors and managers:

- Queensland Investment Corporation Ltd (QIC);
- Future Fund (Australia's sovereign wealth fund);
- Global Infrastructure Partners (GIP); and
- Ontario Municipal Employees Retirement System (OMERS).

3. Our operations and supply chain

Our operational capability comprises employees and a number of key contractors who support, develop and maintain the assets of the port. Key terminal and stevedore operations are undertaken by our tenants who have lease agreements with us. Our operating model involves stakeholder engagement practices

and commercial activities with the objective of ensuring the port operates in a safe, efficient and sustainable manner. To support in the delivery of our operational activities we engage a number of key suppliers who can be generally categorised into the groups detailed in Table 1 below:

Infrastructure development	Suppliers engaged to undertake infrastructure development or renewal works to enhance the asset base made available to our tenants, including the procurement of necessary construction materials for asset development and renewal.
Infrastructure maintenance	Suppliers engaged to undertake inspections and maintenance works to ensure the safe and efficient operation of our assets.
Operational delivery	Suppliers and technical consultancies engaged to ensure our assets, IT infrastructure and systems are able to operate in a safe, secure and efficient manner.
Utilities	Providers of electricity, water, telecommunications and other utilities to support our day to day operations.
Business support services and consumables	Business consultancy, IT, HR, finance and other related service suppliers who are either engaged or provide consumables that support business operations.

Table 1 – Key Supplier Categories

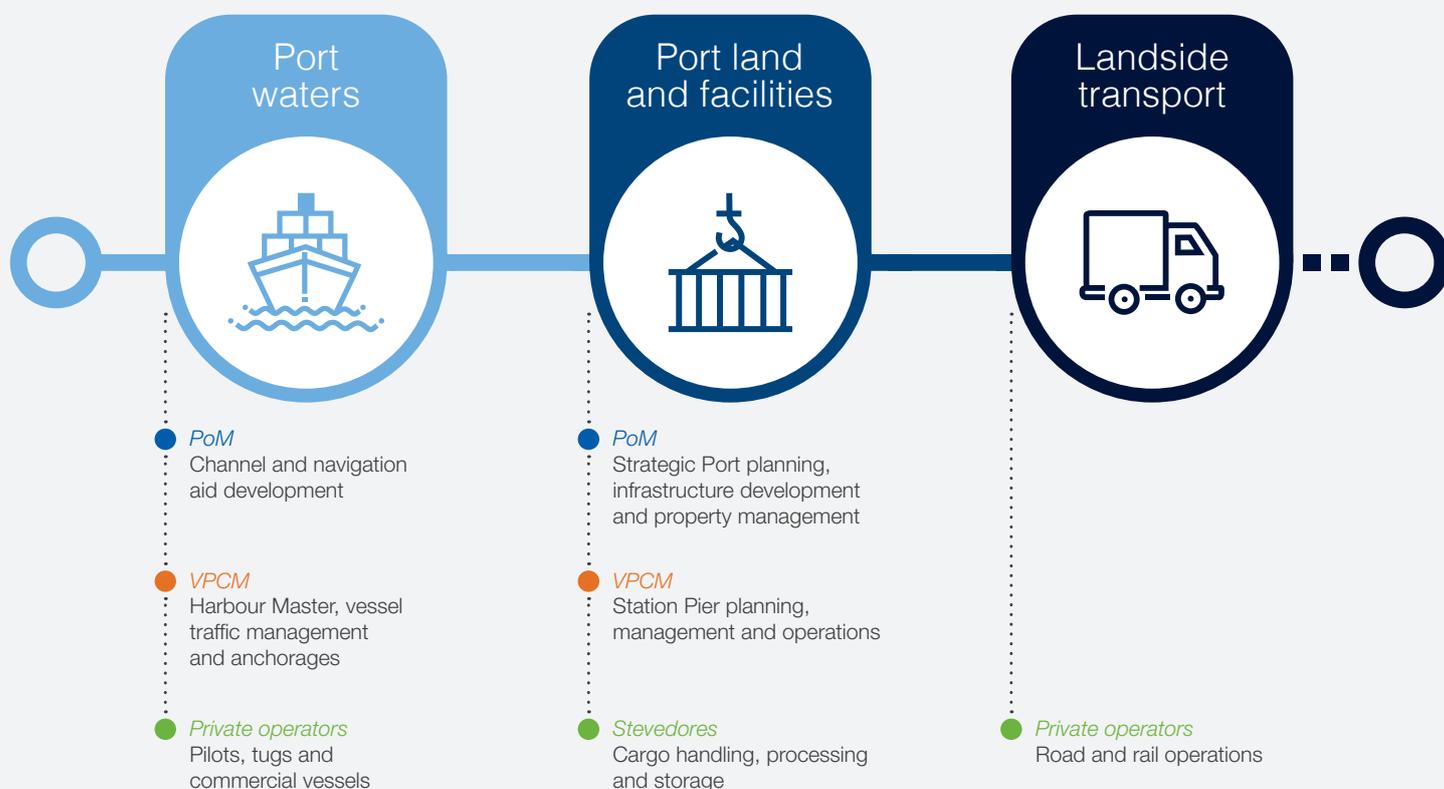
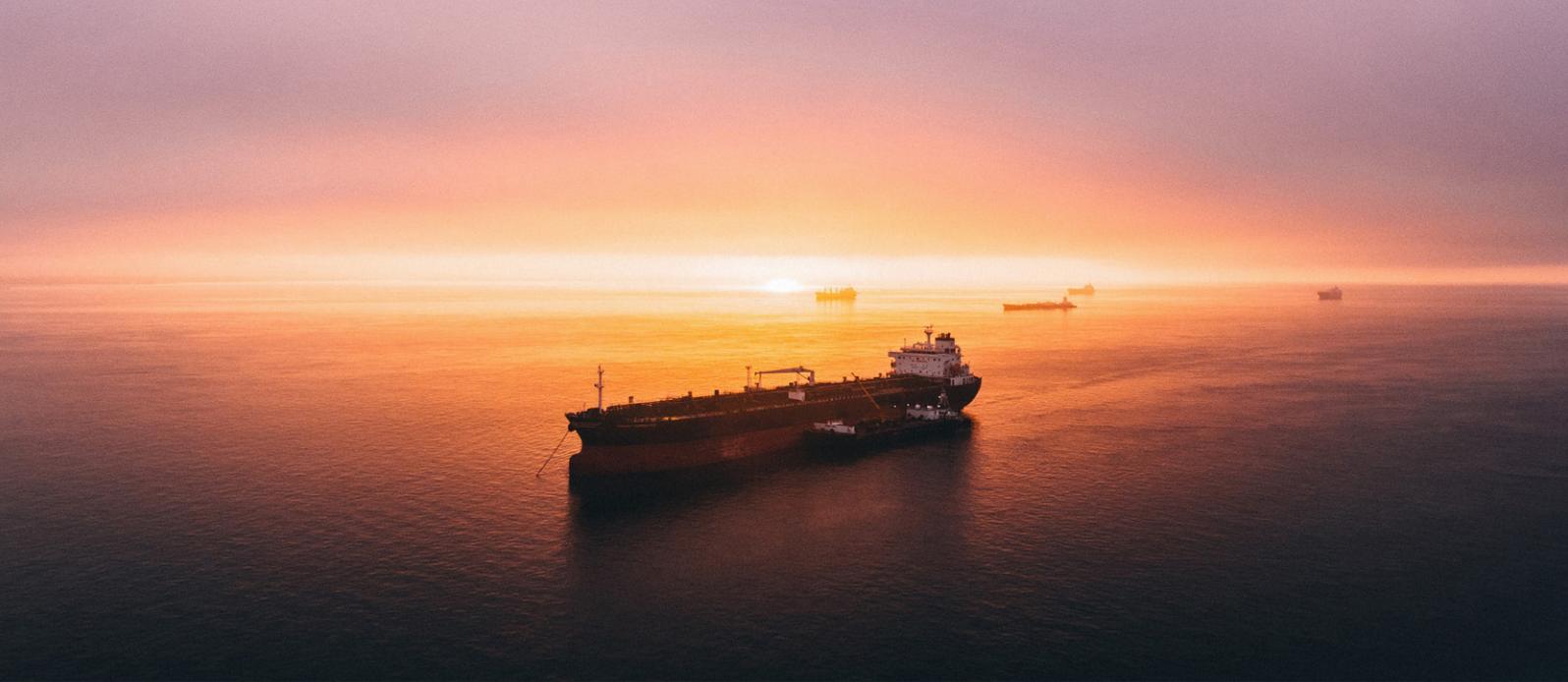


Figure 2: PoM's interaction with other key Port operators



4. Modern slavery risks

Due to the geographical location of the port, the majority of suppliers we engage to maintain our assets and support operations are located within Australia and more specifically within the State of Victoria. The Global Slavery Index (GSI) (created by the Minderoo Foundation Pty and published in 2018) ranks countries based on the prevalence of, and vulnerability to modern slavery, along with the actions taken by Government.

Australia's ranking is considered low with a GSI of 163 (GSI global ranking ranges from 1 to 167). As a result, in the assessment

of risks associated with modern slavery, our primary focus has been high-risk industries. Assessment of high risk industries was supported by various guidance materials prepared in response to the Act, including but not limited to guidance issued by the Minister for Home Affairs.

A review of our supplier base identified a number of suppliers who operate within what are considered industries with an increased risk of the occurrence of modern slavery. A summary of these industries is contained in Table 2 below.

Sectors and industries at high risk	Modern Slavery Risk or Indicators of Modern Slavery
<p>Supply chain</p> <ul style="list-style-type: none"> • Maintenance services • Cleaning services • Security services • Provision of PPE • Supply of construction materials 	<ul style="list-style-type: none"> • Bonded labour • Exploitation of migrant workers • Deceptive recruitment • Underpayment of wages

Table 2: High risk industries associated with PoM's suppliers

During the Reporting Period, we've primarily focused on reviewing the relevant contractual arrangements in place and the manner in which these suppliers engage their workforce. In future Reporting Periods, we intend to increase the level of engagement with our suppliers within these industries to develop a deeper understanding of the controls and mechanisms in place to manage identified modern slavery risks. We also intend to work closer with the suppliers of consumables and other equipment where components or inputs thereof may be procured from, or produced in high-risk countries or jurisdictions.

With respect to the employment of its staff, PoM continues to comply with all applicable legislation and relies on its recruitment and retention processes, practices and policies to ensure all of its staff are employed in a safe, fair and equitable manner.

A potential risk exists in the maritime industry with respect of crews on vessels from international jurisdictions that berth at the port's facilities. Although such international vessel crews are not considered to be within the scope of our operations, should potential instances be found within the port, we are committed to working with the statutory authorities, regulators and stakeholders to positively address any identified issues. Additionally, PoM maintains an association with seafarer support agencies in Melbourne, Mission to Seafarers and Stella Maris which provide practical and pastoral care to seafarers on vessels visiting the port.

5. Actions taken to assess and address modern slavery risks

Operations

PoM's operations occur in Australia and operate in accordance with all applicable Commonwealth and State legislation which supports and protects workers' rights in the workplace. Additionally, all PoM staff are required to conduct their work in a manner consistent with its Board and Management endorsed corporate values which are outlined in our Code of Conduct Policy, which is the principal guiding document for employee behaviour. Appropriate workplace behaviour training is also conducted in areas, including but not limited to procurement and contract management, audit, theft and whistleblowing, to reiterate the expectations of our workforce.

Supply Chain

We have established three categories to align the actions undertaken to assess and address modern slavery risks associated with our operations and supply chain. These categories and the associated activities are detailed in Table 3 below:

Category	Activities
Governance and Policy	A Modern Slavery Working Group was established to develop a Modern Slavery Framework and drive activities and initiatives that enhance PoM's understanding of modern slavery and its associated risks to the business.
	Relevant policies and guidelines have been updated to acknowledge modern slavery risks as they relate to our business, such as the Procurement & Contract Management Policy .
Supplier Engagement and Management	A mapping exercise was conducted for key parts of PoM's supply chain to understand the number of direct suppliers engaged and who operate within identified high risk categories (primarily focussing on sector/industry and product/service risks), with supply arrangements reviewed to understand the extent of potential risks and treatment thereof.
	Inclusion of questions in tender documents that require potential suppliers to detail actions taken to address modern slavery risks in their operations and supplier chain so as to increase the level of due diligence undertaken by PoM before contracts are awarded, and provide opportunities for further education, awareness and action.
	Inclusion of contractual provisions that acknowledge modern slavery risks in relevant contracts in order to promote continuous dialogue and information sharing between PoM and its suppliers and encourage action.
	A preferred suppliers list was established for hospitality services which is a noted high risk industry.
Staff Awareness and Training	A presentation on modern slavery was delivered to all staff during an engagement forum to bring the existence of the issue to the attention to our employees and highlight how it could be prevalent in everyday life.
	Tailored training on modern slavery has been developed and will be delivered as part of appropriate workplace behaviour training (this was planned to be delivered during the Reporting Period but was delayed due to impacts associated with COVID-19).

Table 3: Activities undertaken by PoM in FY20

While we have worked to increase the level of awareness within our business and enhance the extent of due diligence undertaken when establishing supplier relationships, we have not yet established a formal remediation process to respond to reported instances of modern slavery. PoM's existing Whistleblower Policy and supporting guidelines set out a framework and processes for reporting any conduct that is illegal, unacceptable or undesirable, or the concealment of such conduct. While these provide a mechanism for reporting a perceived instance of modern slavery, we will

consider in the subsequent reporting period how to expand and/or supplement the whistleblower policy and guidelines to form part of a modern slavery remediation framework.

PoM is committed to enhancing its dialogue with existing suppliers whilst increasing the level of due diligence in future supplier engagements. This will be driven by a continual enhancement of the applicable internal policies, procedures and supporting artefacts, which is intended to be achieved in subsequent Reporting Periods.

6. Assessing the effectiveness of our actions

To support governance and oversight on the effectiveness of the actions taken by PoM, Management has commenced providing reports on modern slavery to its Board and its Safety and Sustainability Committee (the Committee). The response and assessment framework was established for responding to modern slavery risks in PoM's operations and supply chain, as well as the actions undertaken and planned for future periods. In future Reporting Periods, modern slavery will be included on the appropriate corporate risk register which will also be subsequently reviewed by Management on a quarterly basis.

PoM also engaged a specialist consultant in this area to review our Modern Slavery Framework and actions undertaken and

planned for future periods, to provide further guidance on the appropriateness and effectiveness of these actions. The framework established to report perceived/potential instances of modern slavery will be subject to an internal review that will be submitted to the Committee in the subsequent Reporting Period.

As PoM has only started to undertake modern slavery related supplier due diligence assessments during the Reporting Period, management reviews will commence during subsequent Reporting Periods as a means of assessing the effectiveness of such measures. PoM intends to incrementally establish appropriate internal key performance indicators (KPIs) to report whether such measures have been consistently actioned.

7. Other relevant information

We have commenced the preparation of our Sustainability Program, which will incorporate our approach to addressing the risk of modern slavery as it relates to our supply chain and operations. This intends to provide strategic oversight for the future activities of our business as we work towards contributing to address the issues associated with modern slavery and increasing the level of transparency in our operations and supply chain.



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