

TT-Line Company Pty Ltd

Modern Slavery Statement

1 July 2019 to 30 June 2020

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MODERN SLAVERY STATEMENT 2019/2020 – TT-LINE COMPANY PTY LTD

Introduction

This modern slavery statement is for TT-Line Company Pty Ltd (ABN 39 061 996 174) (**TT-Line**). TT-Line owns and operates the Spirit of Tasmania I and Spirit of Tasmania II vessels which provide daily passenger and freight transportation services between Devonport in Tasmania and Melbourne in Victoria.

TT-Line fully supports the aims and objectives of the *Modern Slavery Act 2018* (Cth) (the **Act**). TT-Line is committed to preventing modern slavery in its operations and supply chains.

This modern slavery statement has been prepared in consultation with the TT-Line Leadership Team and has been approved by the Board of Directors of TT-Line.

About TT-Line

Company vision

TT-Line's vision is to deliver an unparalleled and unique sea transport service across Bass Strait.

Company mission

TT-Line's mission is to provide a commercially sustainable ferry service built on a reputation for excellence in safety, reliability and exceptional passenger and freight services.

Business objectives

TT-Line manages and facilitates the operation of a shipping service to and from Tasmania in a manner that is consistent with sound commercial practice.

TT-Line endeavours to do this through the provision of passenger and freight services on the Devonport to Melbourne Bass Strait route and through the operation of the Edgewater Hotel in Devonport.

Approach to modern slavery

TT-Line prides itself on ensuring a safe environment for its passengers, employees and contractors. TT-Line ensures compliance with applicable legislative obligations including, but not limited to, those relating to governance, work health and safety, environment and industrial relations obligations.

To that end, TT-Line is taking a proactive approach to identify, address and prevent modern slavery risks across its operations and supply chains.

Structure, operations and supply chains

Structure

TT-Line is a State-owned corporation formed under the *TT-Line Arrangements Act 1993* (Tas) and is registered in Devonport, Tasmania. TT-Line is a reporting entity under the Act as its annual consolidated revenue exceeded \$100 million in the 2019/2020 reporting period. TT-Line is a financial year reporting entity in accordance with the *Income Tax Assessment Act 1997* (Cth).

TT-Line has two Shareholder Ministers – The Honourable Peter Gutwein MP in his capacity as Treasurer and the Honourable Michael Ferguson MP as Minister for Infrastructure. The Directors of TT-Line are appointed by the Shareholder Ministers.

TT-Line owns and operates the Spirit of Tasmania I and Spirit of Tasmania II vessels and the Edgewater Hotel in Devonport. TT-Line owns several business names including Spirit of Tasmania, Edgewater Hotel and Edgewater Motor Inn.

TT-Line operates its business in Tasmania and Victoria and has offices in Devonport and Melbourne. TT-Line has approximately 500 employees.

TT-Line's Company Secretary monitors compliance with TT-Line's Modern Slavery Policy and relevant audit procedures, and their effectiveness on modern slavery prevention, on an annual basis.

Operations

The principal activities of TT-Line are providing commercial passenger, vehicle and freight shipping services between Tasmania and mainland Australia.

The core business of TT-Line is to:

- provide passenger and passenger vehicle ferry services across Bass Strait; and
- provide a freight shipping service across Bass Strait.

TT-Line's main operations as part of this business include:

- food and beverage;
- retail; and
- accommodation (both on board the Spirit of Tasmania vessels and in the Edgewater Hotel).

Supply chains

TT-Line supply chains involve various suppliers and contractors, primarily from within Australia.

TT-Line procures and outsources:

- goods (including, but not limited to, fuel, food and beverages, plant and equipment, lifesaving equipment, accommodation supplies, office supplies, uniforms and tourism souvenirs); and
- services (including, but not limited to, services in relation to security, stevedoring, freight, media, marketing, tourism, sponsorship, IT, maintenance, cleaning, hospitality),

from within and outside Australia.

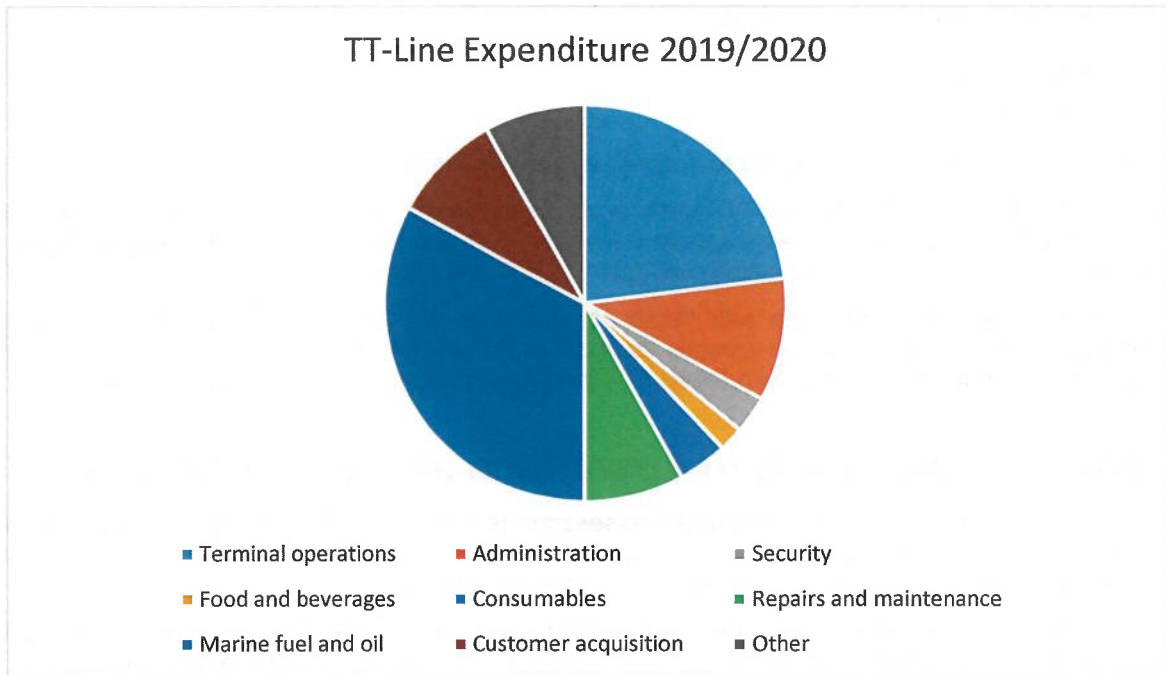
TT-Line enters into agreements and contracts (both short and long term) with suppliers and contractors across a variety of sectors (including, accommodation, retail and hospitality, travel, transport, marketing, media, and infrastructure and maintenance).

TT-Line's suppliers and contractors in turn engage third party suppliers and subcontractors to assist in providing goods and services to TT-Line.

Procurement breakdown in 2019/2020

During 2019/2020, TT-Line's most significant expenditure was marine fuel and oil, followed by terminal operations, administration, customer acquisition, repairs and maintenance, consumables, security and food and beverages.

An outline of the breakdown of this expenditure is set out below.



Procurement methods

TT-Line's Procurement Policy establishes internal requirements for the acquisition of goods, services or capital items and, wherever possible, supporting Tasmanian business.

Procurement is undertaken in a way that is consistent with the general principles of value for money, open and effective competition, ethical conduct in purchasing as well as enhancing opportunities for Tasmanian businesses in accordance with the Buy Local Guidelines for Tasmanian Government Businesses. In 2019/2020, 21% of TT-Line's purchases were from Tasmanian businesses. TT-Line ensures that its operations, management and staff are based within Tasmania to the maximum extent possible, while consistent with the effective operation of the business.

Due to the nature of the maritime industry, not all supplies (including but not limited to fuel and spares for the vessels) are available for purchase in Tasmania.

All of TT-Line's purchasing is undertaken in a fair and unbiased way in accordance with applicable legislation and TT-Line's internal policies. This includes:

- TT-Line buyers being fully accountable for the purchasing practices used and the decisions made;
- adhering to TT-Line's Code of Conduct and Ethics Policy;
- adhering to TT-Line's Modern Slavery Policy;
- identifying, dealing with and documenting issues relating to actual or perceived conflicts of interest; and
- maintaining confidentiality.

Governance and policy framework

In addition to TT-Line's Procurement Policy, TT-Line's corporate governance framework includes policies and procedures that are relevant to modern slavery, including:

- Modern Slavery Policy;
- Public Interest Disclosure Policy;
- Whistleblowing Policy;
- Appropriate Workplace Behaviour Policy;

- Code of Conduct and Ethics Policy;
- Grievance Policy; and
- Privacy Policy.

These documents should be referred to in conjunction with this statement.

All policies listed above apply to TT-Line's employees, contractors, consultants and external service providers and any other person who carries out work in any capacity for TT-Line. These policies outline the standards of personal and corporate conduct that TT-Line expects of all people working with TT-Line.

TT-Line ensures that compliance with these policies is a requirement under all TT-Line employment contracts and part of the induction process as relevant for new employees and contractors. TT-Line also endeavours to make compliance with these TT-Line policies a condition of all supply contracts.

Modern slavery risks in operations and supply chains

During 2019/2020, TT-Line has conducted assessments into the modern slavery risks across relevant industry sectors. TT-Line has analysed its operations and supply chains and issued modern slavery questionnaires to key suppliers as part of its due diligence process.

When conducting risk assessments into its operations and supply chains, TT-Line referenced tools such as the Global Slavery Index, as well as the due diligence and remediation recommendations in the United Nations Guiding Principles on Business and Human Rights (UN Guiding Principles).

TT-Line acknowledges the heightened modern slavery risks in certain industries and sectors. Accordingly, TT-Line has focused its risk assessments on those sectors that present greater risk.

In assessing the risk level of different suppliers and contractors, TT-Line has considered such factors highlighted in guidance from the Australian Government¹ as:

- the type of industry and sector the goods and services are procured from;
- the countries the goods and services from the sector are sourced from;
- the sectors in which there is not clear visibility over sub-contracting arrangements; and
- goods and services that are deemed to be higher risk.

In particular, TT-Line is aware that the following sectors engaged in by TT-Line are at a heightened risk of modern slavery:

- cleaning;
- construction and maintenance;
- food and beverage products; and
- souvenirs and tourism items.

TT-Line has received due diligence questionnaire responses and consulted with suppliers in these areas of higher risk.

Cleaning

TT-Line has taken reasonable measures to ensure that its cleaning services are not impacted by modern slavery.

TT-Line vessels are primarily cleaned by employees engaged directly by TT-Line, with additional temporary support provided from employees of a national company for peak and busy periods. This company has detailed and robust policies and procedures in place in relation to modern slavery and there have been no reports of or concerns raised regarding modern slavery in their operations.

Prior to COVID-19 taking effect in early 2020, cleaning of the terminals was carried out by a small local cleaning company. This provider has identified that there is no known modern slavery in their supply chain. Since COVID-19, this cleaning service has been undertaken by TT-Line employees directly, who also clean TT-Line vessels and the Edgewater Hotel.

¹ Commonwealth Modern Slavery Act 2018, Guidance for Reporting Entities.

TT-Line has a sole waste management provider. This provider is a national company and all services are supplied by the provider's employees. The provider has a human rights policy that is reviewed annually and conducts regular evaluations against risk criteria. The provider has confirmed that it has not received any reports of or had any concerns raised regarding modern slavery in any of its operations or supply chains.

Accordingly, TT-Line holds the reasonable belief that modern slavery is not present in its cleaning or waste management operations or supply chains.

Construction and maintenance

In 2019/2020 construction work on both Spirit of Tasmania vessels and terminals was undertaken by an Australian company which is itself a reporting entity under the Act. This company has robust control measures in place to address the risks of modern slavery in its operations and supply chains. While it is not aware of any concerns or risks in relation to modern slavery in its operations and supply chains, the company identified an area of exposure in its product supply chain. The company uses Tasmanian suppliers wherever possible, however, there is limited visibility into several of the raw materials and product supply chains. This risk is managed by the company having in place a robust system of subcontractor registration, compliance and performance assessment. The company's senior management enforces all policies and procedures including in relation to human rights and modern slavery commitments. TT-Line will continue to engage with its direct construction contractor and seek to obtain further insight into its product supply chains as that contractor undertakes its own modern slavery due diligence and risk assessments.

TT-Line also has several vessel maintenance contractors and suppliers who maintain vessel components such as generators, main engines and propeller shafting. While these contractors and suppliers are registered in Australia, many of their suppliers and subcontractors are located overseas and materials and parts are sourced from overseas (e.g. Europe, USA, Denmark). These materials include various metals (e.g. cast iron, alloy and structural steel, aluminium alloys and bronze). TT-Line has limited visibility into its indirect suppliers, but acknowledges that its direct suppliers have in place comprehensive policies, procedures and management control measures to minimise the risks of modern slavery. TT-Line also notes that no maintenance suppliers or subcontractors were identified as being in higher geographic risk locations. TT-Line will continue to assess its direct maintenance contractors and suppliers and seek additional information regarding their supply chains in order to conduct further due diligence on modern slavery risks.

Food and beverage products

The Global Slavery Index identifies imported seafood as being at high risk of modern slavery in production lines. TT-Line's seafood is obtained from an Australian company in which all products are sourced locally.

TT-Line sources some of its food products, including tea and coffee, from a large global supplier. While TT-Line has limited knowledge of this supplier's detailed supply chains, this supplier has openly reported several salient human rights issues in its supply chain that it is committed to addressing. This supplier is a reporting entity under the Act and is committed to monitoring and remediating any human rights and labour rights issues. The supplier has conducted an extensive training program with staff and has comprehensive sourcing standards, subcontractor policies and procedures, independent compliance auditing processes and grievance mechanisms in place to enable staff to report any illegal or non-compliant behaviour anonymously. Accordingly, while the risk of modern slavery in this supply chain of TT-Line is high, this risk has been prioritised and is being actively managed and targeted by this international supplier and TT-Line will continue to engage and co-operate with this supplier and enquire and ascertain its progress in remediating modern slavery issues in its supply chains.

Souvenirs and tourism items

TT-Line sources souvenirs and tourism items for sale from its shop onboard the Spirit of Tasmania vessels, from an Australian company. However, this company has identified that its suppliers have factories throughout China, Hong Kong, India and Taiwan. The company regularly reviews its relationships with product suppliers and it receives regular audit reports on the ethical standards and conditions for workers and exclusion of slavery and child labour. TT-Line's direct supplier is not aware of any modern slavery occurrences in this supply chain. TT-Line will continue to monitor this relationship and work together with its direct supplier to assess and prevent the risk of modern slavery in its supply chains.

Actions to assess and address modern slavery risks

TT-Line has sought to take meaningful steps to identify and respond to modern slavery risks in its operations and supply chains. It has prioritised responding to high-risk sectors in this first modern slavery statement.

TT-Line primarily addresses the risks of modern slavery practices occurring in its operations and supply chains through strict procurement and operational procedures. To ensure TT-Line is aware of and manages modern slavery risks, TT-Line has:

- issued a due diligence questionnaire to key suppliers and contractors and reviewed and evaluated the responses it has received to date;
- reviewed and improved existing policies, and has and will incorporate modern slavery compliance into key corporate governance policies and frameworks including:
 - Procurement Policy;
 - Grievance Policy;
 - Public Interest Disclosure Policy;
 - Whistleblowing Policy;
 - Code of Conduct and Ethics Policy;
 - Appropriate Workplace Behaviour Policy; and
 - Privacy Policy;
- developed a modern slavery clause for inclusion in supplier contracts requiring suppliers to:
 - comply with all applicable modern slavery laws and TT-Line's Modern Slavery Policy and agree that non-compliance is a basis for contract termination;
 - insert modern slavery clauses into contracts with their suppliers and subcontractors;
 - report to TT-Line as soon as they become aware of any breach, or potential breach, or any actual or suspected modern slavery in a supply chain which has a connection with a TT-Line contract;
 - provide a report to TT-Line each year setting out the steps it has taken to ensure that modern slavery is not taking place in any of its supply chains or any part of its business; and
 - maintain a set of records to trace the supply chain of all goods/services provided to TT-Line in connection with an agreement with TT-Line;
- undertaken risk assessments of its business and supply chains to determine at risk areas that may cause, contribute or be linked to modern slavery practices so it can monitor and manage them; and
- used its best endeavours to make stakeholders aware of the TT-Line Modern Slavery Policy and the requirement to comply with its terms.

Grievances and Remediation Processes

TT-Line has policies in place to provide employees and contractors with avenues to report any concerns regarding conduct. These include the:

- Grievance Policy;
- Whistleblowing Policy;
- Public Interest Disclosure Policy;
- Code of Conduct and Ethics Policy; and
- Appropriate Workplace Behaviour Policy.

These policies also apply to modern slavery. Specifically, the Modern Slavery Policy provides that TT-Line will assess and investigate any disclosure in relation to modern slavery as it deems appropriate:

- in accordance with its current policies;
- by seeking third party support; and
- by reporting any suspected situations of modern slavery to the Australian Federal Police.

If a breach of the Modern Slavery Policy is identified, TT-Line may take other action as appropriate for the breach such as:

- assisting with remediation where harm or non-compliance is identified;
- issuing formal apologies;
- stopping certain activities or terminating a contract; or
- taking disciplinary action in accordance with its disciplinary procedures.

Measuring the effectiveness of actions

TT-Line acknowledges that it is essential to ensure its actions to assess and address modern slavery risks are effective. Accordingly, TT-Line will:

- ensure that the Company Secretary, who is responsible for the management of the Modern Slavery Policy, monitors the policy and audit procedures and their effectiveness on an annual basis; and
- conduct an annual review of the company's response to modern slavery.

As part of monitoring effectiveness of actions to address modern slavery, TT-Line plans to build upon the initiatives undertaken during 2019-2020. This includes plans to:

- develop modern slavery training for all staff involved in procurement of goods, services and capital items for TT-Line;
- expand contractor pre-qualification and induction processes to include modern slavery assessments;
- continue ongoing engagement with contractors and suppliers to better understand potential risks of modern slavery in operations and supply chains and continue to issue due diligence questionnaires to key direct suppliers on at least an annual basis;
- work together with direct suppliers to improve their awareness of modern slavery risks and how they may contribute to modern slavery; and
- prioritise further investigation into areas of high risk of modern slavery through continued engagement with direct suppliers particularly in the construction and food and beverage sectors.

This Statement was approved by the Board of TT-Line Company Pty Ltd

Signed



Michael Grainger

Chairman

22 March 2021