

Modern Slavery Statement FY20

Company Secretary | October 2020 | Version 1.0

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Introduction

This is NSW Ports' statement on modern slavery for the financial year ending on 30 June 2020, made and published in accordance with our obligations under the *Modern Slavery Act 2018* (Cth) (the 'Act'). NSW Ports fully supports the aims of the Act and we are committed to tackling the risks of modern slavery in our business and procurement supply chains and to implementing actions to address any such risks, wherever possible.

This statement is made pursuant to section 14 of the Act and constitutes NSW Ports' joint statement on modern slavery for the financial year ending on 30 June 2020.¹

Our Structure and Operations

NSW Ports began operations in 2013 under a 99-year lease for Port Botany, Port Kembla, Cooks River Intermodal Terminal and Enfield Intermodal Logistics Centre. The NSW Ports group of companies consists of NSW Ports Operations Hold Co Pty Limited (and its subsidiaries)² and NSW Ports Pty Limited (and its subsidiaries)³.

NSW Ports controls the trade gateway to New South Wales ('NSW'), the largest economy in Australia. Both Port Botany and Port Kembla are essential infrastructure assets to the State of NSW. Port Botany is the sole container port serving Australia's largest State economy, NSW and its capital city, Sydney (which is also Australia's largest city). Port Botany is also the largest common user bulk liquids facility in NSW. Port Kembla, located 90 kilometres south of Sydney, is the only significant bulk port in southern NSW and the only vehicle import facility in NSW.

NSW Ports operates its business as a pure landlord infrastructure asset. NSW Ports leases and manages an extensive portfolio of land which comprises leases of waterside land to stevedores and port-related operators. As custodians of these assets, NSW Ports is committed to taking a long term and sustainable approach to the way that that we operate, the actions that we need to take or encourage from others, and the way that we work with our tenants and suppliers.

Navigating the Future: NSW Ports' 30 Year Plan (our '**Master Plan**') is a way for us to do this. Our Master Plan looks at every aspect of our operations - the assets that we manage, the stakeholders that we deal with and the social and environmental outcomes that we want to contribute to. Importantly, our Master Plan focuses on sustainability, and not just our efforts to minimise our impact on the environment, but also on economic sustainability – the ability to reduce costs and improve productivity outcomes.

Further details on our Master Plan can be found on our website: www.nswports.com.au

NSW Ports is wholly owned by a consortium comprising four of Australia's largest and most experienced long-term infrastructure investors: IFM Investors, Australian Super, Tawreed Investments and QSuper.

NSW Port's vision is to be a world class port and logistics manager by developing our assets to drive sustainable growth and keep Australia's economy moving by managing key trade gateways connecting you to global and domestic markets and, at all times, living our values: Care, Collaboration, Passion, Integrity and Accountability.



¹ For the purposes of sections 14 & 16 of the Act, this is a joint statement made by the 'reporting entities' (as defined under s.5 of the Act) within the NSW Ports group of companies, namely, Port Botany Operations Pty Limited, NSW Ports Botany Property Co Pty Limited and NSW Ports Finance Co Pty Limited. This joint statement on modern slavery was approved by the Board of Directors of each entity comprising NSW Ports on 28 October 2020.

² Port Botany Operation Pty Limited and Port Kembla Operations Pty Limited.

³ NSW Ports Finance Co Pty Limited, NSW Ports Botany Property Co Pty Limited and NSW Ports Kembla Property Co Pty Limited.

Policy Framework

At NSW Ports, we recognise the importance of respecting human rights and we are committed to protecting the rights of all people including our employees, our customers, the communities in which we operate, those who may be impacted by our activities and those within our supply chains. NSW Ports' management of modern slavery risks falls within our overall approach to protecting and upholding human rights. The foundational documents for human rights protection are NSW Ports' Code of Conduct and Procurement Policy.

These documents outline NSW Ports' approach to establishing the essential standards of corporate and personal conduct and the behaviour expected of everyone who works for or with NSW Ports. These documents outline clear requirements and expectations on the identification and management of issues associated with modern slavery within NSW Ports' operations and our supply chains.

Further, these documents provide specific guidance to our personnel to ensure that the highest standards are achieved across the business and make provision for sourcing suppliers on a risk-assessed basis.

Governance

Good corporate governance is critical to the long term, sustainable success of NSW Ports. Consistent with NSW Ports risk management approach to potential modern slavery risks in its business and supply chain, the Board's Audit & Risk Committee is responsible for providing oversight of this issue on behalf of the Board. Given the nature of this risk, the key focus of senior management is on working collaboratively with NSW Ports' suppliers to ensure that expectations and standards are understood and that potential exposures to modern slavery risks are minimised.

Our Suppliers

NSW Ports is committed to working with our suppliers to address the risks of modern slavery in our supply chain. In this regard, we note that 100% of NSW Ports' third-party procurement spend for goods and services is based within Australia, with a considerable proportion in New South Wales.

The Global Slavery Index (published in 2018) ranked the prevalence of and vulnerability to modern slavery in Australia as very low, with a Prevalence Index Rank of 163 / 167⁴ and a Vulnerability to modern slavery score of 4.27 / 100⁵.

Notwithstanding the above, however, the realities of global trade and business make it inevitable that Australia, like many other countries globally, will experience greater indirect exposure to the risk of modern slavery through the goods that we import from origin countries where the prevalence of and vulnerability to modern slavery is relatively higher than that in Australia.

Assessment of Modern Slavery Risks and our Approach

NSW Ports takes a zero-tolerance approach to modern slavery in all its different forms in any part of our operations and supply chains. This approach reflects a commitment to act ethically and responsibly in all business relationships and to ensure that modern slavery is not present in any part of NSW Ports' business. In this regard, NSW Ports is conscious of the fact that the COVID-19 pandemic has brought with it many challenges, including in relation to the protection of human rights. Throughout the financial year ending June 2020 (and beyond), NSW Ports has sought to work with our employees, customers and suppliers in order to understand the particular impacts of the pandemic and to offer support during this difficult time.

Dealing first with our operations, and as outlined above, NSW Ports is a landlord / infrastructure asset manager and our workforce is predominantly made up of white collar workers employed on a full-time basis.

⁴ Australia ranked 163 out of 167 countries assessed against the Global Estimates of Modern Slavery criteria produced by the International Labour Office and Walk Free Foundation in partnership with IOM.

⁵ The Global Slavery Index Vulnerability Model is built on statistical testing and processes to identify the factors that explain or predict the prevalence of modern slavery. The 2018 Vulnerability Model provides a risk score for 167 countries based on an analysis of data covering 23 risk variables across five major dimensions.

Senior management maintains oversight of all employment contracting which is conducted in accordance with applicable laws and awards (including, without limitation, the *Fair Work Act 2009* (Cth) and the *Fair Work Regulations 2009* (Cth)). On this basis, NSW Ports assesses that the risk of modern slavery practices within our operations is low.

Our approach to the detection of modern slavery risks in our procurement supply chains, on the other hand, is based on various factors. These include the nature of our relationship with suppliers, their industry sectors and geographic location(s), the types of goods or services being provided and existing local human rights protections offered to workers.

NSW Ports has reviewed and risk-assessed our existing supplier base and considers that the risks of modern slavery practices in our supply chains is also low. That being said, however, NSW Ports has identified a number of suppliers which are potentially at a higher risk to modern slavery practices (relatively speaking, by virtue of various sector-specific risks) and has requested that those suppliers complete a newly developed 'Modern Slavery Compliance Declaration' which requires the suppliers to self-assess their compliance with the Act, and also raises awareness about modern slavery risks generally.

In addition to the above, NSW Ports has reviewed and updated its Code of Conduct and Procurement Policy to reflect our zero-tolerance approach to modern slavery in all its different forms in any part of our business and supply chain.

NSW Ports is also in the process of reviewing our standard terms and conditions and has implemented a process to ensure that new contractual counterparties are able to demonstrate compliance with the Act (by way of the Modern Slavery Compliance Declaration).

Finally, NSW Ports has committed to ensuring that its staff understand and are compliant with our approach to preventing modern slavery in all of its forms. Specifically, NSW Ports has provided the following training and communications in relation to the Act and the risks of modern slavery generally:

- the CEO has written to every employee stressing our commitment to preventing modern slavery (and a copy of this letter is issued to every new employee);
- all new employees and contractors are briefed on our zero-tolerance approach to modern slavery, and on our most recent Modern Slavery Statement; and
- all leadership roles, and those personnel that are involved in procurement activities on behalf of NSW Ports, have undergone instruction to ensure a high level of understanding of the risks of modern slavery in our business and supply chain, alongside the relevant policies and procedures.

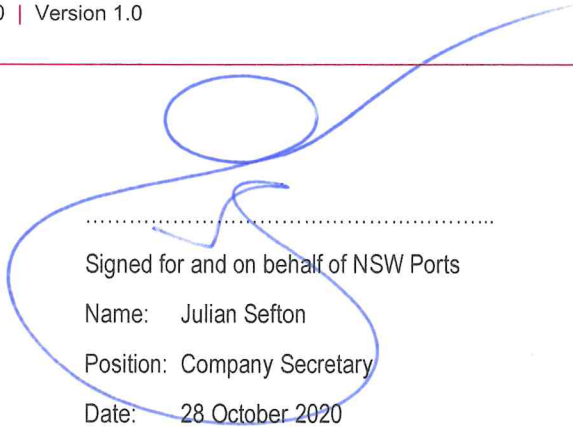
To tackle modern slavery, NSW Ports will continue to:

- identify, monitor and assess categories of third-party procurement spend most 'at risk' to modern slavery;
- incorporate anti-modern slavery obligations into its policies and processes where relevant, on a risk-assessed basis;
- include appropriate measures in its due diligence processes for sourcing suppliers and for verifying where those suppliers source their goods and services on a risk-assessed basis (including by way of the 'Modern Slavery Compliance Declaration');
- provide guidance to relevant employees to ensure a high level of understanding of the risks of modern slavery;
- maintain its established whistleblowing procedure; and
- report its commitments, policy, performance and actions in tackling modern slavery to the Audit & Risk Committee and to the Boards of NSW Ports entities.

Reporting

NSW Ports will report on its approach to addressing modern slavery annually at the end of each financial year, in accordance with the requirements of the Act, and this will include information about:

- NSW Ports' business and its procurement supply chains;
- the due diligence processes applied by NSW Ports in sourcing suppliers;
- the risk-assessment methods and steps taken to manage the risks in both the business and the procurement supply chain;
- the effectiveness of ensuring that modern slavery is not taking place in any part of its business or its procurement supply chain; and
- the adequacy of training arrangements to ensure that relevant NSW Ports employees have the knowledge and skills necessary to fulfil their obligations.



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Signed for and on behalf of NSW Ports
Name: Julian Sefton
Position: Company Secretary
Date: 28 October 2020