

Flinders Port Holdings

Modern Slavery Statement

FY2022

Flinders
Port
Holdings 

A man with short brown hair and a beard, wearing a high-visibility orange and blue work jacket, is driving a truck. He is looking towards the camera with a slight smile. The truck is in a dark tunnel, with a blue light visible on the ceiling. The background is blurred, showing the interior of the truck and the tunnel walls.

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Introduction

At Flinders Port Holdings Pty Ltd (**FPH**) we believe a sustainable business is one that acts positively to achieve sustainable outcomes, minimising harm, being at one with our communities and the environment and ensuring the financial resilience of our operations now and in the future.

Our aim is to be recognised as a leader in sustainable port development and operations and to create a business we can continue to be proud of, contributing to better outcomes for future generations.

As part of its sustainability commitments, FPH and its subsidiary companies identified in Appendix A (together, the **Group, we, or us**) has continued its commitment to addressing the risk of modern slavery practices in its operations and supply chains. The Group strives to consistently demonstrate high standards of ethical conduct and to uphold human rights, fair working conditions and to engage in sustainable and environmentally sound business practices. We endeavour to always operate responsibly and expect the same from our suppliers.

About this Statement

Both FPH and its subsidiary, 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 joint, Modern Slavery Statement (**Statement**), submitted to meet 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 2022 (**reporting period**). This Statement describes the journey that the Group has taken in the third reporting period to further develop our maturity in assessing our risks of modern slavery practices and to embed and implement our modern slavery response plan.

700+

**Total
Employees**

24
billion

in international
trade in 2021/22

22
million

Tonnes of Cargo
shipped through our
Ports in 2021/22

240+
million

**Annual
Turnover**

28
million

invested in
Port infrastructure
in 2021/22

Our structure, operations and supply chain

About Us

FPH is a privately owned port, logistics and container terminal services group based in Port Adelaide, South Australia. In addition to Port Adelaide, FPH owns and operates Flinders Adelaide Container Terminal as well as six regional ports across South Australia - Port Giles, Port Lincoln, Wallaroo, Port Pirie, Klein Point and Thevenard. FPH 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, including in a number of regional areas. We also provide integrated supply chain solutions through Flinders Logistics and Flinders Warehousing and Distribution. Beyond ports and logistics, we deliver hydrographic survey services through HydroSurvey Australia. The complete list of entities within the Group is at Appendix A.

Our Operations

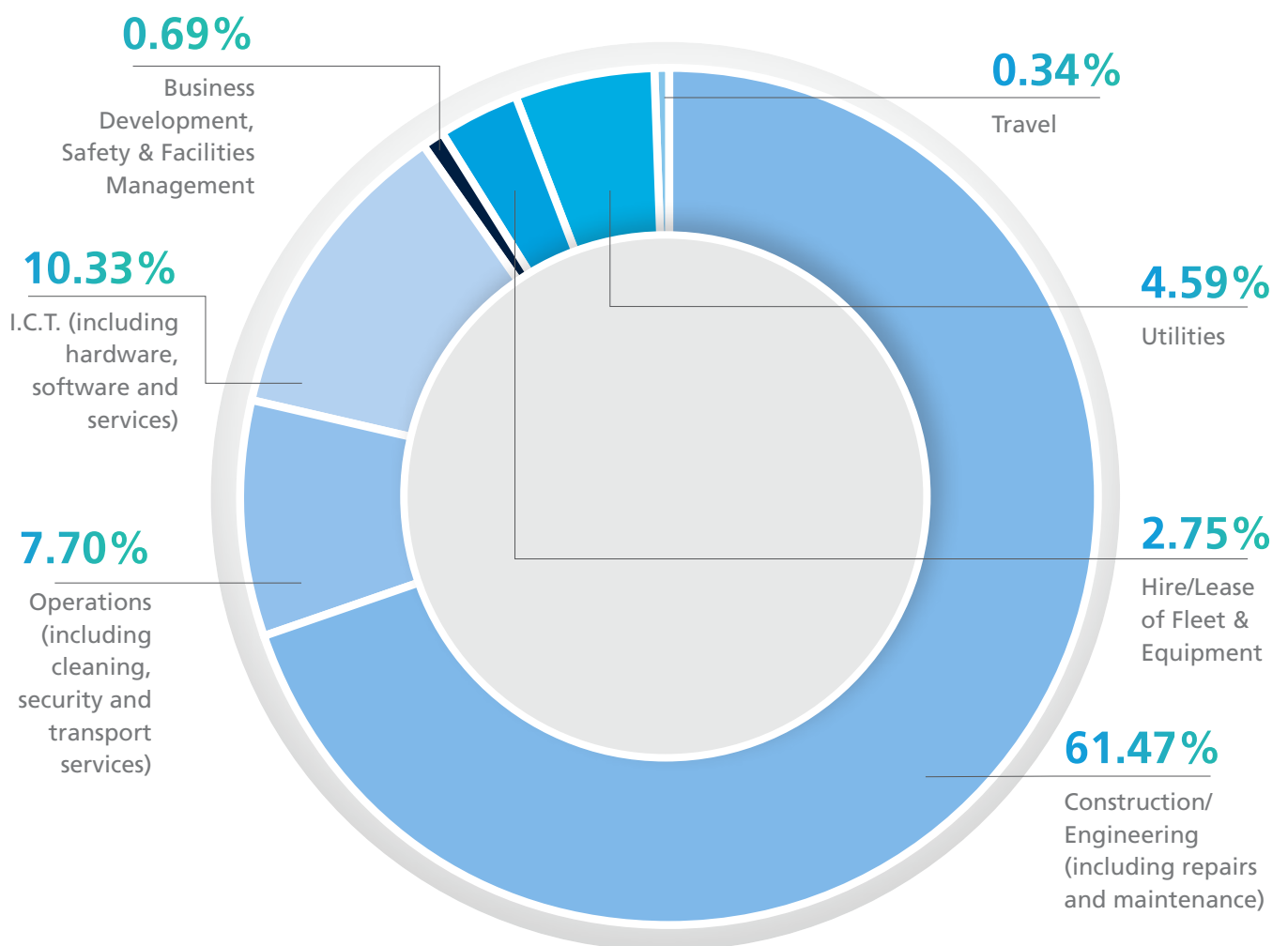
This Statement describes actions that have been undertaken by the Group in the FY22 reporting period, to assess and address the risks of modern slavery practices in the supply chain and operations of each company within the Group.

FPH was named one of ten private Australian companies recognised for their outstanding business performance in Deloitte Australia's 2021 Best Managed Companies awards. The Group had an annual turnover of \$244.2 million in FY22 and, as at the end of the reporting period, employed 715 people. Through our operations, we facilitated the movement of over 22 million tonnes of cargo through our ports.

With the impacts of the global pandemic continuing this reporting period, the Group, and our people, have played an important role in keeping South Australia moving.

Our Supply Chain

In the reporting period, the Group made payments to 1,047 Tier 1 suppliers (Tier 1 suppliers are those that deal directly with the Group). With the exception of spend that related to suppliers providing HR and legal support to the Group, and spend related to regulatory obligations, the Group's major categories of procurement included:*



* Expressed as a percentage of total spend.
Note does not add up to 100% as excludes HR, legal and regulatory spend.

Location of Suppliers

98.47% of suppliers and contractors that provided goods and services procured by the Group during the reporting period were based in Australia. Our small number of overseas suppliers included vendors based in the following locations:

COUNTRY / REGION	NUMBER OF SUPPLIERS
Germany	5
Canada	1
New Zealand	1
The Netherlands	2
USA	2
UK	3
Sweden	2

Our approach to modern slavery

We are 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 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 the following conduct: 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.

Policies and Procedures

The Group has developed a Sustainability Plan that incorporates our actions in relation to modern slavery. Our Sustainability Plan underpins our Sustainability Policy and includes embedding ethical sourcing principles into procurement processes.

As part of our 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. In the reporting period, the Group finalised its Ethical Sourcing Policy, supported by our Supplier Code of Conduct, finalised in the previous reporting period.

Supplier Due Diligence

All our new supplier agreements contain specific modern slavery compliance clauses which have been drafted in consideration of our obligations under Australian anti-slavery legislation, including the Modern Slavery Act. Existing agreements (entered into prior to the template modern slavery compliance clauses being included) are updated, with these modern slavery clauses, as they are renewed.

Our vendor approach electronic procurement systems, RFX templates, and vendor application forms include modern slavery compliance questions in relation to the supplier's policies, procedures or monitoring systems to address the risk of modern slavery practices.

Since April 2020, we have provided a mandatory modern slavery supplier questionnaire (**Supplier Questionnaire**) to our new suppliers in our Vendor Application Pack. There is now a trigger in our procurement systems that if a supplier has not been engaged within 24 months they are 'reactivated' and will be sent the Supplier Questionnaire.

Currently, our Supplier Questionnaire is targeted to our Tier 1 suppliers. The responses are assessed by our Procurement Team who are responsible for identifying potential 'red flags' in a vendor's responses. In this reporting period, the Group finalised its Supplier Modern Slavery Risk Management Framework to assist us in using the Supplier Questionnaire responses in our risk assessment and risk controls in a systemised manner. In particular, responses to our Supplier Questionnaire have been integrated into our RFX process as part of the implementation of the Supplier Modern Slavery Risk Management Framework.

Identifying the risks of modern slavery practices

Understanding and assessing our modern slavery risk

Under the Modern Slavery Act, we understand that the term '**risks of modern slavery practices**' refers to the potential to **cause, contribute to, or be directly linked to** modern slavery through the operations and supply chains of the Group and we have focused our risk assessment accordingly.

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 (eg a supplier).

In the development of all our risk assessment methodology, we carefully consider the Australian Government's guidance on modern slavery risk indicators in the *Modern Slavery Act 2018- Guidance for Reporting Entities (Australian Government's Modern Slavery Reporting Guidance)*. In particular, we focus on our sector and industry risk; product and services risk; geographic risks and entity risks.

To build our maturity in scoping our modern slavery risk, in the previous reporting period we engaged a specialist provider to undertake a comprehensive Environmental, Social and Governance (ESG) and modern slavery risk assessment across our supply chain and operations, delivering findings on both the inherent and residual modern slavery risks within the business.

Operations

In assessing and addressing the modern slavery risks in our operations, the Group has determined, as confirmed by external specialist ESG risk assessors, that it has a relatively low exposure to modern slavery risks through its direct employment of workers.

The Group employs most of its workforce directly and had a total of 715 employees at the end of the reporting period. Our 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.

However, we acknowledge that we are exposed to some potential risk of modern slavery practices through our use of 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. In South Australia, where the Group operates, the *Labour Hire Licensing Act 2017 (Cth)* requires that labour hire service providers be licensed. One of the objects of the legislation is to protect workers from exploitation, including by generally prohibiting the use of unlicensed labour providers. Accordingly, we take steps to ensure compliance with that legislation, and manage the risk of modern slavery, by engaging with licensed labour hire providers with standing agreements in place with the Group.

Operations continued

In addition, we have developed maturity in our supplier risk assessment processes, which will enable us to refine further control measures for this particular risk.

While the Group provides port related services to foreign vessels, we do not control the operations of those vessels. This limits our oversight and impact on the working conditions of the crew on board. Additionally, we understand that there is a globally recognised wider potential risk that ports may provide entry points for human trafficking and that the shipping industry is considered higher risk due its exposure to key risk indicators such as geographic locations of workforce. However, the Group's risk profile is likely reduced in the Australian context, due to our more remote geographic location.

Relevantly, we maintain a co-operative working relationship with 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. If we were to become aware of allegations of Modern Slavery in relation to a vessel, we would cooperate with relevant regulators and stakeholders as required.

In the reporting period, FPH also made a minority investment in Complexica Pty Ltd, a leading provider of Artificial Intelligence software for supply and demand optimisation. While we understand that (as outlined in the Australian Government's Modern Slavery Reporting Guidance) we are not required to monitor or report on individual investees, the Group's integration of modern slavery actions into its Sustainability Plan informs our activities, including any investments we may make.

To assist us to identify and address any risks of modern slavery in our operations, we understand that it is critical to have properly embedded grievance reporting mechanisms. Our Group Whistleblower Policy includes instructions to enable internal and external parties to raise concerns that may relate to our operational risk via the independent FairCall reporting platform, which operates 24 hours every day. Our Whistleblower Policy is publicly available on our website. Specific training on the policy is included in our employee induction pack to ensure that all employees know how to access our reporting platform.

To support these measures, and further assist our employees to identify the risks of modern slavery practices in our operations, we plan to deliver organisation-wide modern slavery awareness training.

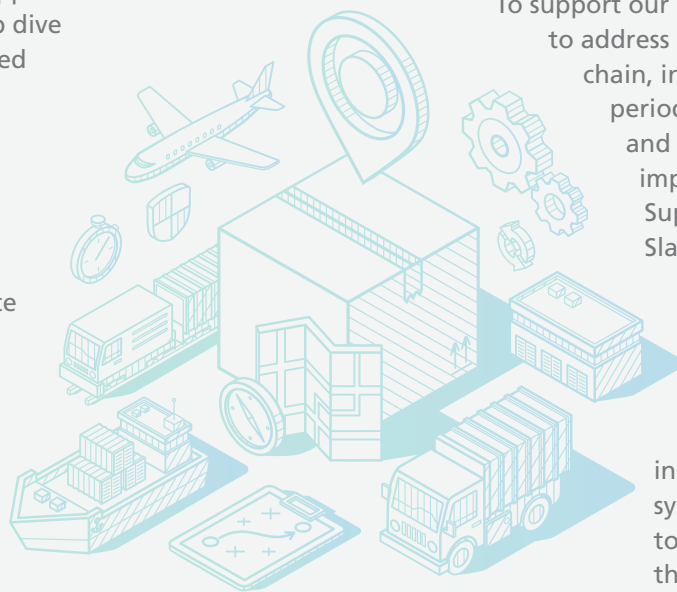
Supply chain

In the previous reporting period, our external specialist provider performed an inherent risk assessment over 921 of the Group's Tier 1 suppliers using a bespoke risk assessment tool. The results of this risk assessment identified that the primary inherent risks of modern slavery in the Group's supply chain relate to our purchase of uniforms, forest products and IT equipment. To further interrogate our residual risk, 20 suppliers were selected for a deep dive assessment, targeted by application of a causation analysis based on the Australian Government's Modern Slavery Reporting Guidance and the UN Guiding Principles (Principle 19), along with our financial exposure (i.e. supplier spend).

This provided us with useful data to refine our understanding of our residual risk.

Overall, the findings of this risk assessment indicated that the Group has a comparatively low financial exposure to higher risk suppliers, with suppliers that could be categorised as high risk representing just over 2 percent of our Tier 1 supplier spend for the previous, FY21 reporting period.

In large part, this was due to the majority of our suppliers being Australian based and therefore subject to strong regulation and governance practices. This continues to be the case for our FY22 suppliers. Despite the low risk profile of our Tier 1 suppliers, we acknowledge the potential for greater risk deeper within our supply chain and remain committed to implementing controls that seek to interrogate this risk.



To support our ongoing actions to address risks in our supply chain, in this reporting period, we developed, and commenced implementing, a Supplier Modern Slavery Risk

Management Framework.

The framework outlines the approach, including relevant systems, processes, tools and policies, that the Group will

use to assess and address the risk of modern slavery in its supply chain, in relation to specific suppliers. Under the Supplier Modern Slavery Risk Management Framework, we conduct a 'Supplier Categorisation' to distinguish between our 'Active Management Suppliers' and 'Passive Management Suppliers' and apply appropriate risk management actions and controls based on this Supplier Categorisation.

Our actions to assess and address modern slavery risks

Assessing the effectiveness of our actions

OUR PLAN

In 2019-2020, we developed our modern slavery response plan, a high-level plan that drives our actions for addressing risks of modern slavery in our supply chain and operations. The diagram below captures the core elements of that plan. Our modern slavery response plan takes a targeted and continuous improvement approach that focuses on our Tier 1 suppliers and on key areas and associated tasks.

In this third reporting period, we have continued to implement and embed this modern slavery response plan. This program of work has, as in the previous reporting period, been overseen by a dedicated Modern Slavery Working Group, comprised of relevant senior personnel and with participation from specialist external providers.

Assess & Identify

- Conducting a comprehensive modern slavery risk assessment

Action

- Undertaking supplier onboarding and contract review
- Developing and implementing policies and procedures
- Conducting training/awareness
- Establishing a Modern Slavery Working Group to oversee the program of work
- Embedding reporting channels

Review

- Reviewing actions against our modern slavery response plan

Our Performance

Consistent with our continuous improvement approach, the Modern Slavery Working Group has worked diligently in the reporting period to progress the following tasks identified as the highest priority as part of our modern slavery response plan.

FY2022	PLANNED TASKS	COMPLETED TASKS
ASSESS AND IDENTIFY		
Risk assessment	Developing a supplier risk assessment tool.	We are continuing to further develop our supplier risk assessment tool, including through improved integration of our Supplier Questionnaire responses.
Due diligence	Continuing to implement enhanced supplier selection and onboarding processes for all suppliers through improvements to our Supplier Questionnaire process and content.	<p>Since April 2020, our Supplier Questionnaire has been provided to every new supplier with a 100 percent response rate.</p> <p>We have continued to adopt our supplier reactivation process for inactive suppliers, requiring completion of our Supplier Questionnaire for reactivation.</p> <p>We have continued to use digital procurement software to manage procurement processes and assist with supplier due diligence measures.</p> <p>In addition to the above, we are continuing to implement enhanced supplier selection and onboarding processes for all suppliers through improvements to our Supplier Questionnaire process and content. In the reporting period, our Supplier Modern Slavery Risk Management Framework was finalised, and responses to our Supplier Questionnaire have been integrated into our RFX process as part of the implementation of this framework.</p>

FY2022	PLANNED TASKS	COMPLETED TASKS
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ACTION

Training, awareness and capacity building

Continuing to provide training and awareness to relevant employees in the Group.

Working with our Tier 1 suppliers to develop strategies to leverage influence to interrogate deeper within our supply chains.

Identifying an appropriate NGO or modern slavery compliance specialist organisation to assist with potential supplier accreditation work.

We delivered training sessions for relevant staff to support our modern slavery compliance measures. As part of our Senior Leader’s Forum, we delivered training to senior managers on our Whistleblower Policy, a critical mechanism to assist with reporting of modern slavery risk. In addition, training was provided to the Group’s Procurement Team on the Supplier Modern Slavery Risk Management Framework in June 2022.

We held productive discussions with key Tier 1 suppliers in the reporting period regarding their ethical sourcing programs. We look forward to continuing to build on our collaborative supplier relationships to inform our approach and leverage our influence across our supply chain.

We continue to explore options for identifying an NGO or specialist modern slavery organisation to assist with accreditation. As part of this exploration, two members of our Modern Slavery Working Group attended the South Australian Modern Slavery Workshop facilitated by the University of South Australia’s Centre for Enterprise Dynamics in Global Economies, designed as a multidisciplinary roundtable for various stakeholder groups. In particular, the focus of the workshop was on assessing actions to address modern slavery risk.

FY2022

PLANNED TASKS

COMPLETED TASKS

ACTION continued

Policy and procedure development

Maturing our risk assessment processes to steer the implementation of the Supplier Modern Slavery Risk Management Framework.

Further implementing procurement policies and procedures.

Developing a roadmap for the next 3-5 years which will outline the business' planned activities to manage its modern slavery compliance risks

Relevant policies and procedures have been updated, as necessary, to reference new modern slavery policies and procedures, including by incorporating references to our Supplier Code of Conduct. As part of this work, we finalised our Ethical Sourcing Policy, supported by our Supplier Code of Conduct developed in the FY21 reporting period.

We developed, and commenced implementing, our Supplier Modern Slavery Risk Management Framework.

We have matured our risk assessment processes to steer the implementation of our Supplier Modern Slavery Risk Management Framework, including by integrating responses to our Supplier Questionnaire into our RFX process. We are conducting ongoing assessment of available risk assessment tools in the market to further assist with this process.

We developed a roadmap for the next 3-5 years outlining the Group's longer-term plans to manage its modern slavery compliance risks. This 3-5 Year Road Map will inform our modern slavery response plan for the reporting periods to come.

Supplier contract review and revision

Conducting ongoing review of and updates to supplier contracts.

Our new supplier agreements contain specific modern slavery compliance clauses. Existing agreements (entered into prior to this template clause being developed) have been updated accordingly when varied during the reporting period.

Supplier onboarding

Maturing our risk assessment processes to steer the implementation of the Supplier Modern Slavery Risk Management Framework.

We have adopted our Supplier Modern Slavery Risk Management Framework which requires supplier categorisation as part of the onboarding process, with suppliers that are categorised as 'Active Management' subject to additional controls.

Reporting

Maintaining robust grievance reporting mechanism (this task is an annual standing item).

Our outsourced whistleblower reporting portal, FairCall, continued to operate in the reporting period enabling reporting by internal and external parties. We have incorporated specific training on our Group Whistleblower Policy in our employee induction pack.

FY2022 **PLANNED TASKS** **COMPLETED TASKS**

REVIEW		
Performance assessment	Developing our modern slavery response plan for the next reporting period.	We focused our approach by developing a plan of key tasks for the reporting period, shared in the 'Looking Ahead' section of our previous Statement and assessing the effectiveness of our actions against each of these tasks (as set out in this table).
Oversight	Reviewing our action in the next reporting period against that plan, by developing an assurance program around our bespoke Supplier Management Framework.	Our Modern Slavery Working Group met regularly during the reporting period to oversee our program of work. We continue to plan for an assurance program based on our new Supplier Modern Slavery Risk Management Framework.

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 through their involvement in our Modern Slavery Working Group.

Our consultation approach reflects the holistic approach the Group takes to the consistent implementation of its compliance activities across its business units.

Continuous improvement

The Group is committed to continuously improving its understanding and management of its modern slavery risks, as demonstrated by our significant investments in maturing our risk assessment measures, and further developing our risk control measures. In addition, the Group continues to develop and build on the competencies and capabilities of its people in this area, with a particular focus on those responsible for implementation of key actions under our modern slavery response plan.

Staff and key personnel, including from our Procurement Team and Legal Team, have attended training sessions and workshops run by external specialist providers and the Australian Government to ensure that relevant teams have a sound understanding of our modern slavery compliance requirements and industry best practices.

The Group also ran a session for its senior managers in 2022, as part of our Senior Leader's Forum, on our Whistleblower Policy, a critical mechanism to support our modern slavery compliance as it facilitates reporting of modern slavery risks in our operations and supply chain.

In June 2022, two members of our Modern Slavery Working Group, including a member of the Group's Procurement Team, attended the South Australian Modern Slavery Workshop facilitated by the University of South Australia's Centre for Enterprise Dynamics in Global Economies, designed as a multidisciplinary roundtable for various stakeholder groups. We look forward to continuing to participate in industry leader and stakeholder forums to assist us to be guided by best practice in our modern slavery response plan actions.

Looking ahead

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

Assess & Identify

- Introducing a supplier pre-qualification process related to modern slavery.
- Reviewing our Procurement Policy, including to continue development of underlying principles to guide our procurement process in respect of key ESG risks, such as modern slavery.
- Considering a software solution for pre-qualification and for risk assessments that incorporates modern slavery risk.

Action

- Deliver modern slavery awareness training to all employees.
- Further implementing our Supplier Modern Slavery Risk Management Framework, prioritised by supplier risk profile, and reviewing the effectiveness of its operation.
- Collaborating with our Tier 1 suppliers and industry peers regarding modern slavery compliance supply chain activities and industry best practice.
- Reviewing and updating our Modern Slavery Roadmap for Year 5 and beyond.

Review

- Developing our modern slavery response plan for the next reporting period.
- Reviewing our Supplier Modern Slavery Risk Management Framework.

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 2022.

This Statement was approved by the Flinders Port Holdings Pty Ltd's Board of Directors, being the Board of Directors of Flinders Ports Pty Ltd's parent company, on 24 November 2022.



STEWART LAMMIN

CHIEF EXECUTIVE OFFICER, FLINDERS PORT HOLDINGS

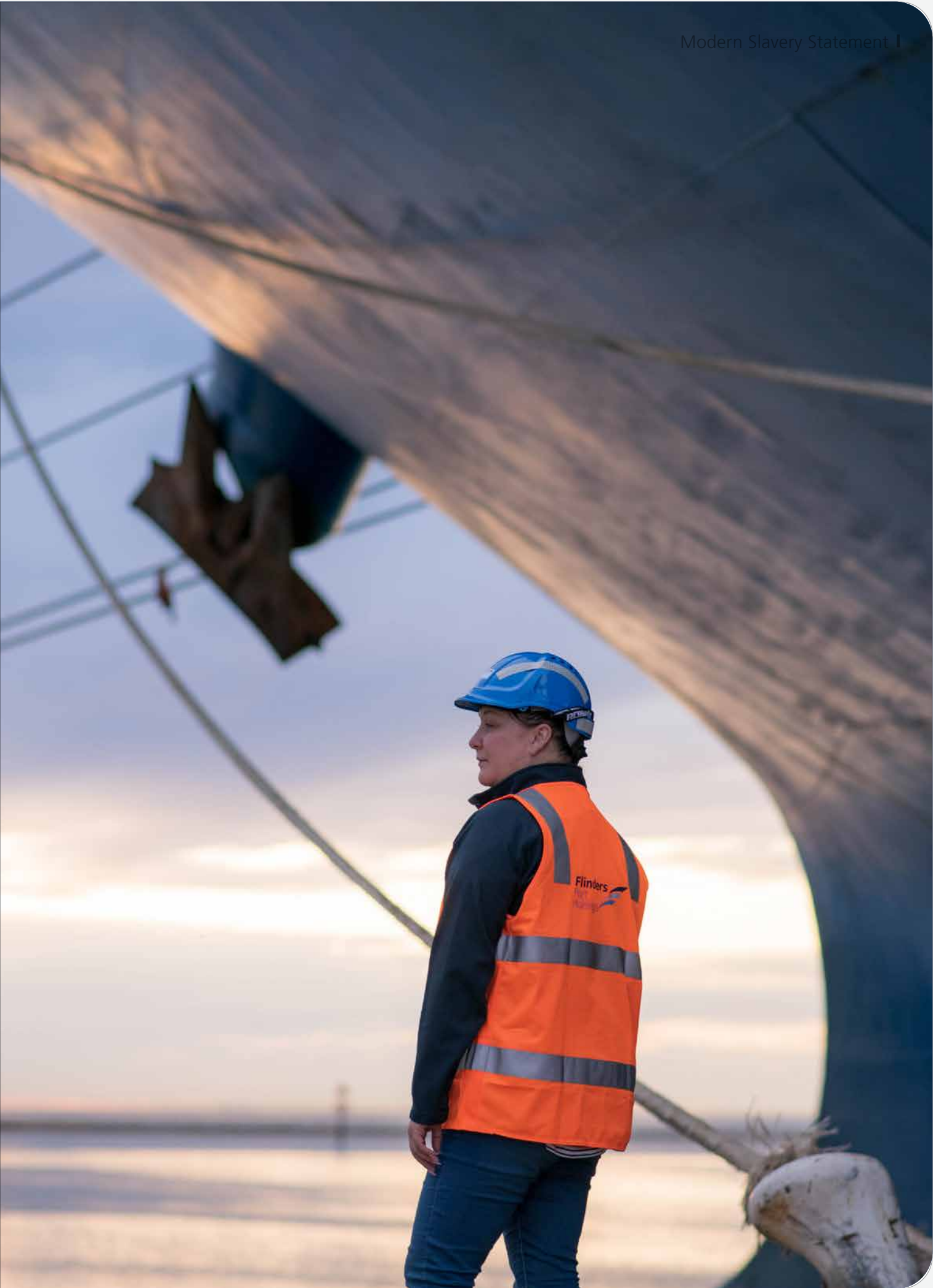
This Statement was prepared to meet the mandatory reporting criteria set out at section 16 of the Modern Slavery Act. The below table identifies where each criterion is addressed within the Statement.

MODERN SLAVERY ACT CRITERIA	FPH MODERN SLAVERY STATEMENT	PAGE
1 Identify reporting entity.	Introduction and Appendix A	1
2 Describe the reporting entity's structure, operations and supply chains.	Our structure, operations and supply chain	3
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	7
	Our actions to assess and address modern slavery risks	10
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	11
6 Describe the process of consultation with any entities the reporting entity owns or controls.	Consultation within the Group	15
7 Any other relevant information.	Continuous improvement	15
	Looking ahead	16

Appendix A

Flinders Port Holdings Pty Ltd (**Flinders Ports Holdings**) subsidiary companies (together, **the Group**) in the reporting period (FY22):

- Flinders Ports Pty Ltd
- Flinders Ports Adelaide Container Terminal Pty Ltd
- Flinders Adelaide Container Terminal Pty Ltd
- Flinders Ports Land Development Pty Ltd
- Flinders Logistics Pty Ltd
- Flinders Warehousing and Distribution 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





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