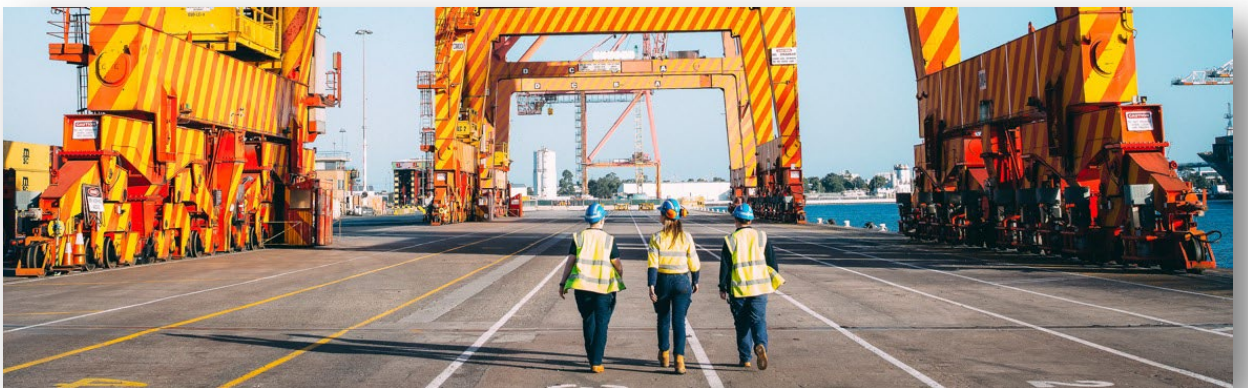




## Patrick Terminals Modern Slavery Statement 2023



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## 1. About this Statement

Patrick Terminals is committed to mitigating the risk of modern slavery practices both in our operations and supply chain. This Statement details our approach and the steps taken to continuously strengthen our internal procedures and build fulsome and effective partnerships with our suppliers to work toward this goal.

This Modern Slavery Statement is Patrick Terminals' third statement and has been prepared in accordance with the requirements of the Modern Slavery Act 2018 (Cth) (the 'Act'). It sets out the actions taken by Patrick Terminals to assess and address modern slavery risks in its operations and supply chains during the financial year ended 30 June 2023.

The reporting entity is PTH No 1 Pty Ltd (ACN 611 116 155), an Australian private company registered at Gate B105a Penrhyn Road Port Botany.

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 consistent risk management and governance practices, including in respect of addressing modern slavery and human rights 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.

## 2. Our Structure, Operations and Supply Chain

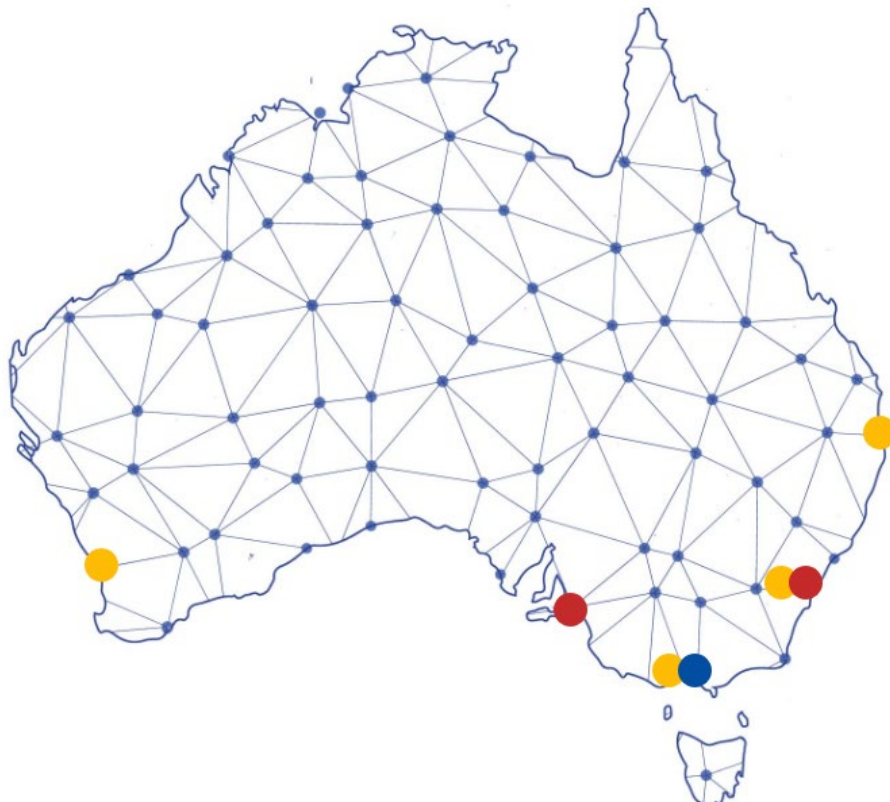
### *Our Structure*

Patrick Terminals is a leading container terminal operator with operations wholly in Australia. Patrick's head office is located in Port Botany, New South Wales.

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 operates some of Australia's most technologically advanced container terminals at four strategically located ports around the Australian coast. Patrick's terminal network includes the Brisbane AutoStrad™ Terminal, Sydney AutoStrad™ Terminal, East Swanson Dock Terminal (Melbourne) and Fremantle Terminal.
- Patrick's National Operations Centre (NOC) is a 24-hour nationwide vessel planning, vessel scheduling and customer support centre based in Melbourne.
- The Patrick Sydney AutoRail Terminal is a phased development of a state of the art fully automated rail terminal jointly funded by NSW Ports that increases rail capacity at Patrick Terminals – Sydney AutoStrad from 250,000 TEU to over 1 million TEU per annum when fully operational. Patrick's Adelaide Rail specialises in providing import and export rail access to the three major Melbourne terminals



Patrick handled 40% of container volumes at its ports of operation in the reporting period.

Patrick employs approximately 1,300 people around Australia and is compliant with the Workplace Gender Equality Act 2012 (Cth). Patrick's operational workforce is covered by an enterprise agreement. Patrick's management and corporate 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](http://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 and parts supply, cleaning and maintenance services, information technology, consulting services, office supplies, uniforms and PPE.

The bulk of Patrick's suppliers are based in or source from low-risk countries in terms of modern slavery prevalence (eg Australia, Finland, New Zealand, Ireland, Singapore, Germany) and the majority of goods and services procured are not associated with elevated risks of modern slavery. Patrick has identified a small number of suppliers with higher inherent risk of modern slavery based on either the nature or source of goods they supply as set out in part 4 below. These suppliers are managed and monitored according to their risks in accordance with part 5 below.

*Patrick seeks at all times to do business with suppliers that have similar values and sustainable business practices, including in relation to human rights*

### 3. Patrick's Risk Based Approach

Patrick recognises that as a large procurer of goods and services, we have a significant role to play in increasing transparency and improving awareness of modern slavery risks in our supply chains and to paving the way for continued improvement in addressing those risks. In particular, Patrick has sought to support our smaller suppliers to uplift their approach to managing and addressing modern slavery risks and we are committed to supporting their efforts to mitigate those risks where possible.

#### **KEY RISK FACTORS**

- ❖ *country of origin of direct operations,*
- ❖ *nature of the goods produced or services provided,*
- ❖ *combined nature and country of origin of material inputs, and*
- ❖ *workforce characteristics and business structures.*

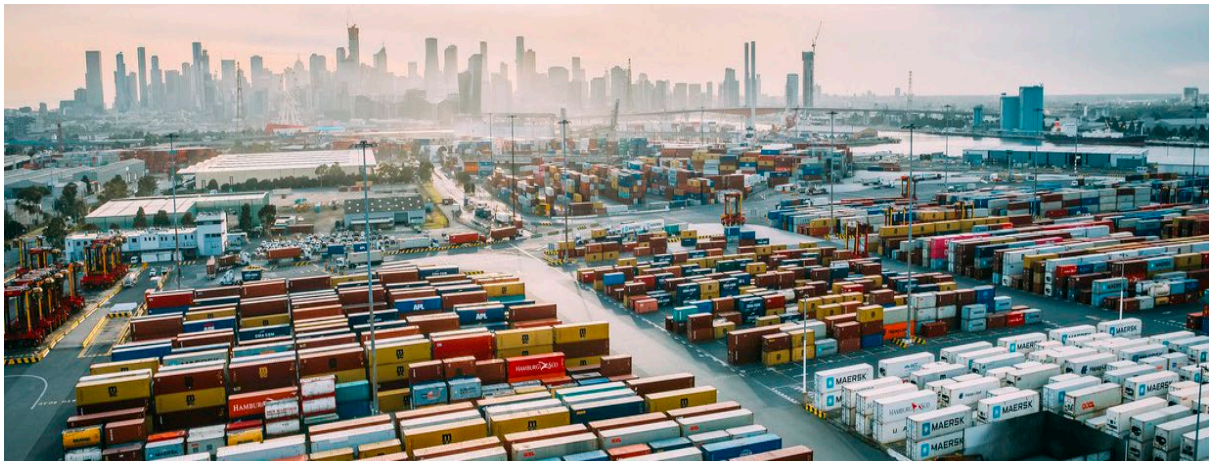
Patrick has continued to adopt a risk management-based approach to supplier engagements, recognising that the modern slavery risks relating to specific suppliers will vary depending on four key risk factors.

Essential to this risk-based approach is our supplier due diligence program which is designed to identify those suppliers that may have higher inherent risk of to modern slavery by reference to the above risk factors, engage with those suppliers to better understand the nature of those risks and how they are identified and mitigated and finally monitor potential risk areas for ongoing improvements and if appropriate, provide support.

During the reporting period Patrick further enhanced its due diligence processes by:

- ❖ Deepening the number of key suppliers assessed to incorporate the top 100 suppliers representing over 90% of total spend,
- ❖ Expanding the scope of countries determined to be high risk for the purposes of assessing country of origin risk to incorporate all countries with an estimated prevalence of modern slavery of over 10 people per 1,000 head of population,

- ❖ Refreshing its supplier questionnaire to require a clear and distinct examination of three key areas:
  - the status of the supplier's policies, procedures and training in relation to modern slavery;
  - the risks associated with the supplier's operations (location of operations, skill level of workers, nature of goods or services produced and employment structures); and
  - risks related to the supplier's supply chain (measures taken to screen, awareness of characteristics of supply chain workforce and nature and geographic source of inputs).

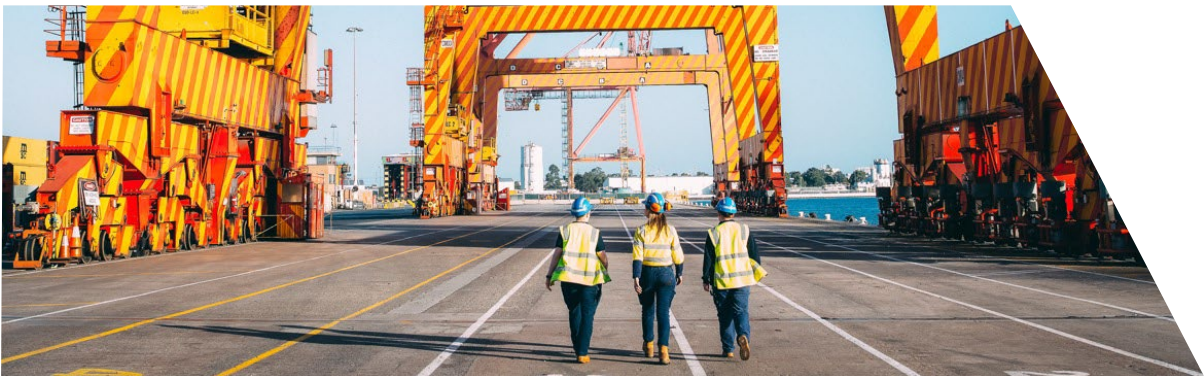


## 4. Assessment of Modern Slavery Risks

### *Patrick's operations*

Patrick's operations are wholly domestic and focussed on servicing customers at its four container terminal facilities in Melbourne, Sydney, Brisbane and Fremantle. Patrick's workforce is either covered by enterprise agreement or contracted in accordance with applicable laws and (where relevant) industrial instruments. This structure is supported by Patrick's comprehensive training programs, which include modules related to modern slavery and human rights, a well socialised whistleblower policy and the availability of multiple internal reporting channels, as well as through an external hotline with an option for anonymity.

*Patrick continues to assess the risk of modern slavery practices occurring in its own operations as low*



### *Patrick's supply chain*

In line with the requirement to continually evolve its due diligence processes, Patrick has this year expanded its assessment of modern slavery risks in its supply chain as set out in part 3 above.

Consistent with prior reporting periods, there are a small number of key suppliers identified as having a higher inherent risk by reference to the four key risk factors mentioned in part 3 above. These include:



- Electronics (laptops and computers and mobile phones) supplied from China, Vietnam and Thailand;
- Garments (uniforms and PPE) supplied from Fiji and China;
- Cleaning Services and Products – (terminal cleaning services) suppliers in each of Patrick's terminals and cleaning products supplied from China, India, Malaysia, Pakistan, Taiwan, Vietnam);
- Construction services and products – (minor and major works) undertaken at all terminals); and
- Major Equipment – supplied from China.

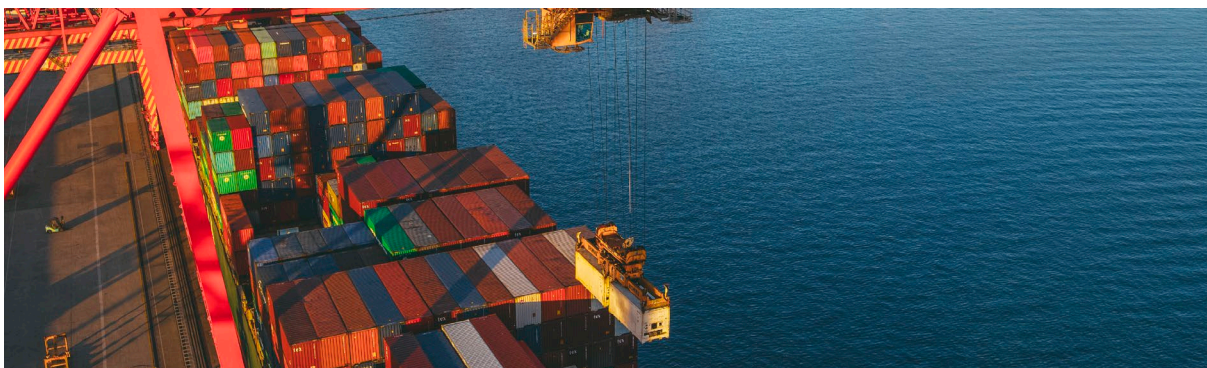
In respect of these key suppliers, additional steps have been and will continue to be taken to address the higher inherent risk, including close assessment of policy and training programs and monitoring of compliance with the same, the inclusion of compliance with laws commitments in supply agreements, and spot audits conducted through site visits using Patrick's newly prepared '*Guidance for Patrick Personnel Visiting Sites and Suppliers*'.

The balance of Patrick's top 100 suppliers are either:

- suppliers based in or sourcing from low risk countries; or
- suppliers based in higher risk locations but employing highly skilled labour only.

Further details of the approach used to assess these risks is found in part 3 above and further detail on the actions taken or being taken by Patrick to mitigate risks are set out in part 5 below.

***Patrick continues to assess the risk of modern slavery practices occurring in its supply chain as low***



## 5. Actions Taken to Address Modern Slavery Risks

Patrick Terminals is committed to playing a meaningful role in addressing modern slavery risks through:

- ❖ Policies - strong and well-articulated policies including established reporting mechanisms and procedures
- ❖ Training - tailored training and awareness sessions
- ❖ Contractual commitments - clear contractual obligations for suppliers in relation to modern slavery compliance and reporting
- ❖ Targeted Risk Assessment - targeted risk assessments and supplier due diligence
- ❖ Strong Supplier Engagement - strong engagement with our suppliers to support their responses to modern slavery.

### ***Policies***

Patrick has fully embedded the Patrick Modern Slavery Policy and Patrick Human Rights Policy and amended related policies such as the Patrick Procurement Policy and Patrick Code of Conduct to consistently incorporate the relevant principles and procedures. These policies are supported by the Patrick Whistleblower Policy which sets out clear processes and mechanisms for reporting issues of concern, including through external and anonymous reporting channels.

During this reporting period, Patrick has prepared *Guidance for Patrick Personnel visiting Sites and Suppliers* which is aimed at supporting Patrick personnel in identifying modern slavery risk factors and behaviours when visiting suppliers and their sites. The guidance has been prepared to supplement but not replace the requirements of the Modern Slavery Policy and Procurement Policy which will each be amended to incorporate reference to the guidance as part of Patrick's annual policy review;

### ***Training***

Across the reporting period, Patrick has again featured modern slavery and human rights awareness as part of its code of conduct training with more than 1,000 people having completed the modules in the reporting period. In particular, the training also provides guidance on the range of mechanisms available for reporting issues of concern, including through external reporting channels.

In addition to this targeted training, Patrick has highlighted the requirements of the Modern Slavery Policy as part of face-to-face training completed during the reporting period by all eligible recipients of whistleblower reports. This training aims to ensure all reports of serious misconduct (including potential modern slavery or human rights violations) are handled in accordance with Patrick's Whistleblower policy and applicable laws.

### ***Contractual commitments***

Patrick procures goods and services either under Patrick's standard Purchase Order terms and conditions or under tailored procurement contracts with key suppliers. Patrick ensures that both approaches are consistent in terms of requiring compliance with applicable laws and specifically requiring goods to be produced and services to be carried out in compliance with applicable modern slavery legislation.

In the case of certain higher inherent risk suppliers, Patrick has supported these compliance commitments with positive reporting obligations to increase transparency.

### ***Targeted Risk Assessments***

Patrick reviewed its suppliers in accordance with the risk-based approach enhanced for this reporting period as set out in part 3 above. Suppliers identified as having a higher inherent risk by reference to the four key risk factors were asked to complete a questionnaire and participate in a 1:1 focus session with Patrick personnel to communicate Patrick's modern slavery requirements and to understand the supplier's risk management practices. These 1:1 interviews have proven effective in assessing the risks and risk management practices of these key suppliers as well as communicating any further actions and supporting uplift in practices of smaller suppliers.

### ***Strong supplier engagement***

Additional steps have been and will continue to be taken to address the higher inherent risks with some suppliers. These include close assessment of policy and training programs and monitoring of compliance with the same, where appropriate, the inclusion of positive reporting obligations in supply agreements to support the existing compliance with laws commitments and the implementation of audits conducted during site visits using Patrick's newly drafted 'Guidance for Patrick Personnel Visiting Sites and Suppliers'.

The 1:1 interviews included analysis of previous responses in order to monitor the progress of any identified areas for continuous improvement. In some instances, Patrick has provided lesser resourced suppliers with training and policy materials to support the development of their own policies and procedures in their operations. A key feature of the current reporting period has been the significant progress made by several of these smaller suppliers due to the previous year's 1:1 interview and Patrick's training and policy development support.

## 6. Effectiveness of our Efforts

Patrick continues to focus on raising awareness amongst officers, employees, contractors and suppliers to ensure comprehensive understanding of the risk factors associated with modern slavery as well as the requirements of the Act. We have also sought to provide the tools and support 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. To this end, during the reporting period, Patrick has prepared its 'Guidance for Patrick Personnel Visiting Sites and Suppliers' which outlines modern slavery risk factors and behaviours for personnel to be alert to when visiting the sites, facilities and operations of its suppliers.

In this reporting period Patrick has again reiterated the requirements of the Modern Slavery Policy and Human Rights Policy through its Behavioural Expectations training and has highlighted the Whistleblower Policy process as the key reporting channel for issues pertaining to Modern Slavery. Whilst there have been no complaints raised in this reporting period, Patrick is confident that the reporting mechanisms are clear and well understood. Patrick has supported its Whistleblower Policy with face-to-face training for eligible recipients of whistleblower reports during the reporting period to ensure all reports of serious misconduct (including potential modern slavery or human rights violations) are handled in accordance with Patrick's Whistleblower policy and applicable laws.

Patrick is continuing to strengthen its understanding of the practices of existing and new suppliers with higher inherent risk and Patrick considers that the continuation of this dialogue grounded in supplier partnership provides enhanced insights and effective opportunities for continuous improvements to be realised.

### *CASE STUDY – Garment Supplier*

*Patrick procures uniforms and PPE from an Australian based garment supplier with overseas factories in Fiji and China. Given the elevated modern slavery risks associated with the garment industry and these locations, the supplier has participated in 1:1 focus sessions with Patrick over several years. Over this time, Patrick has worked with the supplier to build awareness of the risks of modern slavery and to support a program of mitigation through the provision of training, policy and other resources.*

*The supplier has now employed a dedicated resource to establish a suite of policies, has introduced a Vendor Compliance Initiative in relation to ethical sourcing and conducts comprehensive on-site visits plants and warehouses to verify their adherence to human rights.*





*It is a powerful example of how collaboration and positive supplier engagement can lead to broad based uplift in addressing modern slavery risks*

The table below sets 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

<b>Ownership of risk established within the business</b>	Embed awareness of current 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)	
<b>Know your suppliers and supply chain risk assessment</b>	Patrick has continued to develop understanding of supplier activities (nature, location, higher domestic risk)	
	Modern slavery risks of top 90% of suppliers assessed	
	Suppliers beyond top 90% who are determined as higher inherent risk also assessed	
<b>New suppliers and contracting terms</b>	Due diligence on additional 60 suppliers to understand risk profile and approach to managing modern slavery risks	
	Policy supports personnel involved in procurement activities to identify and mitigate risks	
	Inclusion in key supplier contracts and PO terms and conditions of requirement to comply with all laws and modern slavery compliance. Positive reporting obligations included in certain higher inherent risk contracts	
	Assessment of supplier practices to assess compliance with Patrick policy framework	
<b>Review, Compliance and Supplier Engagement</b>	Continued 1:1 focus sessions with suppliers assessed as higher inherent risk	
	Analysis of previous supplier assessments to monitor progress on continuous improvement and support where appropriate to assist supplier uplift	
	Embedding of training, further socialising of key policies and introduction of new ‘Guidance for Patrick Personnel visiting Site and Suppliers’.	
<b>Grievance mechanism</b>	Visible and accessible grievance mechanism detailed in policies to support	

	reporting of concerns	
	Formal process for investigating and reporting on issues raised	
<b>Remediation</b>	Patrick is committed to encouraging transparency and working with suppliers to remediate any identified issues	
<b>Annual Review</b>	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 2023