

Flinders Port Holdings

Modern Slavery Statement

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Introduction



Being socially responsible is important to Flinders Port Holdings Pty Ltd (**Flinders Port Holdings**) and subsidiary companies identified in Appendix A (together, the **Group**). The Group recognises its role and responsibility in addressing the risk of modern slavery practices in its operations and supply chains. The Group is committed to high standards of ethical conduct and strives to uphold human rights, fair working conditions and to engage in sustainable and environmentally sound business practices. The Group endeavours to always operate responsibly and expects the same from its suppliers. As part of its sustainability commitments, the Group is committed to embedding sustainable practices across its operations, including engaging with its suppliers to improve social practices across its supply chain.

Each of Flinders Port Holdings and Flinders Ports Pty Ltd (**FP**) are 'Reporting Entities' for the purposes of the *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act**) and this is their first, joint, Modern Slavery Statement (**Statement**), submitted for the purposes of the reporting requirement in the Modern Slavery Act. This Statement describes the actions taken by those entities, and the entities they control, to identify, manage and mitigate the risks of modern slavery in their operations and supply chain during the financial year ending 30 June 2020 (**reporting period**).

JOHN MARLAY

CHAIRMAN

FLINDERS PORT HOLDINGS

690+

Total
Employees



21.5 million

Tonnes of Cargo
shipped through our
Ports in 2019/20



\$249.2 million

Total
Revenue



1000+ Direct and indirect

Jobs in
SA



Our structure, operations and supply chains

About Us

Flinders Port Holdings is South Australia's leading port infrastructure provider and a diversified marine, stevedoring and logistics group, playing an integral role in the economic development of the state and the wellbeing of its port communities. The Group owns and operates ports in Port Adelaide and across regional South Australia and provides related services to facilitate the movement of port related cargo across the supply chain.

These services are provided by a number of subsidiaries within the Group, including but not limited to FP, Flinders Logistics Pty Ltd, Flinders Warehousing & Distribution Pty Ltd and Flinders Adelaide Container Terminal Pty Ltd.

Group Structure & Operations

This Statement applies to each company within the Group.

Flinders Port Holdings is ranked as one of South Australia's top 10 companies. The Group has an annual turnover of more than \$200 million and as at the end of the reporting period, employed approximately 695 people. Through our operations, we facilitate the movements of circa \$25 billion of trade, which is equivalent to 94% of South Australia's international trade and 24% of the state's Gross State Product (GSP).

Our approach to modern slavery

The Group is committed to ensuring that risks of modern slavery practices in our operations and supply chains are effectively identified and addressed.

The term 'modern slavery' is used in the *Modern Slavery Act 2018 (Cth)* to describe situations where coercion, threats or deception are used to seriously exploit victims and undermine or deprive them of their freedom. The Modern Slavery Act defines modern slavery as including eight types of serious exploitation:

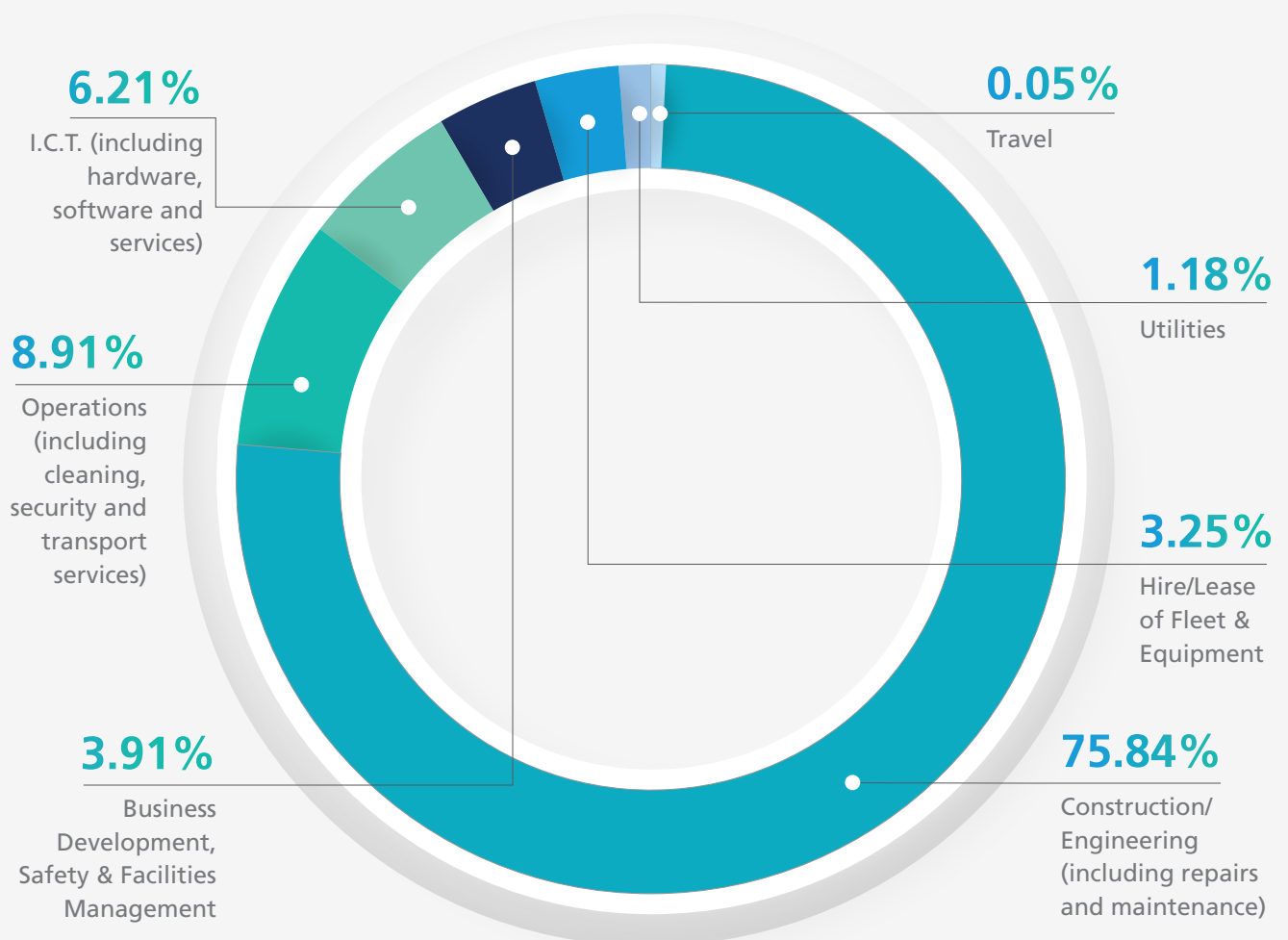
- trafficking in persons;
- slavery;
- servitude;
- forced marriage;
- forced labour;
- debt bondage;
- the worst forms of child labour; and
- deceptive recruiting for labour or services.

Our approach focuses on embedding our modern slavery response as a core element of the Group's values, culture and conduct.

Our structure, operations and supply chains

Supply Chain

In the reporting period, the Group made payments to approximately 773 suppliers. The Group's major categories of procurement included:



99.97% of suppliers and contractors who provided goods and services procured by the Group during the reporting period were based in Australia. Our small number of overseas vendors used in the reporting period were predominantly Original Equipment Manufacturers and suppliers of related spare parts.

Identifying the risks of modern slavery practices

Understanding and assessing our modern slavery risk

During the reporting period, the Group took steps to better understand and assess its modern slavery risks to assist with identifying any risks of modern slavery practices in the Group's operations and supply chains.

Under the Modern Slavery Act, the term '**risks of modern slavery practices**' means the **potential to cause, contribute to**, or be **directly linked to** modern slavery through the operations and supply chains of the Group.

Risks that the Group may **contribute to** modern slavery practices include any acts or omissions that may facilitate or incentivise modern slavery.

Risks that the Group may be **directly linked** to modern slavery practices means the risks that the Group's operations, products or services may be connected to modern slavery through the activities of another entity that any of the Group's entities has a business relationship with (e.g. a supplier).

To help us to better understand where our modern slavery risks lie, we have carefully considered the Australian Government's guidance on modern slavery risk indicators in the *Modern Slavery Act 2018 - Guidance for Reporting Entities*. In particular, we considered:

Sector & Industry risk: whether particular sectors and industries may have high modern slavery risks because of their characteristics, products and processes (e.g. extractives, textiles/fashion, fishing, electronics, cleaning and agriculture).

Product & Services risk: whether certain products and services procured by the Group may have high modern slavery risks because of the way that they are produced/provided/used (e.g. bricks, cotton and rubber).

Geographic/location risk: whether goods/services procured from some countries may pose a higher risk of modern slavery, including due to poor governance, weak rule of law, conflict, migration flows and poverty in those countries.

Entity risks: factors such as poor governance that may contribute to some entities (i.e. customers or suppliers) having particular modern slavery risks.

Identifying the risks of modern slavery practices

In the reporting period, we trialled a risk assessment tool that incorporated a risk assessment matrix, based on our understanding of our risk in the preceding categories, and attributing a risk rating for each of our Tier 1 suppliers (that is, suppliers who provide goods or services to us directly). While this exercise improved our general understanding of potential risks of modern slavery practices, we acknowledge that we have work ahead of us to implement a risk assessment tool that allows us to more confidently identify modern slavery risk in our supply chain, to guide our future actions in relation to that risk. Our intention for the next reporting period is to continue to explore methods for conducting a reliable risk assessment based on the key risk indicators, and we continue to investigate alternative risk assessment tools to assist us to better understand the risks in our supply chain.

Operations

The Group employs most of its workforce directly. Staff are engaged on full-time, part-time and casual contracts which are either compliant with the *Fair Work Act 2009* (Cth) (**Fair Work Act**) or Enterprise Agreements approved by the Fair Work Commission. Australia's Fair Work system, the national workplace relations system created by the Fair Work Act, includes mechanisms aimed at protecting vulnerable workers and promoting better governance.

In assessing and addressing the risks in our operations, we were mindful of the Australian Government's guidance which indicates that modern slavery is only used to

describe 'serious exploitation' and does not include practices like substandard working conditions or underpayment of workers. However, these practices may be an indication of serious exploitation, or may escalate into modern slavery if not addressed. Accordingly, we seek to also assess and address the risk of these practices.

From time to time, the Group uses third party labour-hire arrangements to supplement our workforce and support our operations. We recognise that we have less visibility and control over these workers and their employment terms and conditions. We take steps to manage the risk of modern slavery by engaging with licensed labour hire providers with standing agreements in place with the Group.

While the Group provides port related services to foreign vessels, we do not control the operations of those vessels which limits our oversight and impact on the working conditions of the crews on board. Additionally, the Group understands that there appears to be a perception globally, as noted in modern slavery statements of overseas port operators published in other jurisdictions, that ports may provide entry points for human trafficking. However, this risk is likely reduced in the Australian context, due to our more remote geographic location.

Relevantly, the Group maintains a co-operative working relationship with the relevant authorities that oversee the activities of foreign vessels, including Australian Border Force and the Australian Maritime Safety Authority which is responsible for ensuring international conventions relating

to maritime safety are upheld. We also assist with facilitating and enabling the work of the Australian Seafarers' Welfare Council and other associated seafarer welfare organisations that operate to support the welfare of seafarers onboard vessels using our ports.

In the reporting period, we have also developed a Group Whistleblower Policy, to comply with the new Australian whistleblower regime under the *Corporations Act 2001* (Cth). The Group Whistleblower Policy is available on the Group's websites and includes instructions to enable external and internal parties to raise any concerns that may relate to our operations via the independent FairCall reporting platform, which operates 24 hours a day.

Supply Chain

In order to assist us to better understand our modern slavery risk in our supply chain, taking account of the Australian Government's guidance, we developed and sent a tailored modern slavery questionnaire to a sample group of our higher volume Tier 1 suppliers to test the usefulness of responses received. The responses received have helped to further refine this modern slavery supplier questionnaire for ongoing use during future reporting periods, including as we incorporate it into our supplier onboarding processes.

To further assist us to scope our modern slavery risk in our supply chain in line with the regulatory guidance, we evaluated sector and industry risk, as well as product and services risk, to determine our high-risk procurement

categories. We also considered the relative % of total spend in each of the identified at-risk categories.

Impact of COVID-19 on our supply chain

During the COVID-19 pandemic, the Group's focus has been maintaining the safety of its employees and other persons accessing or using our sites whilst maintaining our operations which are critical to the state. The Group's initial response involved the procurement team identifying critical supplies to ensure continued support of the Group's operations and taking steps to secure those supplies. Recognising the possibility of increased exposure to modern slavery risk due to the impacts of COVID-19 on global supply chains, in particular increased pressures on suppliers and availability of supply, the Group continued, where possible, to secure supply from its qualified preferred suppliers.

Demands and lack of available supply (in particular for Personal Protective Equipment) did require procurement of a minimal amount of supplies from outside of the Group's preferred suppliers. The amount procured was negligible. Procurement staff were made aware of the heightened risk of modern slavery when demand necessitated procurement outside of the Group's approved supplier list, and made additional enquiries as required.

Our actions to assess and address modern slavery risks

Assessing the effectiveness of our actions

OUR PLAN

We developed a high-level plan for addressing our risks of modern slavery in our supply chain and operations in the reporting period (**modern slavery response plan**) which relevant staff have had responsibility for designing and implementing. The diagram below captures the core elements of that plan. Our modern slavery response plan takes a targeted and continuous improvement approach that focusses on our Tier 1 suppliers and on key areas and associated tasks.

Assess & Identify

- Conducting modern slavery risk assessment.

Action

- Undertaking supplier onboarding and contract review.
- Developing policies and procedures.
- Conducting training/awareness.
- Establishing reporting channels.

Review

- Developing a modern slavery response plan.
- Reviewing actions against the plan.

Our performance

Consistent with our continuous improvement approach, our modern slavery response plan for the reporting period targeted our highest priority tasks, that is, identifying and addressing our risks of modern slavery in our operations and supply chain. Our team have worked hard in the reporting period to undertake the following tasks that are relevant to our modern slavery response plan.

PLAN

FY 19/20 TASKS

ASSESS & IDENTIFY

Risk assessment	We undertook a supply chain modern slavery risk assessment exercise- focussing on our Tier 1 suppliers and trialling a risk assessment tool.
Due diligence	We tested a supplier modern slavery questionnaire on a sample group of Tier 1 suppliers to be included in supplier onboarding documentation.

ACTION

Training and capacity building	We trained relevant staff (including delivering training sessions for the Group Leadership Team and procurement team) on identifying and addressing the risk of modern slavery practices, and on modern slavery legislative compliance.
Policy and procedure development	<p>We developed a Sustainability Policy and Ethical Sourcing Policy.</p> <p>We commenced planning for:</p> <ul style="list-style-type: none"> • the development of a Supplier Code of Conduct; and • a review of procurement policies and procedures to incorporate anti-modern slavery requirements. <p>We revised our Group Whistleblower Policy.</p>
Supplier contract review and revision	We included specific modern slavery compliance clauses in our template supplier agreements and in new/varied supplier contracts, including ensuring dispute resolution clauses include appropriate remediation options where a supplier is in breach of a modern slavery compliance clause.
Supplier onboarding	We developed a pre-qualification supplier questionnaire and developed modern slavery related RFX questions (a set of questions requiring mandatory response as part of our formal market approach).
Reporting channels	We established an outsourced whistleblower reporting portal, FairCall, enabling reporting by internal and external parties.

REVIEW

Performance assessment	We focussed our approach by developing a plan of key tasks for the reporting period which we reviewed our actions against.
Oversight	We expanded our internal risk and assurance capability with a view to incorporating oversight of modern slavery compliance into our audit program.

Consultation within the Group

Each entity within the Group is committed to identifying and addressing risks of modern slavery in its operations and supply chain. We have ensured that our Board and senior management are kept updated on activities in relation to our obligations under the reporting requirement in the Modern Slavery Act. Relevant senior staff, have been advised about, and involved in, our modern slavery response plan actions as relevant. We have conducted training sessions for our procurement team and our Group Leadership Team on our Modern Slavery Strategy,

outlining our plan for the reporting period and the status of related tasks.

The Group's consultation approach has reflected the close relationship between its entities and the holistic approach the Group takes to embedding its compliance activities across its entities and departments. As part of its broader Sustainability Policy and accompanying Sustainability Plan, the Group aims to foster an organisational culture committed to corporate social responsibility, including the recognition of human rights.



Continuous improvement

The Group is committed to continuously improving its understanding of and management of its modern slavery risks. In doing so, the Group has engaged with industry to participate in discussion on risks and issues that arise. In particular, Group representatives have attended a number of procurement and legal industry engagement activities in relation to modern slavery in the reporting period, participating in modern slavery workshops and engaging with business peers and industry bodies on issues relevant to modern slavery.

Most notably, key senior staff from the Group's Legal and Procurement teams have attended workshops run by modern slavery specialist law firms and roundtables and peer group meetings run by peak procurement industry groups and professional associations, to participate in discussion and education sessions on the Modern Slavery Act, issues arising in procurement and supply chains, and ways to approach them. The attendance and active participation increased internal capacity and awareness in relation to addressing modern slavery risk and compliance with the Modern Slavery Act.



Looking ahead

In its next reporting period the Group plans to progress the following actions to assess and address its risk of modern slavery practices in its operations and supply chain.

Assess & Identify

- Adopting a specialist ESG or modern slavery specific risk assessment tool for suppliers.
- Continuing to roll out modern slavery supplier questionnaires to targeted suppliers.
- Exploring adoption of digital vendor and tender management platform.

Action

- Continuing to provide training and awareness about modern slavery to relevant employees in the Group.
- Continuing to update procurement policies and procedures.
- Conducting ongoing review of and updates to supplier contracts.
- Establishing a Modern Slavery Working Group to oversee the program of work.

Review

- Developing our modern slavery response plan for the next reporting period.
- Reviewing our actions in the next reporting period against that plan.

Report

- Drafting our next modern slavery statement.

This modern slavery statement (Statement) is made by Flinders Port Holdings Pty Ltd and Flinders Ports Pty Ltd for the financial year ending 30 June 2020.

This Statement was approved by Flinders Port Holdings Pty Ltd's Board of Directors, being the Board of Directors of Flinders Ports Pty Ltd's parent company, on 26th February 2021.



STEWART LAMMIN

CHIEF EXECUTIVE OFFICER, FLINDERS PORT HOLDINGS

This Statement was prepared to meet the mandatory reporting criteria set out at section 16 of the Modern Slavery Act. The below table identifies where each criterion is addressed within the Statement.

MODERN SLAVERY ACT CRITERIA	FPH MODERN SLAVERY STATEMENT	PAGE
1. Identify reporting entity.	Introduction	3
2. Describe the reporting entity's structure, operations and supply chains.	Our structure, operations and supply chain	5
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	Identifying the risks of modern slavery practices	7
4. Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes.	Identifying the risks of modern slavery practices	9
	Our actions to assess and address modern slavery risks	10
	Impacts of COVID-19	9
5. Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks.	Assessing the effectiveness of our actions	10
6. Describe the process of consultation with any entities the reporting entity owns or controls.	Consultation within the Group	12
7. Any other relevant information.	Continuous improvement	13
	Looking ahead	14

Appendix A

Flinders Port Holdings Pty Ltd (Flinders Port Holdings) subsidiary companies (together, the Group) in the reporting period (FY19/20):

- Flinders Ports Pty Ltd
- Flinders Ports Adelaide Container Terminal Pty Ltd
- Flinders Ports Land Development Pty Ltd
- Flinders Logistics Pty Ltd
- Flinders Port Management Services Pty Ltd
- Flinders Spencer Gulf Ports Pty Ltd
- Adelaide Container Terminal Pty Ltd
- Spencer Gulf Portlink Pty Ltd
- Flinders Spencer Gulf Marine Service Pty Ltd
- Flinders Adelaide Container Terminal Pty Ltd
- Flinders TBSH Pty Ltd (this company, a logistics business operator based in Townsville, Queensland, was divested in March 2020 and is no longer part of the Group)
- Flinders Warehousing & Distribution Pty Ltd



