

2021-22
**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



Landside Operations activity has increased in recent years as direct shipping has surged at the Ports of Dampier and Port Hedland.

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INTRODUCTION

The number of people in modern slavery has risen significantly. Ten million more people were in modern slavery in 2021 compared to 2016¹. On any given day, approximately fifty million people are living in situations of modern slavery¹.

The term 'modern slavery' covers exploitative practices including slavery, human trafficking, forced labour, debt bondage, domestic servitude, forced marriage and the sale and exploitation of children. Basically, any situation of exploitation where a person cannot refuse or leave because of threats, violence, coercion, deception or abuse of power¹.

Even though Australia is party to seven core international human rights treaties², most forms of modern slavery have or are suspected to have occurred in today's Australia¹.

Pilbara Ports Authority (PPA) conducts its business ethically and in accordance with the highest standards of corporate governance.

We³ are committed to our Values and Code of Ethics and Conduct as well as providing information regarding our structure, operations, performance and strategy in a transparent and easily accessible manner.

This modern slavery statement has been prepared pursuant to section 16 of the Modern Slavery Act 2018 (Cth) (the Act) for the reporting period ending 30 June 2022.

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. It also outlines the consultation process between PPA and the Hedland Maritime Initiative Pty Ltd (HMI) which is wholly owned by PPA.

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

¹ Walk Free 2022. Available from: www.walkfree.org.

² Attorney-General's Department, International human rights system. Available from: <https://www.ag.gov.au/rights-and-protections/human-rights-and-anti-discrimination/international-human-rights-system> [01/11/2022].

³ 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.



Helicopter Pilots transfer Marine Pilots to vessels at anchor at the Port of Port Hedland.

OUR BUSINESS AND STRUCTURE

STRUCTURE

Pilbara Ports Authority operates as a Western Australian Government Trading Enterprise and is governed by the Port Authorities Act 1999 (WA) (the PAA).

We are a commercialised entity with an independent Board of Directors reporting to the Minister for Ports and are employing approximately 300 people across our 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 Rd, Murujuga, Dampier WA 6713
 Ashburton Security Gate: Warrirda Rd, Onslow WA 6714

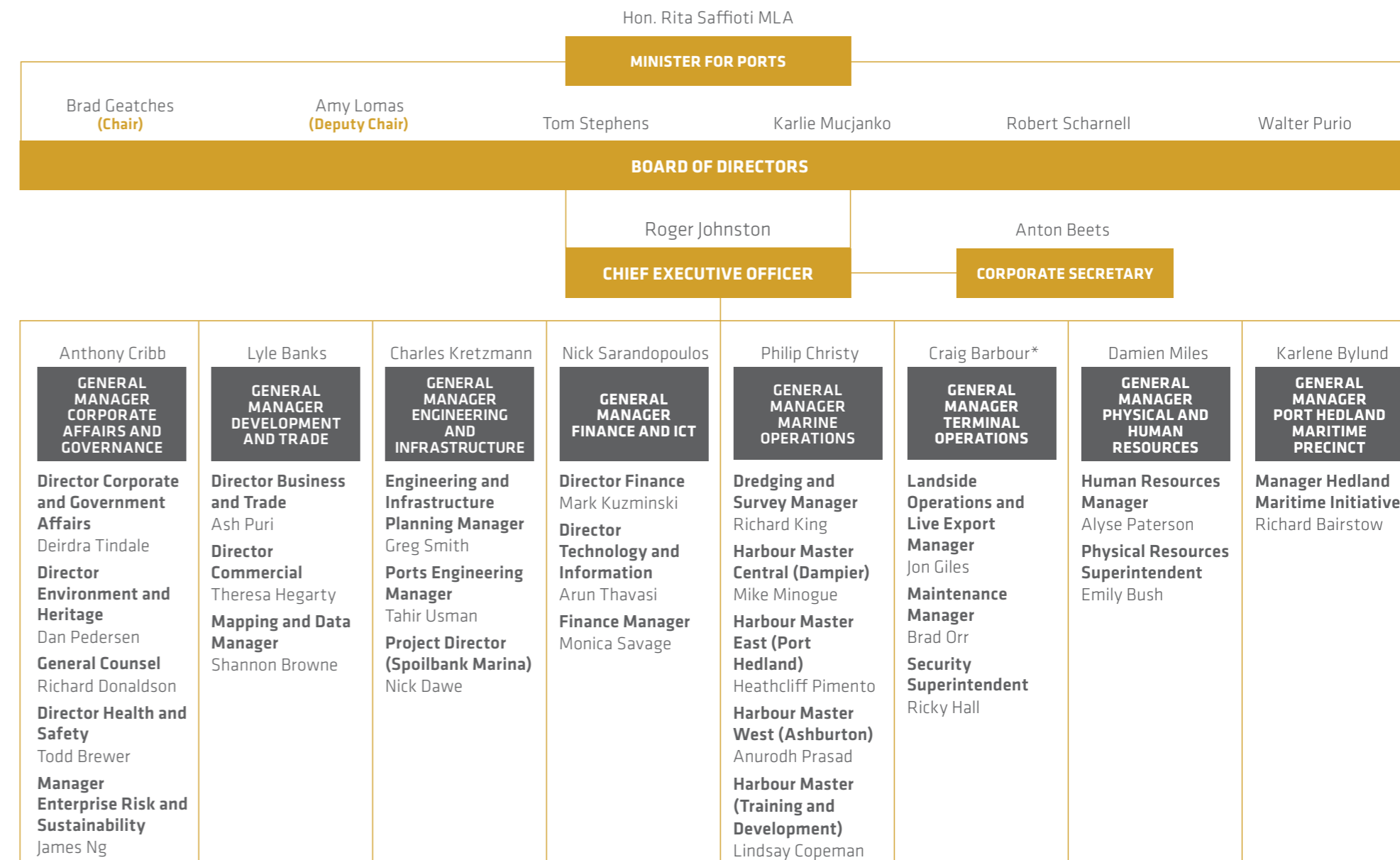
HMI is a wholly owned subsidiary of PPA and operates (as permitted under the PAA) as a corporatised entity established under the Corporations Act 2001 with a Board of Directors.

HMI employs approximately seven people across its operations and locations.

Corporate Office: Level 5, 999 Hay St, Perth WA 6000
 Port Hedland Office: 6/15 Wedge St, Port Hedland WA 6721

ORGANISATION STRUCTURE

As of 30 June 2022



*Mr Barbour was appointed to commence working for the Authority on 15 August 2022.

OUR OPERATIONS AND SUPPLY CHAIN

OPERATIONS

PPA is the world's largest bulk export port authority, encompassing the existing ports of Ashburton, Dampier, Port Hedland and Varanus Island and five future port sites. As of 30 June 2022, a total 1,938 ha of land across our existing ports was leased to more than fifty port users. PPA is also responsible for five future ports as shown in the map over page.

ORGANISATION PROFILE

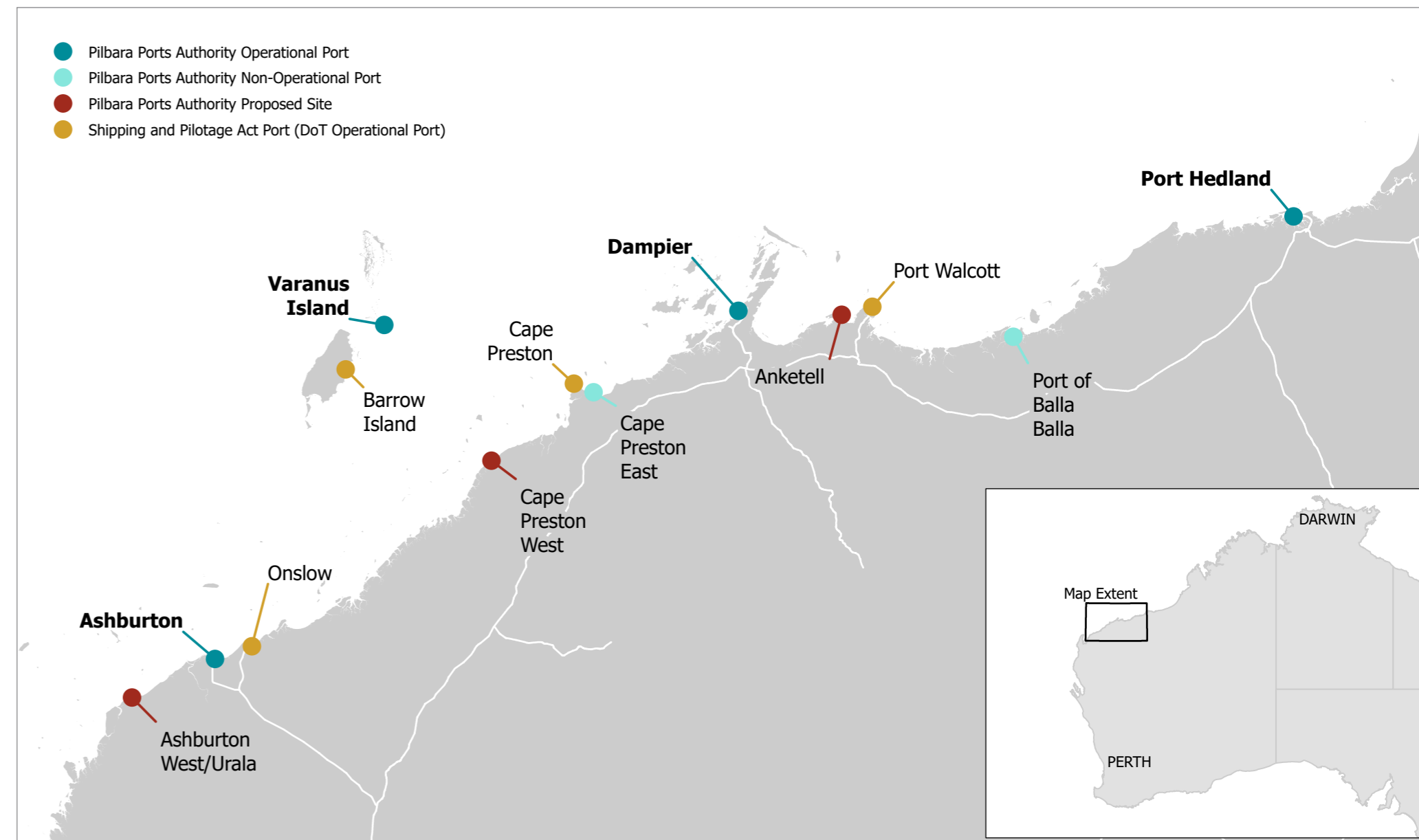
PPA provides overall port management and coordinates vessel traffic services (VTS), ship scheduling, berthing allocations for multi-user facilities and port communications as well as maintaining shipping channels, navigation aids and other port infrastructure. We contract out or issue licences for stevedoring, towage, pilotage, pilot transfer helicopters and pilot boats, security services and waste management services.

PPA has a duty to act on commercial principles and is granted the power to perform the following functions under the PAA:

- facilitating trade within and through the ports;
- planning for future growth and development of the ports;
- undertaking or arranging for activities that will encourage and facilitate the development of trade and commerce, generally for the economic benefit of the State through the use of its port and related facilities;
- controlling business and other activities in its ports or in connection with operation of the ports;
- being responsible for the safe and efficient operation of the ports;
- being responsible for maintaining port property;
- being responsible for port security;
- protecting the environment of the ports; and
- minimising the impact of port operations on the environment.

HMI is the special purpose vehicle that has been established to administer the Port Hedland Voluntary Buy-Back Scheme (PHVBS) to acquire residential properties in the West End of Port Hedland, in order to support a cap and reduction of the permanent residential population of the area of the West End. HMI is also responsible for facilitating the planning and redevelopment of the West End into a maritime precinct.

PORTS OF THE PILBARA



SUPPLY CHAINS

The map over page depicts the percentage of PPA's suppliers broken down geographically according to the country in which the entity is registered for business. In the reporting period 99.5% 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) ⁴	GSI GOVERNMENT RESPONSE RATING ⁵	PER CENT OF SUPPLIERS ENGAGED	COUNTRY
166	BB	0.01	Canada
164	BBB	0.24	New Zealand
163	BBB	99.55	Australia
158	BBB	0.07	United States
150	BB	0.01	Denmark
143	A	0.07	Netherlands
132	BBB	0.02	United Kingdom
53	B	0.01	India

Overwhelmingly, our suppliers and vendors are from countries whose governments have 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.

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

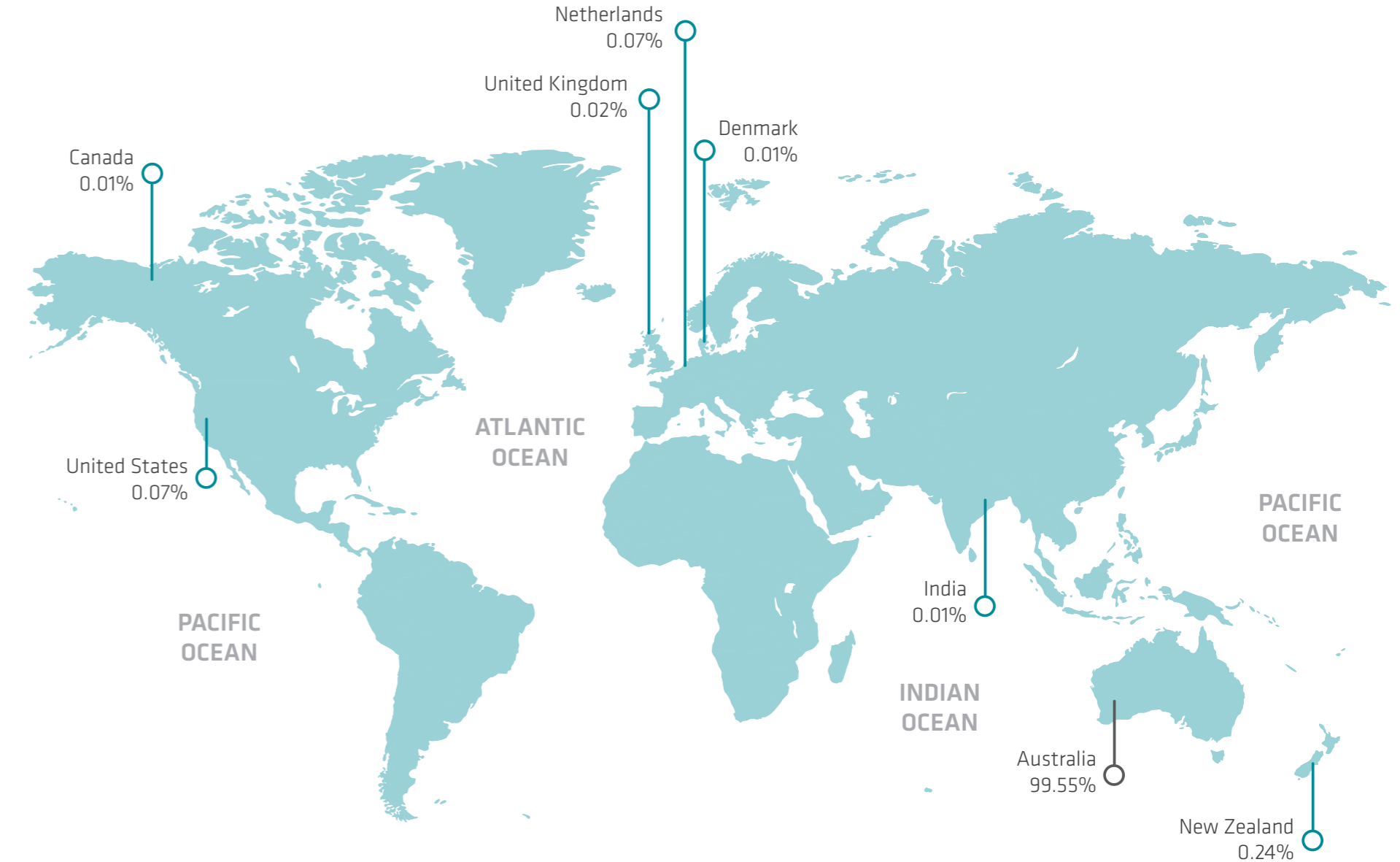
- specialised marine services;
- maintenance, inspection and repair services to PPA's port facilities;
- engineering and infrastructure works and services;
- information and communication technology;
- supply of general goods and services; and
- valuation of properties.

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; and
- consulting agreements.

⁴ Walk Free 2018, GSI data covers 167 countries. Available from: www.globalslaveryindex.org/findings [01/11/2022]

⁵ 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.





PPA staff inspect the Cavotec automated mooring system at Utah Point, Port Hedland.

MODERN SLAVERY RISKS

In the reporting period, we identified areas in our operations and supply chains where PPA may cause, contribute, or be directly linked to modern slavery practices.

OPERATIONS

a Impact of COVID-19 on Seafarers

Seafarers are often from countries with poor records or challenges in relation to human rights, labour rights and corruption.

Due to the COVID-19 pandemic, port restrictions have reduced or eliminated the ability of seafarers to take shore leave and have increased the cost and logistical difficulty of repatriation⁶. Seafarers may face increasingly isolated working conditions and are often dependent on their employers for communication with the outside world; a factor which makes seafarers particularly vulnerable to exploitation⁷.

b Climate Change

PPA identified climate change as a material issue since the risk of modern slavery and climate change are inextricably linked. Displacement resulting from natural disasters and weather pattern changes increases the risk of people losing their homes and livelihoods.

Environmental degradation may push millions of people in our region of operations into greater inequality, as well as driving migration and leaving people at risk of exploitation.

SUPPLY CHAIN

The risk of modern slavery practices in our supply chain can be categorised as follows:

a Geographic Risk

The level of risk associated with procuring goods and services from countries which may have higher risks of modern slavery has been assessed as low, because 99.55% of our procurement in the reporting period was sourced nationally. This is confirmed by the fact that Australia has been ranked 163 out of 167 in the prevalence index by Walk Free⁸.

b Industry and Sector Risk / Product and Services Risk

Certain industries and sectors as well as products and services which involve seasonal, low-paying, low-skilled or dangerous/hazardous work can be linked to modern slavery risks.

We identified several suppliers who operate within those industries or supplied goods and services with an increased risk of the occurrence of modern slavery, specifically:

- cleaning and security services;
- work uniforms and PPE;
- electronics and ICT (including hardware, software and services); and
- construction services and materials.

c Supply Chain Model Risk and Entity

Modern slavery risks can be linked to specific entities. Some businesses or other entities may have high modern slavery risks because they have poor governance structures, a record of treating workers poorly or a track record of human rights violations.

Even though our assessment does not indicate that our suppliers are engaging in those activities, the risk nevertheless might be present in our supply chain.

⁶ International Maritime Organization, Frequently asked questions about how COVID-19 is impacting seafarers. Available from: www.imo.org/en/MediaCentre/HotTopics/Pages/FAQ-on-crew-changes-and-repatriation-of-seafarers.aspx [01/11/2022].

⁷ TLB Law & Co, Maritime transport & modern slavery – are you overlooking a key link in your supply chain? Available from: www.tlbaw.com.au/modern-slavery-in-supply-chain/ [01/11/2022].

⁸ Walk Free 2018, Country Data Australia. Available from: www.globalslaveryindex.org/2018/data/country-data/australia/ [07/11/2022].

ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

The reporting period was used to progress actions to address the identified modern slavery risks in our operations and supply chains. Key achievements for the period include:

a Safe Vessel Visits

PPA recorded 6,857 safe vessel visits. Although vessel crews and the changeover of crews are not within PPA's responsibility, as standard practice, we report on ship crew movements and requests for medical assistance across all our ports.

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.

b Bringing the Internet to Seafarers

PPA commenced implementing the private Long-Term Evolution (LTE) network at the Port of Port Hedland, to improve network connectivity to PPA-owned and other port users' berth areas, including the Port Hedland channel.

The LTE network will enable high-speed internet connectivity for seafarers, providing an alternative option to access the internet (seafarers currently access the internet via prepaid SIM cards that PPA has been providing since October 2020).

Seafarers will be able to connect with friends, family, loved ones, and the PPA reporting network. To enable seafarers to reach out to PPA, to report infringements, complaints or incidents of human trafficking or exploitation.

c Grievance, Infringement and Complaints Management

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.

d Climate Change Management

PPA has begun work to determine our current climate change risks and opportunities. This includes the establishment of a Net Zero Transition Plan and the completion of Coastal Hazard Risk Management and Adaption Plans (CHRMAP) for the Port of Port Hedland and Port of Dampier.

PPA continues to align our climate change sustainability strategy into the business plan.

e Recruitment and Employment

Employment, industrial relations, work health and safety laws in Australia continues to be complied to at PPA.

Appropriate policies, systems and procedures for engaging recruitment agencies and employing people are in place, ensuring that people are recruited honestly, and their work conditions are appropriate as well as their hours and pay.

f Training

Modern slavery training continues to be 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.

g Procurement and Tendering Systems

We continued the process to improve 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.

The Vendor Management System (VMS) continues to mature, to improve governance over the engagement and monitoring of vendors.

PPA has identified actions to improve data collection, auditability, and information on vendor's modern slavery practices; to enable improved monitoring capabilities over the risk of modern slavery within our supply chains.

ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

PPA continues to set and track Key Performance Indicators as part of our governance, including due diligence, compliance and risk management to measure effectiveness.

The Governance Risk and Compliance (GRC) 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

During the reporting period, the 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 regularly 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

Nil.


Roger Johnston
CHIEF EXECUTIVE OFFICER
Date: 16 December 2022


Brad Geatches
CHAIR
Date: 16 December 2022

PILBARA PORTS AUTHORITY ABN 94 987 448 870
HEDLAND MARITIME INITIATIVE PTY LTD ABN 70 645 630 468

