

Flinders Port Holdings

Modern Slavery

Statement

FY2020/2021

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Introduction



In 2020 and 2021, Flinders Port Holdings Pty Ltd (**Flinders Ports Holdings**) and 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. As part of our sustainability commitments, the Group is committed to embedding sustainable practices across our operations, including engaging with our suppliers to improve social practices across our supply chain.

About this Statement

Each of Flinders Port Holdings (**FPH**) and Flinders Ports Pty Ltd (**FP**) are 'Reporting Entities' for the purposes of the Modern Slavery Act and this is their joint, Modern Slavery Statement (**Statement**), submitted for the purposes of the reporting requirement in the Modern Slavery Act 2018 (Cth) (**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 2021 (**reporting period**). The Statement describes the journey that the Group has taken in the second 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.

JOHN MARLAY

CHAIRMAN
FLINDERS PORT HOLDINGS

700+

**Total
Employees**



23

million

**Tonnes of Cargo
shipped through our
Ports in 2020/21**



240+

million

**Annual
Turnover**



1000+

Direct and indirect

**Jobs in
SA**



Our structure, operations and supply chains

About Us

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. The Group operates Port Adelaide and six regional ports across South Australia (Port Lincoln, Port Pirie, Thevenard, Port Giles, Wallaroo and Klein Point) 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 Adelaide Container Terminal Pty Ltd, Flinders Logistics Pty Ltd and Flinders Warehousing & Distribution Pty Ltd. The complete list of entities within the Group is at Appendix A.

Our Operations

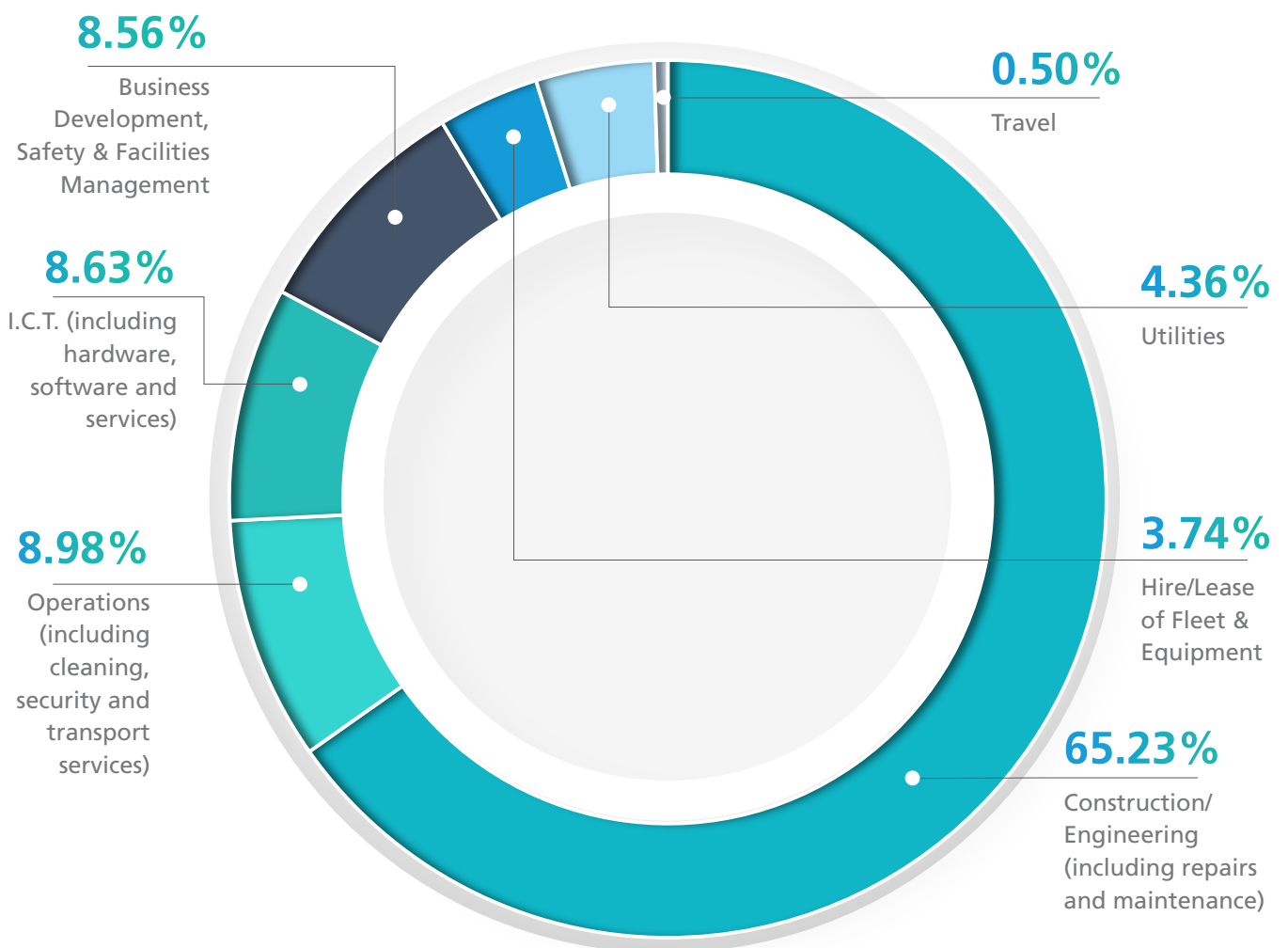
This Statement describes actions that have been undertaken by the Group, to assess and address the risks of modern slavery practices in the supply chain and operations of each company within the Group.

FPH is ranked as one of South Australia's top 10 companies. The Group has an annual turnover of more than \$240 million and, as at the end of the reporting period, employed 709 people. Through our operations, we facilitate the movements of 23,232,000 million tonnes of cargo.

With the global pandemic continuing during this reporting period, the Group, and our people, have played an important role in keeping South Australia moving during this challenging time in the State's history.

Our Supply Chain

In the reporting period, the Group made payments to 921 Tier 1 suppliers. The Group's major categories of procurement included:



Location of Suppliers

98.91% 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 suppliers included vendors based in the following locations:

COUNTRY / REGION	NUMBER OF SUPPLIERS
Germany	3
The Netherlands	2
Singapore	1
China	1
USA	1
Sweden	1

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 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 & conduct.

Our approach to modern slavery

Policies and Procedures

The Group has developed a Sustainability Plan that incorporates our actions in relation to modern slavery, including our Ethical Sourcing Policy and our Sustainability Policy.

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 also developed its Supplier Code of Conduct.

Supplier Due Diligence

All of our new supplier agreements contain specific modern slavery compliance clauses which have been drafted in consideration of our obligations under Australian modern slavery legislative obligations, including the Modern Slavery Act. Current supplier contracts (entered into prior to the template modern slavery compliance clauses being included) will be updated, with these modern slavery clauses, when 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 (including child or forced labour).

Since April 2020, we have provided a mandatory modern slavery 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 modern slavery questionnaire.

We have been working with a specialist external provider to use these questionnaire responses to better inform our risk assessment and development of our Supplier Management Framework.

Currently, our modern slavery questionnaire is targeted to our Tier 1 suppliers. The questionnaire responses are assessed by our Procurement Team who are responsible for identifying potential 'red flags' in a vendor's responses. To further mature our risk assessment approach, we have been developing a Supplier Management Framework which will assist us in using the questionnaire responses in our risk assessment and risk controls in a more systemised manner.

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**' means 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 (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 (**Australian Government's Modern Slavery Reporting Guidance**). In particular, we focused on our sector & industry risk; product and services risk; geographic risks and entity risks.

In our previous, inaugural Statement, the Group acknowledged that we had work ahead of us to implement risk assessment measures that allowed us to more confidently identify modern slavery risks in our supply chain and to guide our future actions in relation to that risk. In that Statement, we signalled our intention for this reporting period to continue to explore methods for conducting a reliable risk assessment based

on key modern slavery risk indicators, and committed to continuing to investigate risk assessment tools to assist us to better understand the risks in our supply chain.

To build our maturity in this critical area of scoping our modern slavery risk, we engaged a specialist provider to undertake a comprehensive 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. This specialist provider also developed a tailored risk assessment tool for the Group to apply in assessing modern slavery risks in our supplier management and selection.

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 709 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.

Operations (cont)

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, including in both security and cleaning services. 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. In addition, this reporting period 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.

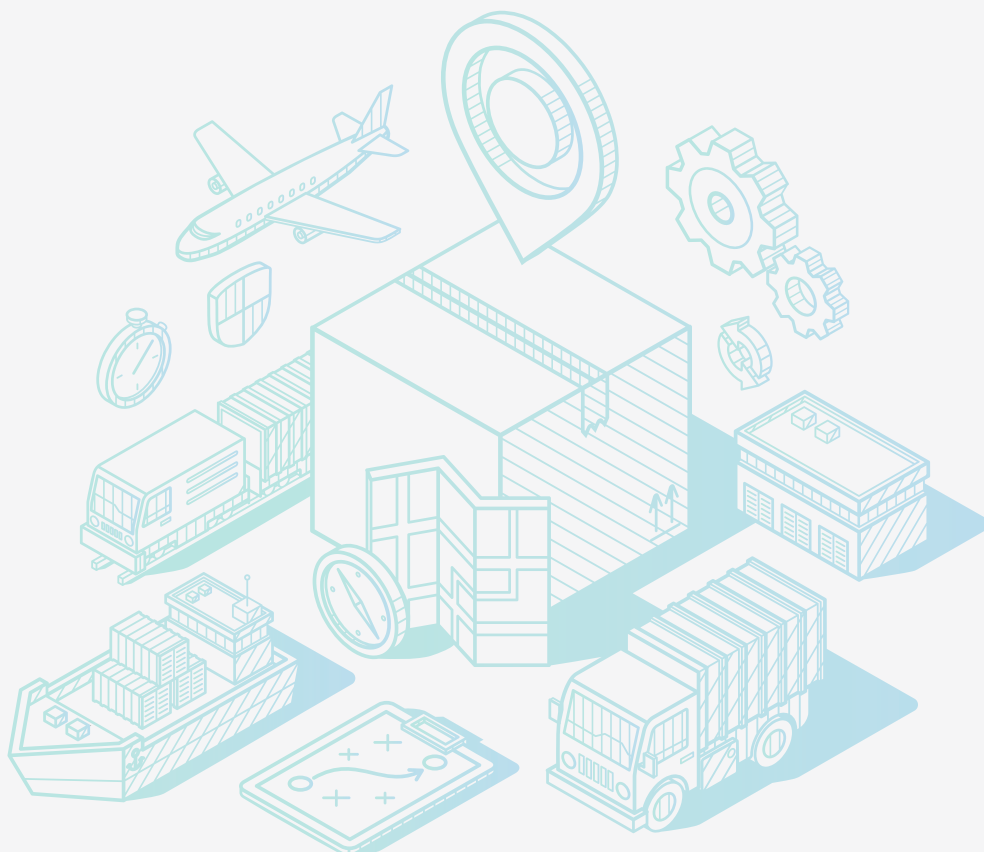
To assist us to identify and address any risks of modern slavery in our operations, we understand that it is critical to have properly embedded grievance reporting mechanisms in place. Pursuant to requirements in the Australian whistleblower regime under the Corporations Act 2001 (Cth), we have a Group Whistleblower Policy. This document includes instructions to enable external and internal parties to raise concerns that may relate to our operations via the independent FairCall reporting platform, which operates 24 hours every day.

Supply chain

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 specialist independent risk assessment identified that the primary inherent risks of modern slavery in the Group's supply chain relate to the business' 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 our external specialist 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. In large part, this is due to the majority of our suppliers being Australian based. Accordingly, we acknowledge the potential for greater risk deeper within our supply chain and are committed to implementing controls that seek to interrogate this risk.



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 to drive our actions for addressing risks of modern slavery in our supply chain and operations in the reporting period, 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 focuses on our Tier 1 suppliers and on key areas and associated tasks.

In the second reporting period, the program of work delivered under our modern slavery response plan has been overseen by a dedicated Modern Slavery Working Group, comprised of relevant senior personnel and with input from specialist external providers.

Assess & Identify

- Conducting 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, our modern slavery response plan for this reporting period targeted our highest priority tasks. Our team have worked hard in the reporting period to undertake the following tasks that are relevant to our modern slavery response plan.

FY 20/21 TASKS

ASSESS & IDENTIFY

Risk assessment	A specialist provider was engaged to provide a comprehensive ESG and modern slavery risk assessment across our operations and supply chain.
Due diligence	<p>Since April 2020, a modern slavery supplier questionnaire has been provided to every new supplier with a 100 percent response rate.</p> <p>We have implemented a trigger in our supplier management systems where if a supplier has not been engaged within 24 months they will be sent our modern slavery questionnaire for reactivation.</p> <p>We have implemented digital procurement software to manage tenders and major projects which will further assist with supplier due diligence measures.</p>

ACTION

Training, awareness and capacity building	We have delivered training sessions for relevant staff (including delivering training sessions for the Group Leadership Team, Procurement and Group Assets team) on identifying and addressing the risk of modern slavery practices, and on modern slavery legislative compliance.
Policy and procedure development	<p>The Group's Supplier Code of Conduct was developed.</p> <p>We engaged a specialised service provider to develop a Supplier Management Framework that will inform our planned review of our current policies and procedures.</p>
Supplier contract review and revision	We included specific modern slavery compliance clauses in our new supplier contracts and in any current supplier contracts varied during the reporting period.
Supplier onboarding	We have implemented digital procurement software to manage tenders and major projects which will further assist with supplier onboarding measures.
Reporting channels	We continued to implement our outsourced whistleblower reporting portal, FairCall, enabling reporting by internal and external parties, and have developed specific training on our Group Whistleblower Policy.

REVIEW

Performance assessment	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.
Oversight	<p>We established an internal Modern Slavery Working Group to oversee our program of work. This group reports on our progress against our modern slavery response plan to our Audit, Risk and Compliance Committee.</p> <p>We engaged a specialised service provider to develop a bespoke Supplier Management Framework and have commenced planning to develop an assurance program around this framework.</p>

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. We have conducted training sessions for our Procurement team, Group Assets Team and our Group Leadership Team on our modern slavery response plan

and modern slavery risks generally, outlining our plan for the reporting period and the status of related tasks.

Our consultation approach has reflected the close relationship between each of the Group's entities and the holistic approach the Group takes to embedding its compliance activities across its business units.

Continuous improvement

The Group is committed to continuously improving its understanding of and management of its modern slavery risks, as demonstrated by our significant investment this reporting period in maturing our risk assessment measures and further developing our risk control measures.

Staff and key personnel, including from our Group Leadership Team, have attended training sessions and workshops run by external specialist providers to ensure that relevant teams have a sound understanding of our modern slavery risk and compliance approach.

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

- Continuing to implement enhanced supplier selection and onboarding processes for all suppliers through improvements to our supplier questionnaire process and content.
- Further developing our supplier risk assessment tool, including through improved integration of our supplier questionnaire responses.

Action

- Continuing to provide training and awareness about modern slavery to relevant employees in the Group.
- Developing, and commencing the implementation of, a Supplier Risk Management Framework.
- Maturing our risk assessment processes to steer the implementation of our Supplier Risk Management Framework.
- Working with our Tier 1 suppliers to develop strategies to leverage our influence to interrogate deeper within our supply chain.
- Further implementing procurement policies and procedures.
- Conducting ongoing review of and updates to supplier contracts.
- Identifying an appropriate NGO or modern slavery specialist organisation to assist with potential supplier accreditation work.
- Developing a roadmap for the next 3-5 years which will outline the business' planned activities to manage its modern slavery compliance risks.

Review

- Developing our modern slavery response plan for the next reporting period
- Reviewing our actions in the next reporting period against that plan, by developing an assurance program around our bespoke Supplier 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 2021.

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 24th November 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 & Appendix A	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	9
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	12
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	12
6. Describe the process of consultation with any entities the reporting entity owns or controls.	Consultation within the Group	14
7. Any other relevant information.	Continuous improvement	14
	Looking ahead	15

Appendix A

Flinders Port Holdings Pty Ltd (Flinders Ports Holdings) subsidiary companies (together, the Group) in the reporting period (FY20/21):

- 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 & 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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