

FREMANTLE PORTS
Modern Slavery Statement 2020-21

Fremantle Ports' Modern Slavery Statement for the reporting period ending 30 June 2021 is made pursuant to the Modern Slavery Act 2018 (Cth) ('Act') and has been approved by the Board of Directors.

1. INTRODUCTION

Our first *Modern Slavery Statement* committed Fremantle Ports to reducing the risk of modern slavery. Since submitting the first statement, Fremantle Ports has formed a Modern Slavery Working Group, adopted a Statement of Commitment and completed a modern slavery risk assessment.

Fremantle Ports manages the Fremantle Inner Harbour, Kwinana Bulk Jetty and Kwinana Bulk Terminal (Outer Harbour) and is responsible for:

- » maintaining port property
- » port security
- » operating the port
- » facilitating trade
- » minimising the impact of port operations on the environment
- » planning for future growth and development of the port for the benefit of the state.

Modern slavery includes conduct that would constitute:

- » serious exploitation, including trafficking in persons
- » slavery
- » servitude
- » forced marriage
- » forced labour
- » debt bondage
- » deceptive recruiting for labour or services
- » the worst forms of child labour.

Fremantle Ports acknowledges its responsibilities in improving the understanding of modern slavery within its workforce, supplier network, contractors and operations. This responsibility is reflected in several respects in Fremantle Ports' systems, processes and values.



OUR VALUES ARE:

- » respect and integrity
- » safety and wellbeing
- » responsiveness and delivery
- » continuous improvement
- » innovation
- » sustainability

FREMANTLE PORTS' DEFINING PRINCIPLES COMPLEMENT OUR VALUES AND INSTIL OUR WHOLE APPROACH TO WHAT WE DO. IN THIS MANNER, WE STRIVE TO:

- » deliver with excellence
- » be energetic and optimistic
- » be future-focused
- » be a trusted partner

2. STRUCTURE, OPERATIONS AND SUPPLY CHAIN OF THE REPORTING ENTITY

2.1 STRUCTURE

Fremantle Ports is regulated by the *Port Authorities Act 1999* (WA) (PAA) and is a government trading enterprise. Fremantle Ports is the strategic manager of the Port of Fremantle and is accountable to a board appointed by the Western Australian Minister for Ports. The Board sets Fremantle Ports' strategic direction, agrees on goals for management and monitors the achievement of those goals. The Chief Executive Officer is appointed by the Board and is responsible for day-to-day management.

2.2 OPERATIONS

The Inner Harbour has served Western Australia's maritime trade needs effectively since 1897 and continues today as the fourth largest and one of the most efficient container ports in Australia. Aside from its container trade, it also handles cruise ships, vehicle imports and non-containerised cargo such as machinery, steel, heavy equipment, livestock and scrap metal.

The Outer Harbour handles bulk commodities, including bauxite, grains, petroleum products, silica sands, bitumen, fertilisers, and sulphur. The Outer Harbour is owned and operated by Fremantle Ports, while separate facilities in Cockburn Sound are privately operated by Alcoa, BP and CBH Group.

Fremantle Ports licenses a range of port services, including non-exclusive contracts with the private sector for towage and pilotage.

2.3 SUPPLY CHAINS

The main types of goods and services procured by Fremantle Ports in the reporting period fit into these categories:

- » fixed assets and infrastructure
- » rail and mechanical
- » facilities and marine services
- » professional services
- » technology.

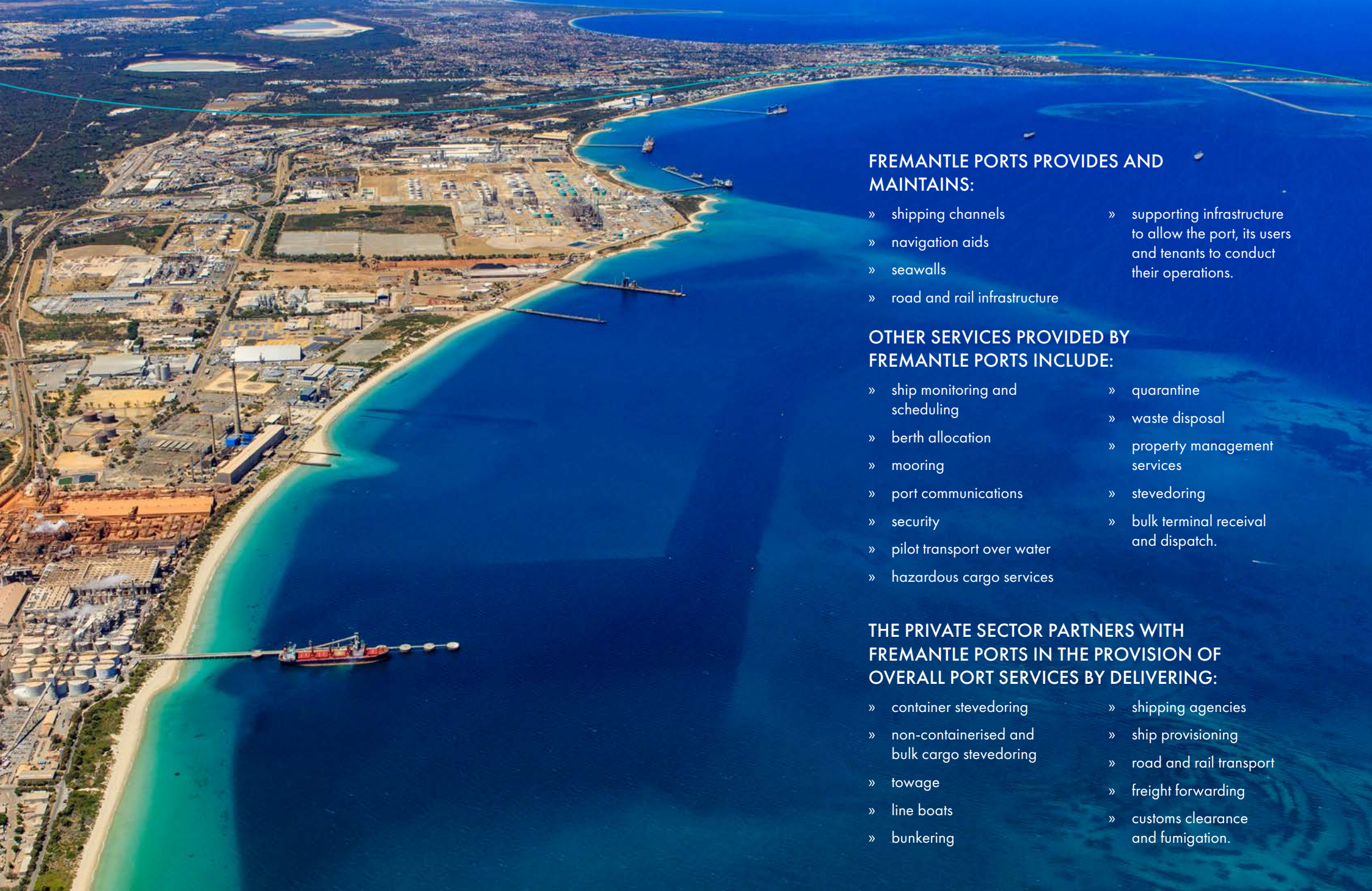
The commercial arrangements Fremantle Ports has with its suppliers differ due to the wide range of goods and services procured. The types of commercial arrangements for goods, works and services are:

- » service provider licences
- » standing offer agreements
- » one-off contracts.

Country of origin risk

During the 2020-21 reporting period, 99 % of Fremantle Ports' 589 pre-qualified suppliers were Australian-registered entities. According to the Global Slavery Index 2018, the prevalence of modern slavery in Australia is less than 0.06%¹. It is important to recognise that, although a supplier may be based in Australia, the majority of their goods or commodities are likely to be sourced overseas.

¹ Global Slavery Index, Walk Free, Minderoo Foundation at <https://www.globalslaveryindex.org/2018/findings/country-studies/australia/>



FREMANTLE PORTS PROVIDES AND MAINTAINS:

- » shipping channels
- » navigation aids
- » seawalls
- » road and rail infrastructure
- » supporting infrastructure to allow the port, its users and tenants to conduct their operations.

OTHER SERVICES PROVIDED BY FREMANTLE PORTS INCLUDE:

- » ship monitoring and scheduling
- » berth allocation
- » mooring
- » port communications
- » security
- » pilot transport over water
- » hazardous cargo services
- » quarantine
- » waste disposal
- » property management services
- » stevedoring
- » bulk terminal receipt and dispatch.

THE PRIVATE SECTOR PARTNERS WITH FREMANTLE PORTS IN THE PROVISION OF OVERALL PORT SERVICES BY DELIVERING:

- » container stevedoring
- » non-containerised and bulk cargo stevedoring
- » towage
- » line boats
- » bunkering
- » shipping agencies
- » ship provisioning
- » road and rail transport
- » freight forwarding
- » customs clearance and fumigation.



3. RISK OF MODERN SLAVERY IN GLOBAL OPERATIONS AND SUPPLY CHAINS

During the previous reporting period, Fremantle Ports completed a modern slavery supplier risk assessment to identify how it may cause, contribute to or be directly linked to modern slavery practices through its operations and supply chain.

The overall risk of modern slavery at a tier 1 level of the Fremantle Ports supply chain is low (tier 1 suppliers are those that deal directly with Fremantle Ports). With over 99% of the total value of expenditure made through companies based in Australia, where strong regulation and good business governance prevails, the likelihood of forced labour or other means of slavery at a tier 1 level is extremely low.

4. ACTIONS TO ADDRESS RISKS OF MODERN SLAVERY

Modern Slavery Working Group

The Modern Slavery Working Group was formed shortly after the first *Modern Slavery Statement* was submitted in 2020. The working group is developing a framework of governance systems and processes to ensure compliance with the Act. The working group is chaired by Alison Coates, Senior Manager Public Policy and Strategy, who is a member of Fremantle Ports' Executive Leadership Team. The appointment of Alison as chair is evidence of Fremantle Ports' commitment to addressing the risks of modern slavery.

The working group champions the commitments within the approved modern slavery statement and supports the business in addressing modern slavery risks. Specifically, the working group:

- » oversees compliance with the Act
- » considers how best to work with industry participants to address the risks for seafarers visiting the Port of Fremantle
- » drafts the modern slavery statement.

The working group comprises internal stakeholders from various functions within the organisation, including:

- » Asset and Infrastructure Management
- » Commercial and Corporate Services
- » Corporate and Community Relations
- » Governance, Risk and Compliance
- » Harbour Master's Office
- » Property
- » Port Operations
- » Public Policy and Strategy.

Statement of Commitment

Fremantle Ports' Board has made the following commitments:

If Fremantle Ports becomes aware of allegations of cases where seafarers are subjected to modern slavery, we will work with federal regulators, the International Transport Workers Federation, the Flying Angel Club and Stella Maris to address those cases.

If Fremantle Ports identifies modern slavery in our supply chains, we will cease using those suppliers.

Modern slavery risk assessment

Fremantle Ports' modern slavery risk assessment informs the modern slavery statement and demonstrates continuous improvement in compliance with the Act.

The objectives of the modern slavery risk assessment are to:

- » reduce modern slavery in Fremantle Ports' supply chain and areas of influence
- » improve policies, practices and procedures.

The following table summarises the modern slavery risks and actions being undertaken to improve controls that address modern slavery risks.

Risk description:	Risk category	Residual risk rating	Management response / actions
Seafarers are exposed to modern slavery because of actions of shipping lines, vessel owners and industry practice, and by Fremantle Ports' own actions.	Reputation and trust	Low	<p>Failure to proactively monitor for and take action to address the occurrence of modern slavery when identified among seafarers could have an adverse impact on Fremantle Ports' reputation.</p> <p>Work with regulators and stakeholders to address modern slavery risks to seafarers and document compliance obligations under the <i>Navigation Act 2012</i>.</p>
Fremantle Ports is linked to modern slavery by procuring goods/services from suppliers and their subcontractors who employ methods of modern slavery.	Legal and compliance	Low	<p>Failure to ensure appropriate processes and procedures are in place could result in breach or non-compliance with legal requirements.</p> <p>Review policies to ensure reference to modern slavery and update tender documentation to require suppliers demonstrate strong procedures to address modern slavery.</p> <p>Send a questionnaire to high-risk suppliers seeking information on their approach to modern slavery.</p>
Fremantle Ports is linked to modern slavery because of inadequate monitoring of compliance of suppliers, service providers and tenants.	Reputation and trust	Medium	<p>Failure to proactively monitor for and take action to address modern slavery when identified could have adverse impact on Fremantle Ports' reputation.</p> <p>Review contracts to ensure suppliers, service providers and tenants identify and mitigate modern slavery risks.</p> <p>Implement a process to monitor suppliers, service providers and tenants' compliance with the Act.</p>
Fremantle Ports is indirectly linked to modern slavery via the actions and practices of stakeholders and service providers.	Reputation and trust	Medium	<p>Failure to proactively monitor for and take action to address modern slavery when identified could have adverse impact on Fremantle Ports' reputation.</p> <p>Raise awareness and communicate Fremantle Ports' commitment to addressing modern slavery risks within supply chains.</p>

The following table summarises the progress of actions Fremantle Ports committed to in the *Modern Slavery Statement 2019-20*.

Topic	Action	Status
Communication	Communicate the Act's requirements and actions to the Board/Audit and Risk Management Committee/Executive Leadership Team.	Completed
	Provide general communication to Fremantle Ports' staff about the requirements of the Act	Completed
Supplier questionnaire	Progressively introduce a questionnaire to Fremantle Ports' high-risk suppliers, seeking more detail on their approach to modern slavery.	Ongoing
Procurement documentation and policies	Review policies and procedures to ensure clear reference to human rights and the risks of modern slavery.	Ongoing
	Update tender documents to require suppliers to demonstrate procedures to mitigate slavery risks and for such requirements to be evaluated as part of the supplier selection process.	Ongoing
	Review contractual templates and documents to ensure human rights breaches are of a material nature and that companies must identify and mitigate risks in their own organisations and supply chains.	Ongoing
Training and communication	<p>Provide modern slavery risk awareness training. This training will be delivered organisation wide, with annual refreshers for key personnel involved in procurement activities and vendor engagement.</p> <p>Outcomes:</p> <ul style="list-style-type: none"> » Ensure all staff are aware of the Act and the supply chain modern slavery risks. » Ensure all staff who may participate in the procurement process have received training. 	Ongoing
Working group	Consider the development and implementation of an internal working group/committee to oversee compliance with the Act and action implementation. Consider how best to work with industry participants and other organisations to address the risks for seafarers, particularly in relation to the crews of ships that use Fremantle Ports' facilities.	Completed

5. EFFECTIVENESS ASSESSED

Fremantle Ports' enterprise risk management framework includes assessment of the effectiveness of the proposed actions and monitoring their implementation, including verifying that:

- » information or training about modern slavery risks is provided to relevant staff
- » high-risk suppliers complete a self-assessment and unfavourable responses are acted upon
- » policies and procedures are reviewed
- » contractual templates are reviewed and incorporate modern slavery risk controls
- » risk assessments outcomes, including control effectiveness assessments, are incorporated into Fremantle Ports' internal control systems to prevent and mitigate modern slavery risks.

Signed in accordance with a resolution of the Board made on 19 November 2021.



Michael Parker
Chief Executive Officer



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