



Modern Slavery Statement

Reporting Period: 1 July 2020 – 30 June 2021

This Modern Slavery Statement sets out Patrick Terminals approach to addressing modern slavery risks in Patrick's operations and procurement supply chains during the financial year ended 30 June 2021 and has been prepared in accordance with the requirements of the Modern Slavery Act 2018 (Cth) (the 'Act').

The reporting entity is PTH No 1 Pty Ltd (ACN 611 116 155).

In this Modern Slavery Statement, a reference to "Patrick", "Patrick Terminals", "Group", "we" and "our" includes those entities (as defined in the *Corporations Act 2001* (Cth)) in which PTH No 1 Pty Ltd (ACN 611 116 155) has an equity interest (direct or indirect) of more than 50%.

All entities within the Patrick Group are subject to the same risk management and governance practices, including in respect of addressing modern slavery risks. We have actively consulted with all entities we control in the development of this statement, with a particular focus on entities with high levels of procurement activities. Senior executives from all entities within the Patrick Group have been consulted to inform and contribute to the development of this statement.

Patrick Terminals continued to improve measures used to identify, assess and respond to potential modern slavery risks in our operations and supply chains.

1. Our Structure, Operations and Supply Chain

Patrick Terminals is a leading container terminal operator with operations wholly in Australia.

Patrick Terminals is jointly owned by Qube Logistics (Australia) Pty Ltd (Qube) and Nitro TC No 1 Pty Ltd as trustee for Nitro Holdings Trust No 1 (Brookfield Consortium).

Our Operations

Patrick's terminal network is based in Australia and includes the Brisbane AutoStrad Terminal, Sydney AutoStrad Terminal, East Swanson Dock Terminal (Melbourne) and Fremantle Container Terminal.

Details on the capability of each of Patrick's terminals is set out below.

Brisbane AutoStrad Terminal

Brisbane AutoStrad was opened in 2007 and was the first automated Container Terminal in Australia.

- 3 berths (Berths No 8, 9 and 10)
- 930m quay line



- 1.1 million TEU capacity
- 40ha (5,760 ground slots)
- 1,124 reefer plugs

Sydney AutoStrad Terminal

- 4 berths (Berths No 6, 7, 8, and 9)
- 1,400m quay line
- 1.6 million TEU capacity
- 63ha (7,100 ground slots)
- c. 1,000 reefer plugs

East Swanson Dock Terminal

- 3 berths (Berths No 1, 2 and 3)
- 885m quay line
- 1.5 million TEU capacity
- 40ha (6,530 ground slots)
- c. 1,200 reefer plugs

Fremantle Container Terminal

- 2 berths (Berths No 3 and 4)
- 646m quay line
- 0.75 million TEU capacity
- 22ha (3,500 ground slots)
- 400 reefer plugs

During the reporting period, Patrick handled over 40% of container volumes for the ports that Patrick operates at in Brisbane, Sydney, Melbourne and Perth.

Patrick's head office is located in Port Botany, New South Wales and Patrick employs approximately 1,300 people around Australia. Patrick's operational workforce are covered by an enterprise agreement. Patrick's management / functional workforce are employed in accordance with applicable laws (including the *Fair Work Act 2009 (Cth)* and the *Fair Work Regulations 2009 (Cth)*) and industrial instruments, where relevant.

More information about Patrick Terminals can be obtained from our website at www.patrick.com.au.



Our Supply Chains

Patrick procures goods and services from a range of suppliers across a variety of sectors including property, utilities, construction and design, equipment supply, maintenance services, information technology, consulting services, office supplies and uniforms.

Patrick seeks to do business with suppliers that have similar values and sustainable business practices, including those related to human rights. Patrick's standard contractual terms with key suppliers includes a requirement that goods and services are provided or supplied in accordance with applicable laws. Patrick continues to seek to include enhanced contractual provisions specifically targeted at modern slavery risks in an ongoing opportunity to raise supplier awareness and improve Patrick's visibility of supply chain risks.

2. COVID-19 and the impact on Modern Slavery

During the COVID-19 pandemic, Patrick's operations and supply chains have suffered some disruption. As an essential service, both operations and supplier procurement activities have continued broadly in line with normal practices. Whilst some Patrick suppliers did experience overseas factory shutdowns, these were typically for short periods of time and disruption was modest overall. During these shutdown periods, Patrick engaged with equipment suppliers in particular to understand the effect on their workforce and operating conditions. Similarly, in respect of professional services procured from overseas, most suppliers were able to deploy staff to work from home.

The key impact of the COVID-19 pandemic on Patrick's ability to assess modern slavery risks has been the absence of overseas factory visits, which would typically be carried out for equipment procurement activities as part of quality assurance processes. Patrick has long term relationships with these equipment suppliers and does not consider this to have had a material impact overall.

A prolonged period of most corporate employees working from home has limited the opportunity for face to face engagement on matters related to modern slavery risks. The implementation of identified actions from the prior reporting period have also occurred later than would otherwise have been the case given the COVID-19 related extension granted by the Department of Home Affairs for lodgment of the FY20 statement.

The COVID-19 pandemic has, however, provided a direct opportunity to identify improvement opportunities in the contractual approach to engaging facility service providers, where Patrick has experienced increased ad hoc demand for such services. These improvements will continue to be implemented for suppliers identified as higher inherent risk in a domestic Australia based setting.



3. Risk Management Based Assessment

Patrick recognises that as a large service provider and purchaser of goods and services, the business conduct and performance of our suppliers can have a significant impact on our own performance and reputation within the communities in which we operate. Patrick has continued to adopt a risk management-based approach to supplier engagements, recognising that the modern slavery risks relating to specific suppliers will vary depending on their geographical location, sector, industry, the nature of the goods or services being supplied and company size.

Essential to this risk management-based approach is our ability to identify, assess, mitigate and monitor potential modern slavery risk areas. To this end, we have further developed our processes to identify sectors and industries, goods and services, geographic locations and entities which may have a higher inherent risk of modern slavery. This has allowed Patrick to consider which suppliers may have higher exposure to modern slavery risks than others and the appropriate responses to be taken by Patrick.

4. Assessment of Modern Slavery Risks

Patrick has again undertaken a comprehensive review of its operations and procurement supply chains to identify and assess the risks of modern slavery. Patrick's review assessed its own operations, as well as corporate and terminal suppliers based on industry, location, nature of goods and services procured and level of spend.

For the reporting period, the scope of the risk assessment undertaken has been expanded to cover higher inherent risk countries and higher inherent risk imported product categories. Patrick has assessed the level of risk associated with Patrick's top 40 suppliers by spend (representing 80% of Patrick's total supplier spend), as well as suppliers with a higher inherent risk of prevalence of modern slavery risks based on country of origin and imported product category.

As a business with wholly domestic operations and with all employee arrangements either covered by enterprise agreement or contracted in accordance with applicable laws and industrial instruments where relevant, Patrick continues to assess the risk of modern slavery in its operations as low.

In respect of key suppliers, most of Patrick's key suppliers were assessed as low risk, across identified supplier categories including property, utilities, equipment goods and services, logistics services and engineering and construction services.

In this reporting period, Patrick has identified a small number of suppliers as having higher inherent risk based on country of origin, nature of imported goods or nature of services. Key risks related to labour practices and right to health and safety. These procurement areas include:



- Equipment manufactured in China and Poland;
- IT hardware procured from China and Taiwan;
- IT professional services and back-office support with personnel based outside of Australia including in Manila and India;
- Garments and personal protective wear manufactured in China, Indonesia, Bangladesh and Fiji; and
- Domestic cleaning services.

Further details of the risk management-based approach used to assess these risks and further actions taken or being taken by Patrick are set out below.

4. Actions Taken to Address Modern Slavery Risks

In respect of key supplier categories identified as higher inherent risk, Patrick has sought to include specific contractual commitments in relation to compliance with laws, which extends to modern slavery compliance. In some cases, Patrick considers that further enhancements are required and a contract addendum requiring specific compliance with Patrick's requirements for managing modern slavery risks is to be implemented.

Patrick has now transitioned to procuring goods and services under new Purchase Order terms which includes obligations to comply with all laws and regulations applicable to the jurisdiction in which the relevant goods or services are made or supplied, including the Modern Slavery Act.

This reporting period, suppliers identified as higher inherent risk have been asked to complete a questionnaire and participate in a 1:1 focus session with Patrick management to communicate Patrick's modern slavery requirements and to understand the supplier's risk management practices. These 1:1 interviews are an additional process introduced to verify the effectiveness of Patrick's approach to managing modern slavery risks in its supply chains and to help identify any appropriate further actions. Through these engagements, Patrick has identified some opportunities to target future continuous improvements, in particular around further developing Patrick's understanding of supplier's own supply chains.

Across the reporting period, awareness training has been completed by over 700 hundred employees. The training continues to focus on supporting employees to identify and reduce modern slavery risks and promptly report issues of concern. The training and underlying policies have a key focus on ensuring procurement processes address the risk of modern slavery and encourages our people to clearly communicate Patrick's requirements related to modern slavery when engaging with suppliers. Patrick has also initiated a review of training materials to improve the depth of awareness of training received by its employees.

Patrick has reiterated the requirements of the Modern Slavery Policy and Procurement Policy and highlighted the Whistle Blower Policy process in communications to all employees involved in procurement activities. A review of the Modern Slavery Policy and other key



policies and procedures which support the effectiveness of the Modern Slavery Policy has been undertaken.

The requirements of these policies and procedures apply to all Patrick directors, officers, employees and contractors, and in respect of some policies, our key suppliers. Relevant policies and procedures include:

- Procurement Policy, which governs how we engage with suppliers, including due diligence, contractual negotiations, ongoing compliance management and audit. The policy has a strong focus on modern slavery risks;
- Patrick Code of Conduct, which confirms our expectation that all of our directors, officers, employees and contractors comply with applicable laws and act with honesty and integrity at all times;
- Anti-Bribery and Corruption Policy, which outlines Patrick's commitment to ensuring its employees conduct themselves lawfully and ethically, so as to avoid fraud, theft, misuse of their position or authority, breach of trust or other acts which are not deemed acceptable; and
- Whistleblower Policy, which provides support for employees to report suspected or known incidences of modern slavery (among other things) and acting as the grievance mechanism necessary for reporting.

5. Effectiveness of our Efforts

Patrick continues to focus on raising awareness amongst officers, employees, contractors and suppliers to ensure comprehensive understanding of the requirements of the Act and to provide the tools to identify and report potential issues. The adoption of sound procurement practices remains an ongoing priority with a focus on improved support tools for key employees and management.

In this reporting period Patrick has reiterated the requirements of the Modern Slavery Policy and Procurement Policy and highlighted the Whistle Blower Policy process, as the appropriate grievance mechanism for any issues pertaining to Modern Slavery, in communications to all employees involved in procurement activities. Whilst there have been no complaints raised, Patrick is confident that the reporting mechanisms are clear and well understood.

Patrick is continuing to strengthen its understanding of the practices of suppliers with higher inherent risk and Patrick considers that the commencement of this dialogue grounded in supplier partnership will provide better insights and opportunities for continuous improvements to be realised.

The table below set out a summary of Patrick's Action Plan to monitor the progress of its continuing commitment to the Modern Slavery Policy and to further analyse the effectiveness of our actions.



ACCESSING THE EFFECTIVENESS OF OUR RESPONSE

Completed  In progress / Ongoing  To action 

Ownership of risk established within the business	Increased awareness of modern slavery risks and business ownership of responsibility for managing issues in operations and supply chain (in particular, Management and roles involved in procurement activities)	
Know your suppliers and supply chain risk assessment	Patrick has continued to develop understanding of supplier activities (nature and location)	
	Modern slavery risks of tier one suppliers assessed	
	Suppliers beyond tier one who are determined as higher inherent risk also assessed	
New suppliers and contracting terms	Due diligence on new suppliers with higher inherent risk to understand supplier approach to managing modern slavery risks	
	Policy supports personnel involved in procurement activities to identify and mitigate risks	
Review, Compliance and Supplier Engagement	Assessment of supplier practices to assess compliance with Patrick policy framework	
	Introduced 1:1 focus sessions with suppliers assessed as higher inherent risks	
Training, Business Education and Competency	Enhancement of training materials, policies and ongoing refresh of training competency	
Grievance mechanism	Visible and accessible grievance mechanism detailed in policies to support reporting of concerns	
	Formal process for investigating and reporting on issues raised	
Remediation	Patrick is committed to working with suppliers to remediate any identified issues	 <i>No breaches to be identified. If in the future this arises, this work will be conducted.</i>
Annual Review	Annual review of currency and effectiveness of risk management measures	

This Modern Slavery Statement has been approved by the Patrick Terminals Board.

Victoria Moore - Company Secretary
Patrick Terminals

December 2021