

2020-21

MODERN SLAVERY STATEMENT





EXCELLENCE

Be the best in all we do

RESPECT

In all our dealings

INTEGRITY

Operate honestly, fairly and impartially

CARE

For our environment, our staff and our community

COURAGE

Do the right thing

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INTRODUCTION

The Global Slavery Index 2018 estimates that on any given day in 2016, there were 15,000 people living in conditions of modern slavery in Australia, a prevalence of 0.6 victims of modern slavery for every thousand people in the country¹.

In Australia, modern slavery refers to a range of serious exploitative practices, including trafficking in persons, slavery, slavery-like practices which can be in the form of forced labour, forced marriage, servitude, debt bondage, deceptive recruiting for labour or services, and the worst form of child labour².

While each of these practices are distinct, they all involve the manipulation of complex relationships between offender and victim and undermine a victim's personal freedom and ability to make choices for themselves³.

We⁴ recognise the responsibility and opportunity to improve the understanding of modern slavery within our workforce, supplier network, contractors and operations.

This modern slavery statement has been prepared by the Pilbara Ports Authority (PPA) pursuant to section 16 of the Modern Slavery Act 2018 (Cth) ('Act') for the reporting period ending 30 June 2021.

It addresses the mandatory requirements under the Act and outlines the steps we have taken to ensure the effective management of modern slavery risks in our operations and supply chains and it outlines the consultation process between PPA and the Hedland Maritime Initiative Pty Ltd (HMI) which is wholly-owned by PPA.

This modern statement has been approved by PPA's Board of Directors.

¹ The Minderoo Foundation Pty. Ltd., Country Studies Australia, <https://www.globalslaveryindex.org/2018/findings/country-studies/australia/>

² The 'worst forms of child labour' means situations where children are subjected to slavery or similar practices or engaged in hazardous work.

³ National Action Plan to Combat Modern Slavery 2020-25

⁴ Throughout the statement the terms: 'We', 'us' and 'our' are used to refer to the Pilbara Ports Authority and its respective subsidiary the Hedland Maritime Initiative.

STRUCTURE, OPERATIONS AND SUPPLY CHAINS

Structure

PPA was established on 1 July 2014, following ascendency of the Ports Legislation Amendment Act 2014 into legislation. This resulted in the amalgamation of the former port authorities of Dampier and Port Hedland. PPA operates as a State Government Trading Enterprise and is governed under the Port Authorities Act 1999 (WA) (*PAA*).

PPA is a corporatised entity with a Board of Directors that report to the Minister for Ports and encompasses the Port of Ashburton, Port of Dampier, Port of Port Hedland and Port of Varanus Island.

PPA employs approximately 300 people across its operations and locations.

Corporate Office: Level 5/999 Hay St, Perth WA 6000

Port Hedland Office: The Esplanade, Port Hedland WA 6721

Dampier Office: Moff Road, Murujuga, Dampier WA 6713

Ashburton Security Gate: Warrirda Road, Onslow WA 6714

During the reporting period HMI was incorporated in November 2020 and by the end of the reporting period, it had two initial directors and three employees across its two sites:

Corporate Office: Level 5/999 Hay St, Perth WA 6000

Port Hedland Office: 6/15 Wedge St, Port Hedland WA 6721

Operations

PPA's operations can be grouped into four categories:

- the carrying out of port activities which include the movement, mooring, handling and storage of goods within its ports;
- the carrying out of port works which include designing, constructing, extending, maintaining, removing or demolishing maritime or other structures and reclaiming land from the sea or a river for port purposes;
- the provision of port services which include dredging, pollution management, security, pilotage, towage, vessel movement control, emergency response, shore stabilization and waste management services; and
- the provision, management or operation of port facilities such as maritime structures and other buildings, machinery, equipment, vessels, vehicles and aircraft.

As part of PPA's provision and management of port facilities, PPA also leases and licences areas within its ports.

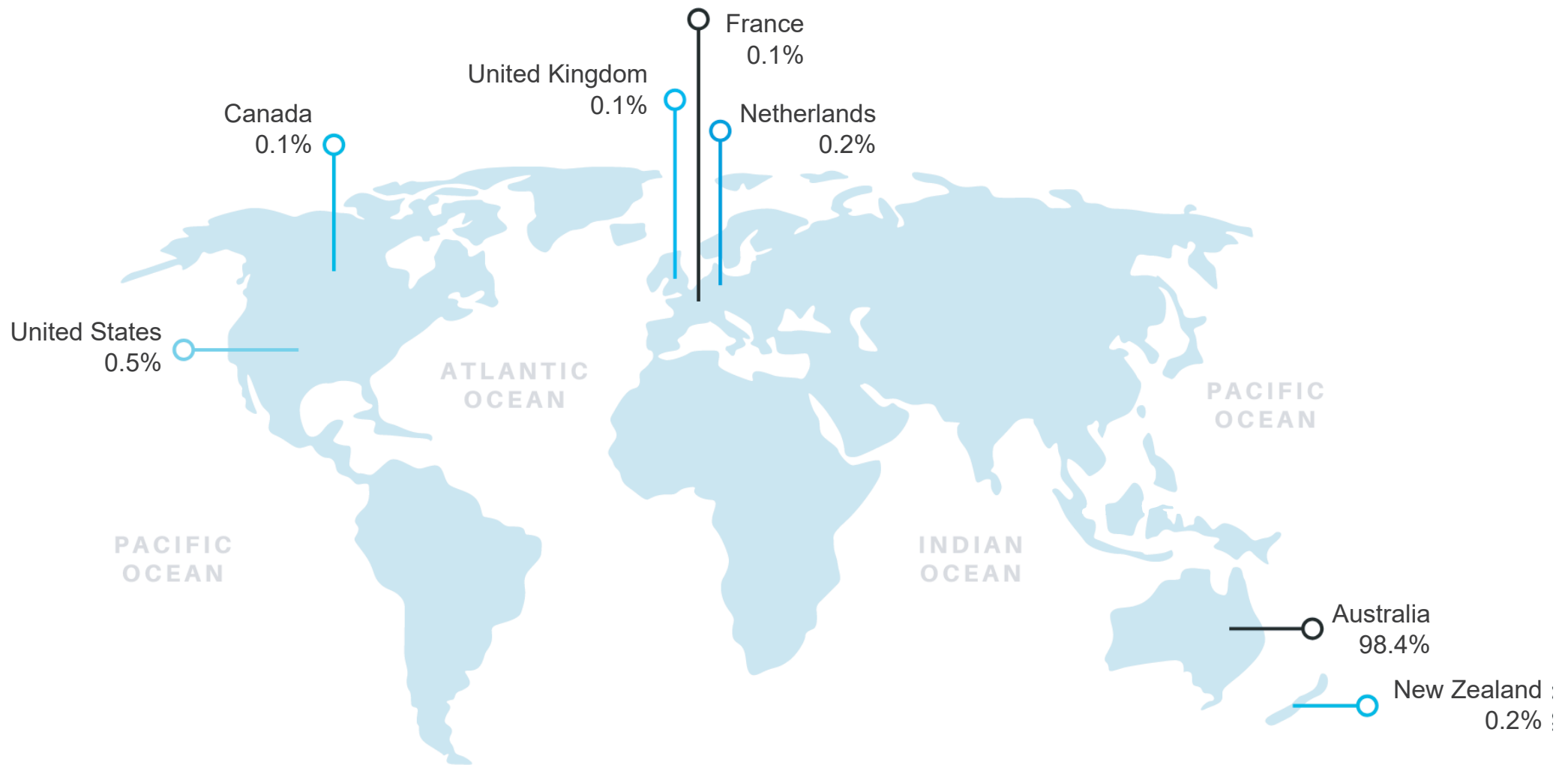
Under the *PAA*, PPA is required to:

- be responsible for maintaining port property;
- be responsible for port security;
- be responsible for the safe and efficient operation of the ports;
- control business and other activities in the ports or in connection with operation of the ports;
- facilitate trade within and through the ports;
- minimise the impact of port operations on the environment;
- plan for future growth and development of the ports;
- protect the environment of the ports; and
- undertake or arrange for activities that will encourage and facilitate the development of trade and commerce for the economic benefit of the state using its ports and related facilities.

In June 2020, the WA State Government agreed to a voluntary buy-back scheme (the Port Hedland Voluntary Buy-back Scheme - PHVBS) to acquire residential properties in Port Hedland's West End to support a cap and reduction of the permanent residential population. During the reporting period, PPA established a wholly-owned subsidiary, HMI, to deliver the PHVBS. HMI also received State Government approval to lead the planning and development of a maritime precinct in the Town of Port Hedland's West End.



Habour Master for the Port of Ashburton, Anurodh Prasad, meets with the captain and crew of a berthed vessel to ensure safe and efficient port operations.



Supply Chains

The map above depicts the percentage of PPA's contract broken down geographically according to the country in which the entity is registered for business. In the reporting period 98.4% of contracts and current suppliers are Australian registered entities.

The table provides the current global slavery index, government response rating, and the percentage of suppliers engaged in the reporting period by country.

GSI GLOBAL RANKING (1-167) ⁵	GSI GOVERNMENT RESPONSE RATING ⁶	PERCENT (%) OF SUPPLIERS ENGAGED	COUNTRY
166	BB	0.1	Canada
164	BBB	0.2	New Zealand
163	BBB	98.4	Australia
158	BBB	0.5	United States
156	CC	0.1	Hong Kong
150	BB	0.1	Denmark
147	BB	0.1	Ireland
143	A	0.2	Netherlands
140	BBB	0.1	Norway
136	BBB	0.1	France
132	BBB	0.1	United Kingdom
53	B	0.1	India

Overwhelmingly our suppliers and vendors are from countries whose government has implemented key components of a holistic response to modern slavery risk management, with victim support services, a strong criminal justice response, evidence of coordination and collaboration, and protections in place for vulnerable populations.

⁵ GSI data covers 167 countries, available at www.globalslaveryindex.org/findings

⁶ The 2018 Global Slavery Index (GSI) ranks countries on government response to modern slavery based on eight indicators of good practice, including laws in place, support to victims, and the application of labour standards to vulnerable populations. The countries are graded from AAA to D.

The main types of goods and services procured in the reporting period can be broken down in below categories:

- Specialised marine services
- Maintenance, inspection and repair services to PPA's port facilities
- Engineering and infrastructure works' and services
- Information and communication technology
- Supply of general goods and services
- Evaluation of properties

The contractual arrangements we have with our suppliers vary due to the wide range of goods and services procured across the business. The main types identified are:

- One-off, short-term procurement activities
- Longer term contracts
- Service provider licences
- Fixed term construction agreements
- Consulting agreements



Due to the COVID19 pandemic, jurisdictions around the world are either not allowing maritime crew to sign off from vessels or imposing tighter restrictions

RISK OF MODERN SLAVERY IN GLOBAL OPERATIONS AND SUPPLY CHAINS

Based on the assessment carried out over the reporting period, we identified aspects of our supply chains and operations where we may cause, contribute or be directly linked to modern slavery risks. These are:

- **Geographic risk**

The risk of purchasing goods or services from countries which may have a higher risk of modern slavery, because of poor governance, weak rule of law, conflict, migration flows and socio-economic factors like poverty might be present in our supply chains. This assessment was based on the 2018 Global Slavery Index ('GSI') created by the Minderoo Foundation Pty Ltd. The GSI provides a global ranking of the number of people in modern slavery as well as an analysis of the actions by governments in responding to modern slavery. The GSI global ranking ranges from 1 to 167, with 1 being the country with the highest prevalence of modern slavery and 167 being the country with the lowest. The GSI also ranks countries on government response to modern slavery based on eight indicators of good practice including legislation adopted, support to victims and the application of labour standards to vulnerable populations. The GSI government response is graded from AAA to D, with AAA being the highest and D the lowest standard of good practice.

1.6% of suppliers engaged in the reporting period are not registered in Australia. Attention in our analysis was given to suppliers from countries where the GSI government response rating was lower than CCC.

- **Industry and Sector Risk / Product and Services Risk**

A higher prevalence of modern slavery might be present in certain industries and sectors owing to their characteristics, products and processes. Indicators are informal and unregulated industries, which involve seasonal, low paying, low skilled or dangerous/hazardous work. These same factors apply to certain products and services because of the way they are produced, provided or used.

We assessed our Australian-based suppliers against these risks and areas of vulnerability. Cleaning and security services, procurement of work uniforms and electronics, construction services and material as well as I.C.T (including, hardware, software and services) have been identified as industries, products and services where a higher risk of modern slavery practice might be present.

- **Supply Chain Model Risk and Entity Risk**

The larger and more complex the supply chain is, the higher is the potential of modern slavery practice especially when entities have poor governance structures in place and are relying on sub-contracting and labour hire arrangements. The risk of modern slavery in recruitment and employment practices as well as the risk of employees being subjected to slavery or slavery-like conditions has been identified.

Our assessment indicates that we are not engaging in any activity that might expose our employees to the aforementioned risks. However, those risks might exist in our supply chains.

- **The risk of exposure to modern slavery practices because of the novel coronavirus (COVID-19) pandemic**

Factory shutdowns, order cancellations, workforce reductions and sudden changes to supply chain structures can affect workers and increase their exposure to modern slavery practices.

Throughout the year, PPA experienced 'lockdowns' which led to delays in the delivery of equipment and resources for our maintenance operations and the provision of evaluation services, resulting in an increase of PPA's contracted workforce hours.

- **Increase of Human Rights Infringements for Seafarers due to the ongoing coronavirus (COVID-19) pandemic**

Port operations could be linked to third-party risks arising from owners and operators of vessels calling at PPA's ports. Even though PPA's operations are Australia-bound and the risk of modern slavery in its operations is relatively low compared to other ports which operate in jurisdictions and countries which are considered higher risk, we are aware that the risk of human rights infringements for seafarers may be present in our port operations.

The risk may be exacerbated as a consequence of the ongoing coronavirus (COVID-19) pandemic as this has resulted in the implementation of emergency health directions, with some impacting on the maritime sector.

Due to the COVID19 pandemic, jurisdictions around the world are either not allowing maritime crew to sign off from vessels or imposing tighter restrictions on the conditions of transit to allow crew to be repatriated to their home countries by airlines (after signing off from a vessel) or to arrive at the jurisdiction by airlines (to be signed on to a vessel).

Thus, many maritime crews being at sea for more than their maximum period of service allowed under the International Maritime Labour Convention. On account of these restrictions an increase in medical and health issues experienced by seafarers, including mental health issues, have been reported.

We expect that our proponents and port users will adopt appropriate measures to manage and mitigate this risk and take action to ensure these measures are effective.

ACTIONS TO ADDRESS RISKS

The reporting period was used to implement the first steps of the commitments made in last year's statement and to gain a better understanding of the risk of modern slavery in our supply chains and operations. Key achievements for the period include:

- As part of our due diligence process, we have reviewed and updated our Risk Management Procedure and completed an enterprise-wide risk identification initiative. This included a detailed assessment and evaluation of the risk of modern slavery in our operations and supply chains.

The risk of modern slavery practices in Australia's workforce has been assessed as low by various organisations. Australian work health and safety (WHS) laws impose a primary duty of care to ensure, so far as is reasonably practicable, the health and safety of all employees. This is done through above mentioned due diligence process.

- In the reporting period, modern slavery training has been rolled out organisation wide to create awareness and an understanding of our activities that could be linked to human rights violations.

To ensure ongoing training, the Modern Slavery Training Module has been included in our minimum training requirements managed through our business wide Learning Management System (LMS). All staff must complete the training within 12 months of role commencement with refresher training every two years.

- As stated in last year's statement, controls for our procurement and tendering processes are already in place, particularly for larger publicly tendered works or contracts. The controls are evaluated, subject to review and approval from relevant delegated authorities within our organisation, and as part of our internal audit program.

We commenced the process to further strengthen our procurement and tendering systems by implementing additional controls for goods and services purchased from high-risk categories and countries/jurisdictions through our supply chains.

This included a legal review to assess and, where necessary, amend our current contract clauses to include terms and conditions to manage the risk of modern slavery associated with each contract type at PPA. The first tender to be opened with the new terms occurred days after the reporting period as well as the first executed contract which will be described in more detail in next year's statement.

- Our Vendor Management System provides improved governance over the engagement of vendors and increases our ability to monitor the risk of modern slavery within our supply chains. As committed to in our first statement, the system development has been finalized and we have gathered data throughout the reporting period. A review is planned for the next reporting period to assess the effectiveness of the system.
- We ensured that COVID 19 impacted suppliers were provided financial or administrative support to meet their requirements and no contracts were cancelled in the reporting period.
- We continue to actively advocate for seafarer's welfare through monitoring and vetting of vessels upon arrival, provision of seafarer facilities and internet for all vessels visiting our ports.
- The 'contact us section' on PPA's and HMI's websites ensure a working grievance mechanism to enable remediation. Furthermore, we are committed to work closely with the relevant authorities to assist in any alleged human rights infringement investigations, and support port users and proponents if modern slavery practices occur and assistance with the remediation process is needed.

This grievance mechanism was activated during the period resulting in a successful collaboration with another WA port and the Australian Maritime Safety Authority. We were able to connect a complainant with the relevant authorities and provided assurance that, by using our grievance mechanism, no detrimental actions would be undertaken by us or as ensured by the other authorities by them and the complaint would be treated confidential.

EFFECTIVENESS ASSESSED

Setting and tracking Key Performance Indicators has always been part of PPA's governance including due diligence, compliance and risk management to measure effectiveness. This process has been strengthened by implementation of our Governance Risk and Compliance (GRC) system. The system supports establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risks associated with our business activities to reduce the likelihood of negative impacts and to maximize opportunities.

CONSULTATION PROCESS WITH HMI

During the reporting period, PPA and HMI established a modern slavery working group comprising of members from the Commercial, Legal and Enterprise Risk and Sustainability team for PPA and the Managing Director of HMI.

The working group met to share information regarding the risk of modern slavery in our supply chains and operations and to discuss and agree on actions to be taken to assess and address the risk of modern slavery practices. HMI has been actively contributing to the development of this statement to ensure that any decisions made or actions taken are relevant for PPA and HMI. Furthermore, topic specific consultation was undertaken with the Managing Director of HMI throughout the reporting period.

OTHER RELEVANT INFORMATION

N/A.



Roger Johnston
CHIEF EXECUTIVE OFFICER
Date: 16 December 2021



Brad Geatches
CHAIRMAN
Date: 16 December 2021

PILBARA PORTS AUTHORITY ABN 94 987 448 870

HEDLAND MARITIME INITIATIVE PTY. LTD. ABN 70 645 630 468

