2023-24 MODERN SLAVERY STATEMENT

PILBARA PORTS

Hedland MARITIME INITIATIVE

SAFETY

We are committed to ensuring everyone goes home safe and health every day.

CARE

We care for and respect our people, communities, and environment.

EXCELLENCE

We take price in our work and strive to improve.

INTEGRITY

We deliver on our commitments and always act honestly and objectively.

TEAMWORK

We value difference and do our best work when we collaborate, challenge, and back each other.

Tug boats at the Port of Ashburton

CONTENTS

INTRODUCTION

"The products we buy connect us to modern slavery[1]."

Addressing the issue of modern slavery is critical. However, with an ever more global economy, all countries have an increasing responsibility to review their purchasing practices to reduce the risks of modern slavery in supply chains, from the sourcing of raw materials to manufacturing, packaging and transportation of goods.

The equivalent of US$17.4 billion of goods with a high risk of modern slavery were imported into Australia in 2023, with the top five at-risk products imported being electronics, fish, garments, solar panels and textiles[2].

Most of these products and services are part of Pilbara Ports supply chains.

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 power[3].

Even though Australia is party to seven core international human rights treaties[4], most forms of modern slavery have or are suspected to have occurred in today's Australia[5].

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

We[6] 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 2024.

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 Pilbara Ports and the Hedland Maritime Initiative Pty Ltd (HMI), which Pilbara Ports wholly owns.

Pilbara Ports Board of Directors has approved this modern slavery statement.

[1] Walk Free, Global Slavery Index (2023). Available from: www.walkfree.org [25/09/2023]

[2] Walk Free, Global Slavery Index (2023). Available from: www.walkfree.org [25/09/2023]

[3] Walk Free, What is modern slavery. Available from www.walkfree.org/what-is-modern-slavery/ [25/09/2023].

[4] Attorney-General's Department, International human rights system. Available from: International human rights system | Attorney-General's Department (ag.gov.au) [25/09/2023].

[5] Walk Free, Murky Water A qualitative assessment of modern slavery in the pacific region. Available from: https://www.walkfree.org/reports/murky-waters/ [25/09/2023].

[6] Throughout the statement the terms: 'We, 'us' and 'our' are used to refer to the Pilbara Ports and its respective subsidiary the Hedland Maritime Initiative.

Tug boats guiding a vessel into the Port of Port Hedland

OUR BUSINESS AND STRUCTURE

STRUCTURE

Pilbara Ports operates as a Western Australian Government Trading Enterprise and is governed by the *Government Trading Enterprises Act 2023* (WA) (the *GTE Act*) and the *Port Authorities Act 1999* (WA) (the *PA Act*).

We are a commercialised entity with an independent Board of Directors reporting to the Minister for Ports and employ 374 people (as at 1 July 2024) 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 Pilbara Ports. It operates (as permitted under the *PA Act*) 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 2024

MINISTER FOR PORTS

BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICER
Samuel McSkimming
BA LLB (Hons), MAICO

CHIEF FINANCIAL OFFICER
Nick Sarandopoulos
BComm, CA, Grad Dip App Fin, MBA, GAICO

- Finance
- Procurement
- Legal
- Enterprise risk
- Finance business partnering
- Technology
- Information services

EXECUTIVE GENERAL MANAGER MAJOR PROJECTS AND ENGINEERING
Charles Kretzman
BCs (Civil Engineering), BComm

- Capital project delivery
- Project management

EXECUTIVE GENERAL MANAGER SAFETY, PEOPLE AND ENVIRONMENT	**EXECUTIVE GENERAL MANAGER CUSTOMER AND STRATEGY**	**EXECUTIVE GENERAL MANAGER MARINE**	**EXECUTIVE GENERAL MANAGER TERMINAL OPERATIONS**	**GENERAL COUNSEL**	**CORPORATE SECRETARY**	**HEAD OF CORPORATE AFFAIRS**
Damien Miles	**Karlene Bylund**	**Philip Christy**	**Craig Barbour**	**Richard Donaldson**	**Anton Beets**	**Clare Lugar**
MEthics&LegStud (Bus), MCnsig, BSW (Hons), Grad Cert IHS, Adv Dip Mgt	BComm, Assoc Dip Accounting, Dip Project Management, GAICD	Master Mariner	BSc, Assoc Dip Port MGMT, TechIOSH	LLB, Grad Dip Leg Prac, Grad Dip IP Law, Wharton EDP, Wharton AMP	BProc, GDLP, FGIA, FCG, MAICD	MCommM, GradCertBus
• Health and safety • Human resources • Environment and heritage • First Nations engagement	• Customer relationships manager • Enterprise strategy and market intelligence • Sustainability • Commercial management	• Marine operations • Marine pilotage services • Vessel traffic services	• Port operations • Maintenance • Security • Asset maintenance • Biosecurity	• Corporate secretariat • Board governance	• Corporate secretariat • Board governance	• Community relations • Brand management • Corporate and internal communications • External affairs and stakeholder relations

OUR OPERATIONS AND SUPPLY CHAIN

OPERATIONS

Pilbara Ports is the world's largest bulk export port authority, encompassing the operating Ports of Ashburton, Dampier, Port Hedland and Varanus Island and five future port sites[7].

The Ports of Dampier and Port Hedland are responsible for approximately 82.5 per cent of Australia's and more than 43 per cent of the world's iron ore trade.

Other major export commodities include liquefied natural gas (LNG) and salt. Approximately 36 per cent of Australia's exports and seven per cent of global LNG trade are exported through the Ports of Dampier and Ashburton.

Salt exports through the Ports of Port Hedland and Dampier totalled approximately 7.1 million tonnes (Mt) in 2023-24, accounting for approximately 51 per cent of Australian salt mine production.

In addition, 14,002 twenty foot equivalent units shipping containers were handled through the ports in direct shipping to/from the Pilbara.

In 2023-24, the total annual throughput of 758.3Mt was achieved through 7,723 safe vessel visits, which equates to more than 21,600 safe vessel movements.

As of 30 June 2024, Pilbara Ports oversees 141,532 hectares of land and seabed across the operating Ports of Ashburton, Dampier and Port Hedland and Varanus Island, and a further 76,752 hectares of tenure at the future Ports of Cape Preston West, Cape Preston East and Balla Balla.

Other future ports are proposed at Ashburton West (Urala) and Anketell. Pilbara Ports is also expecting to soon take over responsibility for additional ports, including Port Walcott, Cape Preston, Barrow Island and Onslow. These ports are subject to the Department of Transport's responsibility under the *Shipping and Pilotage Act 1967*.

Pilbara Ports also facilitates port-related industries by leasing and licensing land to third parties. As of 30 June 2024, a total of 1,645 hectares of land was leased to more than 40 port users.

ORGANISATION PROFILE

Overall port management, including the coordination of vessel traffic services, ship scheduling, berthing allocations for multi-user facilities and port communications, are managed by Pilbara Ports. This includes maintaining shipping channels, navigation aids and other port infrastructure. Third-party contracts or licences are issued for stevedoring, towage, pilotage, pilot transfer helicopters and pilot boats, security services and waste management services.

Pilbara Ports is the parent entity of Hedland Maritime Initiative Pty Ltd (HMI), which was established to administer the Port Hedland Voluntary Buy-Back Scheme (PHVBS).

Pilbara Ports operates as a Government Trading Enterprise (GTE) and is governed under the *PA Act* and the *GTE Act*. Read together, the *PA Act* and the *GTE Act* define a clear role for all GTEs and establish lines of accountability and reporting to the State Government.

Under the *GTE Act*, Pilbara Ports stated purpose is to advance the public benefit through the performance of its functions. Its functions are outlined in the *PA Act* and include to:
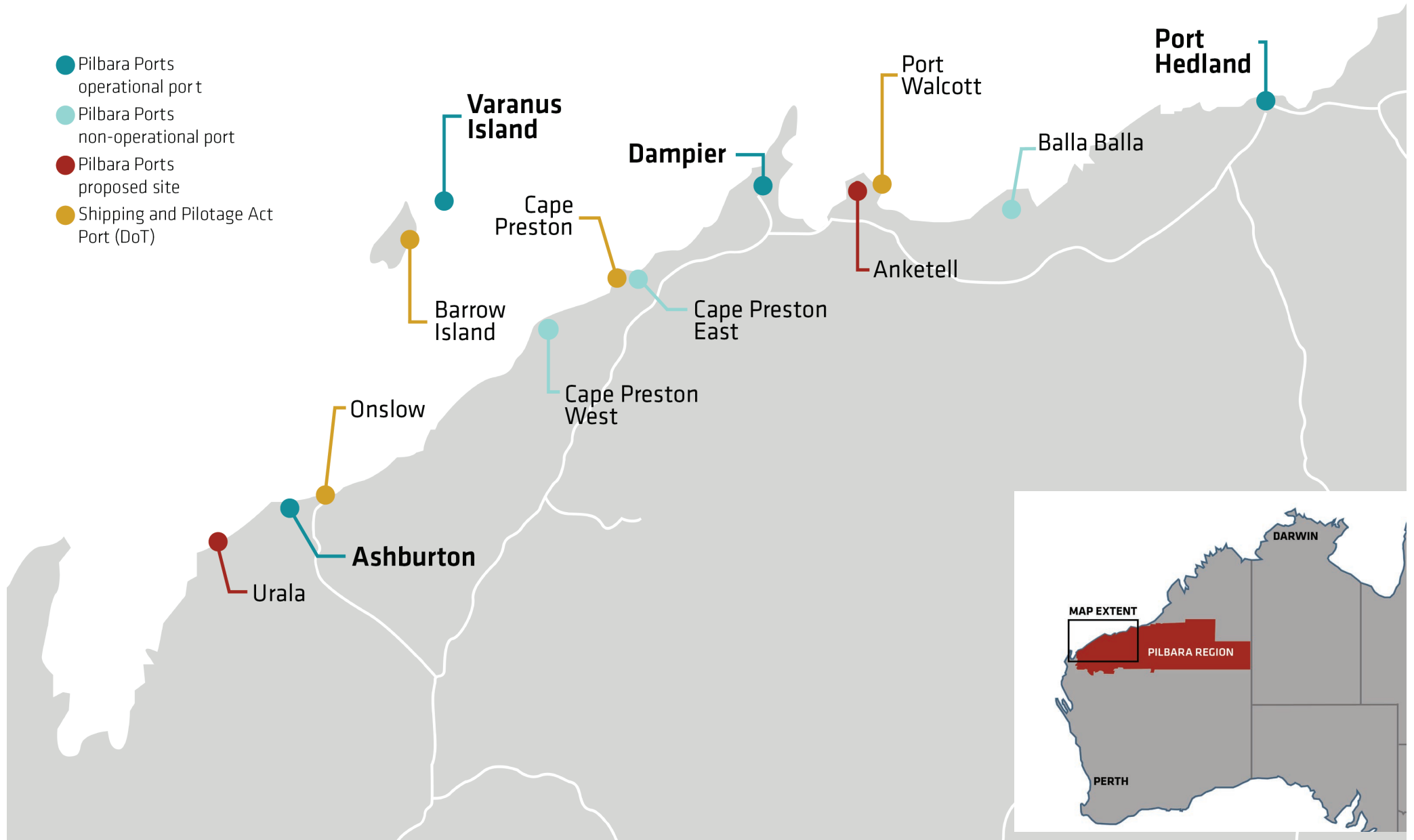
- facilitate trade within and through the port and plan for future growth and development of the port
- undertake or arrange for activities that will encourage and facilitate the development of trade and commerce for the economic benefit of the State through the use of the port and related facilities; controlling business and other activities in the port or its connections within the operation of the port
- be responsible for the safe and efficient operation of the port
- be responsible for maintaining port property
- be responsible for port security
- protect the environment of the port and minimise the impact of port operations on that environment.

HMI was established to administer the Port Hedland Voluntary Buy-Back Scheme (PHVBS) to acquire residential properties in the West End of Port Hedland, to support a cap and reduction of the permanent residential population of the area.

[7] Future port sites include non-operational ports and proposed sites as shown on the map.

PORTS OF THE PILBARA

Legend:
- Pilbara Ports operational port
- Pilbara Ports non-operational port
- Pilbara Ports proposed site
- Shipping and Pilotage Act Port (DoT)

Map labels:
- Varanus Island
- Barrow Island
- Onslow
- Ashburton
- Urala
- Cape Preston
- Cape Preston West
- Cape Preston East
- Dampier
- Anketell
- Port Walcott
- Balla Balla
- Port Hedland

Inset map:
- DARWIN
- MAP EXTENT
- PILBARA REGION
- PERTH

SUPPLY CHAINS

The map over page depicts the percentage of Pilbara Ports suppliers broken down geographically according to the country where the entity is registered for business. In the reporting period, 97.13 per cent of contracts and current suppliers are Australian registered entities.

The table below provides the current global slavery index (GSI) prevalence and government response ratings and the percentage of suppliers engaged in the reporting period by country.

The prevalence rating indicates the number of people estimated to be in modern slavery per thousand people. The government response rating measures the government's response to modern slavery based on the legal, policy, and programmatic actions that governments are taking to respond to modern slavery. The current maximum government response rating, indicating a stronger government response to modern slavery, is 67.9.

GSI PREVALENCE RANKING[8]	GSI GOVERNMENT RESPONSE RATING[9]	PERCENT (%) OF SUPPLIERS ENGAGED	COUNTRY
1.6	66.7	98.23	Australia
3.3	66.7	0.62	United States
0.6	66.7	0.35	Netherlands
1.6	53.8	0.35	New Zealand
2.1	61.5	0.18	France
1.8	67.9	0.18	United Kingdom
1.8	60.3	0.09	Canada

Overwhelmingly, our suppliers and vendors are from countries whose government has 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 into the below categories:

- specialised marine services
- maintenance, inspection and repair services to Pilbara Ports' port facilities
- engineering and infrastructure works and services
- information and communication technology
- supply of general goods and services
- 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
- consulting agreements.

[8] Walk Free, Global Slavery Index (2023). GSI data measures the scale of modern slavery by indicating the prevalence of modern slavery per thousand people. Data ranges from 0.5 to 104.6. Available from: https://www.walkfree.org/global-slavery-index [05/09/2023]

[9] Walk Free, Global Slavery Index (2023). GSI data measures government response to modern slavery based on the legal, policy, and programmatic actions that governments are taking to respond to modern slavery. Data ranges from 67.9 to -2.6. https://www.walkfree.org/global-slavery-index [05/09/2023]
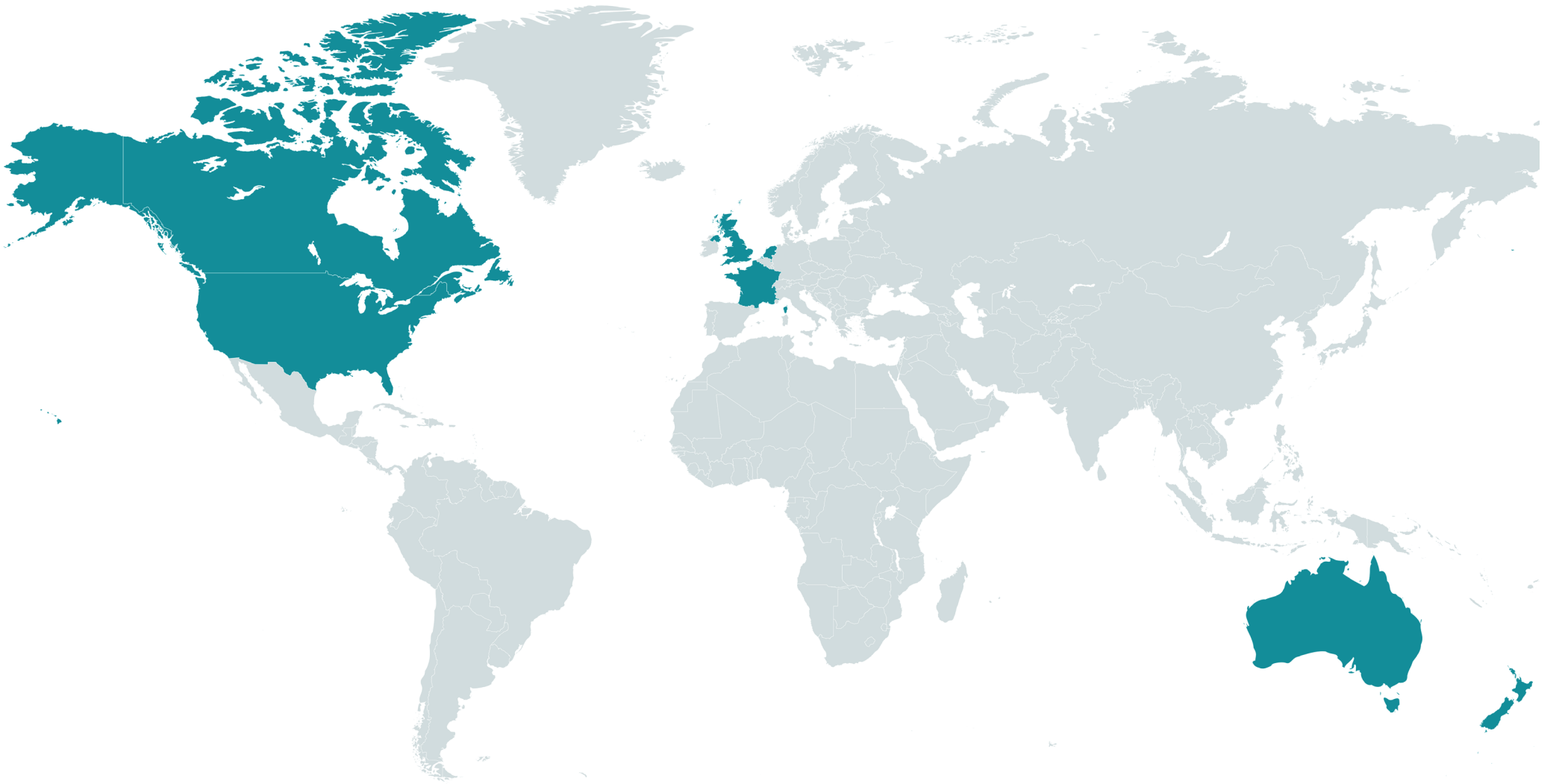
A vessel unloading once it arrived at the Port of Port Hedland

MODERN SLAVERY RISKS

In the reporting period of 2023-24, we identified areas in our operations and supply chains where Pilbara Ports may cause, contribute to, or be directly linked to modern slavery practices.

OPERATIONS

a) Seafarer workforce (including the impact of COVID-19)

Seafarers are often from countries with the highest prevalence of modern slavery, which tend to be conflict-affected, have state-imposed forced labour and weak governance. While vessel crews (seafarers) are port users' responsibility, it represents one of the higher risks of modern slavery occurring in Pilbara Ports' tenure[10].

The impacts of the COVID-19 pandemic are still felt among seafarers, with some maritime companies reluctant to provide shore leave to seafarers due to the ongoing risks of COVID-19 and potential impacts on operations[11].

Seafarers may face increasingly isolated working conditions and often depend on their employers for communication with the outside world, which makes seafarers particularly vulnerable to exploitation[12].

b) Climate change

Pilbara Ports acknowledges that the risks 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, driving migration and leaving people at risk of exploitation.

As part of Pilbara Ports' decarbonisation pathway, the increased focus on sourcing renewable energy has recently exposed our supply chain further to the exploitation of workers.

The manufacture of components and extraction of raw materials for renewable energy products such as solar panels, wind turbines and lithium batteries have been identified as a higher risk of modern slavery[13].

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 that may have higher risks of modern slavery has been assessed as low, because over 97.13 per cent of our procurement in the reporting period was sourced nationally.

This is confirmed by Australia having one of the lowest prevalence of modern slavery, supported by strong governance and strong government responses to modern slavery[14].

b) Industry and sector risk

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

We identified the following potential areas with an increased risk of the occurrence of modern slavery, specifically:

- cleaning and security services
- work uniforms and personal protective equipment
- electronics and information and communication technology (including hardware, software and services)
- construction services and materials.

The use of migrant workers and subcontracting in any industry or sector also increases the risk of modern slavery occurring.

As previously stated, the purchase of renewable energy products, including solar panels and lithium batteries has also been identified as an increased risk of the occurrence of modern slavery[13].

c) Supply chain visibility

Our supply chains are deep and complex, where end-users may have limited information about the sources of materials. Some suppliers 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 may still be present in our supply chain.

[10] The Mission to Seafarers – the very real risk of Modern Slavery in Shipping. Available from https://www.missiontoseafarers.org/news/the-very-real-risk-of-modern-slavery-in-shipping [10/10/2023]

[11] Australian Government Australian Maritime Safety Authority (AMSA), Marine notices. Available from https://www.amsa.gov.au/about/regulations-and-standards/032023-access-shore-leave-seafarers [10/10/2023]

[12] TLB Law and Co, Maritime transport and modern slavery – are you overlooking a key link in your supply chain? Available from: https://www.tlblaw.com.au/modern-slavery-in-supply-chain/ [10/10/2023].

[13] Clean Energy Council 2022. Addressing Modern Slavery in the Clean Energy Sector. Available from https://assets.cleanenergycouncil.org.au/documents/resources/reports/Addressing-Modern-Slavery-in-the-Clean-Energy-Sector.pdf [10/10/2023]

[14] Walk Free 2023, Global Slavery Index. Available from: https://www.walkfree.org/global-slavery-index/map/#mode=DATA:dimension=p [10/10/2023]

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

Pilbara Ports recorded 7,723 safe vessel visits. Although vessel crews and the changeover of crews are not within Pilbara Ports 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 seafarers' 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

Pilbara Ports commenced implementing the private Long-Term Evolution (LTE) network at the Port of Port Hedland, to improve network connectivity to Pilbara Ports-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 Pilbara Ports has been providing since October 2020).

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

c) Grievance, infringement and complaints management

The 'contact us' section on Pilbara Ports and HMI's websites ensure a working grievance mechanism to enable remediation. We are committed to working 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

Pilbara Ports has begun work to determine our current climate change risks and opportunities. This includes establishing a Net Zero Transition Plan and undertaking scenario assessments to help manage climate change risks effectively.

We continue to align our approach to climate change with core business planning.

e) Recruitment and employment

Employment, industrial relations, work health and safety laws in Australia continue to be complied with at Pilbara Ports.

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 implemented across the organisation to create awareness and an understanding of our activities that could be linked to human rights violations.

To ensure ongoing training, a Modern Slavery Training Module has been included in our minimum training requirements managed through our business-wide Learning Management System (LMS). All employees must complete the training within 12 months of role commencement with refresher training every two years.

To date, 186 people have undertaken modern slavery training in the last 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 around the engagement and monitoring of vendors.

h) Risk assessment of the supply chain

During the reporting period, we commenced the process to assess the risk of modern slavery more effectively in our tier 1 supply chain and beyond. The risk assessment will consider the geographic location, type of product or service procured, and industry risks. It will be aligned to international best practices, with the information collated available to undertake deeper dive assessments of higher-risk suppliers.

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

ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

Pilbara Ports 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 maximise opportunities.
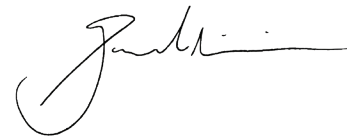
CONSULTATION PROCESS

During the reporting period, the modern slavery working group, comprising members from Pilbara Ports Commercial, Finance and Enterprise Risk and Sustainability teams and HMI , met to discuss and agree on actions to be taken to assess and address the risk of modern slavery practices notably establishment of the Ethixbase platform to support assessment of the modern slavery risk for Pilbara Ports vendors.

HMI has been actively contributing to the development of this statement to ensure that any decisions made, or actions taken are relevant for Pilbara Ports and HMI. This statement was endorsed by the HMI Managing Director.

OTHER RELEVANT INFORMATION

Nil.

Samuel McSkimming
CHIEF EXECUTIVE OFFICER
5 December 2024

Karlie Mucjanko
CHAIR
5 December 2024

MODERN SLAVERY ACT 2018 (CTH) – STATEMENT ANNEXURE

PRINCIPAL GOVERNING BODY APPROVAL

This modern slavery statement was approved by the principal governing body of Pilbara Port as defined by the *Modern Slavery Act 2018* (Cth)[1] ("the *Act*") on 11 August 2024.

SIGNATURE OF RESPONSIBLE MEMBER

This modern slavery statement is signed by a responsible member of Pilbara Ports as defined by the Act[2] on page 15.

MANDATORY CRITERIA

Please indicate the page number/s of your statement that addresses each of the mandatory criteria in section 16 of the Act:

Mandatory criteria	Page number/s
a) Identify the reporting entity.	6
b) Describe the reporting entity's structure, operations and supply chains.	7-11
c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	13
d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	14
e) Describe how the reporting entity assesses the effectiveness of these actions.	15
f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).*	15
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant.**	N/A

* If your entity does not own or control any other entities and you are not submitting a joint statement, please include the statement 'Do not own or control any other entities' instead of a page number.

** You are not required to include information for this criterion if you consider your responses to the other six criteria are sufficient.

Tugboats guiding a dry bulk carrier to berth at Port Hedland

[1] Section 4 of the Act defines a principal governing body as: (a) the body, or group of members of the entity, with primary responsibility for the governance of the entity; or (b) if the entity is of a kind prescribed by rules made for the purposes of this paragraph – a prescribed body within the entity, or a prescribed member or members of the entity.

[2] Section 4 of the Act defines a responsible member as: (a) an individual member of the entity's principal governing body who is authorised to sign modern slavery statements for the purposes of this Act; or (b) if the entity is a trust administered by a sole trust ee – that trustee; or (c) if the entity is a corporation sole – the individual constituting the corporation; or (d) if the entity is under administration within the meaning of the Corporations Act 2001 – the administrator; or (e) if the entity is of a kind prescribed by rules made for the purposes of this paragraph – a prescribed member of the entity.

PILBARA PORTS AUTHORITY ABN 94 987 448 870

HEDLAND MARITIME INITIATIVE PTY LTD ABN 70 645 630 468