

LEADING PRACTICE:

Port Sustainability Strategy Development Guide

Approaches and Future Opportunities

June 2020



Ports Australia

Contents

Foreword	1	Implementing a successful sustainability strategy	32
Executive summary	2	Concluding remarks	36
Introduction	4	Appendix A – Australian and international snapshots	40
Australian Policy Position on Sustainability	6	Appendix B – concept of sustainability and the adaptation to business	49
Ports Australia’s Engagement with Global Sustainability Platforms	6	References	52
The business case for sustainability	8		
Suggested sustainability strategy contents	10		
Developing a port sustainability strategy	14		
Stage 1 – What is the ‘Current Status?’	16		
Stage 2 - What issues do stakeholders think are important?	20		
Stage 3 – Mapping a Forward Pathway	24		
Stage 4 – Communicating the Strategy and Reporting	28		

Foreword

This guideline has been prepared to provide Australian ports with assistance as they endeavour to prepare Sustainability Strategies.

It outlines a strategic, robust and systematic approach that has been industry applied throughout Australia and New Zealand and workshopped at international congresses in Europe. It is clearly acknowledged however, that every port business differs in terms of size, location, key demand drivers, financial / governance considerations, historical / legacy constraints, environmental setting, regulation and relationships with key stakeholders such as surrounding communities and port users.

The methodology outlined in this guideline should be considered adaptable – and can be ‘right sized’ to suit any ‘port business’ – i.e. ports (private and public) and terminals.



Ports Australia sees sustainability at the very core of business, community and environmental prosperity. As an island nation, over 98 per cent of our country’s trade passes through the port gate, which means our ports have a key role in leading Australia’s trade network on a sustainable path.’

PORTS AUSTRALIA
2019

Acknowledgements

Thank you to the Ports Australia Sustainability Working Group for their leadership in identifying the need for and benefits of a guide for developing a port sustainability strategy, and for their dedicated collaboration and contributions in the development of this leading practice document.

Thank you additionally to Sprott Planning and Environment Pty Limited for its assistance in developing this document.

Acknowledgement of Country

Ports Australia acknowledges the Australian Aboriginal and Torres Strait Islander peoples of this nation. We acknowledge the traditional custodians of the lands on which our ports are located and where we conduct our business. We pay our respects to ancestors and Elders, past, present and emerging. Ports Australia is committed to respecting Australian Aboriginal and Torres Strait Islander peoples’ unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to society.

Executive summary

Integrating sustainability into core business practices is considered essential to futureproof the port industry.

As an island trading nation, Australia handles 98% of trade through ports.

As essential infrastructure nodes that facilitate domestic and international trade, it is critical that ports plan for a sustainable future by driving efficient and resilient outcomes, whilst empowering people and diligently caring for the environments in which they operate.

This guideline will assist Australian ports to actively progress the sustainability agenda using a strategic, robust and systematic approach to **develop and implement a Sustainability Strategy**.

It builds on the publication **'Ports and a Sustainable Australia'** and the online **'Sustainability Hub'** platform, both launched by Ports Australia to showcase sustainability initiatives in Australian Ports and to support the World Port Sustainability Program.

In today's port business, there is an increasing expectation to focus on local issues and respond to emerging global issues and trends. Stakeholders, including the financial sector, expect businesses to demonstrate a focus on sustainability.

While the fast-moving sustainability agenda calls for action, it is important to critically assess and consider achievements to date, current 'gaps' in corporate policy and increasing stakeholder expectations, so that a robust plan for 'whole of business sustainability' can be developed. Using a 4-stage methodology, this guideline presents a roadmap for port business to develop a Sustainability Strategy. It also outlines key factors to successfully integrate the Strategy into overall business strategy.

Figure 1: Four stages to develop a Sustainability Strategy



The methodology presents a systematic, comprehensive and staged approach to developing a Sustainability Strategy.

The approach is evidence-based and has been applied at numerous ports and workshopped at international port conferences.

It is however, clearly acknowledged that every port business differs in terms of size, location, key demand drivers, financial / governance considerations, historical / legacy constraints, environmental setting, regulation and relationships with key stakeholders such as surrounding communities and port users. The methodology outlined in this guideline should therefore be considered adaptable – and can be ‘right sized’ to suit any ‘port business’ – ie. ports (private and public), terminals and shipping organisations.

It should be noted however, the sequence of the method is to allow the strategy to be ‘built’ on robust, evidence-based information. It promotes ‘incremental change’ so that each Stage builds upon the previous.

Above all, it should be recognised that the development and implementation of a Sustainability Strategy relies on strong and demonstrable leadership to drive the Strategy into action and ensure its effective integration throughout the business.



‘Australia’s Ports are economic foundations facilitating over 98 per cent of our physical trade, but they are also community members and environmental partners.

Ports exist in communities and they are part of those communities.

They also operate in some of our most beautiful and important natural environments.

Sustainability is at the core of port business planning’

The Hon. Mike Gallacher
Chief Executive, Ports Australia



Introduction

Ports Australia recognises that sustainability is relevant to all aspects of the port business, stakeholders and along supply chains – and with changing and increasing stakeholder expectations, the emphasis to address sustainability has intensified.

For Ports Australia, sustainability is about:

- **‘telling the story’** – to recognise that sustainability is not a new concept through demonstrating current progress and future pathways;
- a **‘way of thinking’** – ensuring sustainability is recognised as a ‘whole of business’ concept;
- **‘balance & viability’** – more than ‘just an environmental concept’ – ensuring a progressive view that businesses robustly consider financial, social and environmental issues and the positive contribution they can all make in ensuring viability and a ‘licence to grow’;
- **‘people’** – sustainability relies on a safe, educated, diverse and empowered workforce ready to address both current operations and future opportunities;
- **‘transparent leadership’** – communicating a clear vision, purpose and future direction engaging internal and external stakeholders; and
- **‘whole of business integration’** – understanding that sustainability affects all aspects of business and therefore needs to be integrated into day-to-day operations and long-term aspirations.



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Australian policy position on sustainability

As a nation, Australia is committed to the 2030 Agenda, including the United Nations **Sustainable Development Goals** (SDGs) and the Addis Ababa Action Agenda on Financing for Development.



The SDGs reflect things that Australians value highly and seek to protect, like a clean and safe environment, access to opportunity and services, human rights, strong and accessible institutions, inclusive economies, diverse and supportive communities and our Aboriginal and Torres Strait Islander cultures and heritage'

AUSTRALIAN GOVERNMENT

'Report on the Implementation of the Sustainable Development Goals 2018'

Achieving the SDGs is in Australia's interests: it will contribute to lasting regional and global prosperity, productivity and stability.

Importantly, working towards the SDG agenda is not just for and about government initiatives and activity – it will rely on many stakeholders including the private sector, communities, families and individuals.

This is where the Australian port industry will lead and play an active part.

Australian ports are essential in connecting our nation with the world – and thereby creating economic opportunity, jobs and economic growth that underpin a stable country and region, and happier, healthier lives.

Australian ports operate in sensitive environmental areas such as various state marine parks and the Great Barrier Reef World Heritage Area.

Strong governance and sustainable operations within these areas is essential.

Ports Australia's engagement with global sustainability platforms

Figure 2: UN Sustainable Development Goals Platform



Sustainable Development Goals

Ports Australia recognises the next decade will be critical for delivering the SDGs (Figure 2).

The 17 SDGs provide a framework for governments, businesses and society to address each SDG by 2030.

With already one-third of the time lapsed, businesses, including the port sector, are encouraged to take action in line with the SDGs.

Ports Australia believes that whilst every SDG should be considered by ports in their sustainability work, the relevance of the 17 SDGs and the 196 associated targets **will vary dramatically for each port**. The relevance will need to be determined on a case-by-case basis.

Addressing the SDGs provides an opportunity for businesses to address global sustainability challenges in a local context.

The SDG framework can be used as a 'test' to consider if organisational policies and corporate strategies are **balanced** and consider key social, economic and environmental values.

World Port Sustainability Program

Based on the principles and objectives of the SDGs and targeted to the international port sector, the **World Ports Sustainability Program** (WPSP) provides a global platform to support ports in addressing sustainable development, showcase global leadership and help drive strong industry contribution. The program promotes ports to share innovative sustainable projects across 5 themes (aligned to specific SDGs):

- Climate and Energy
- Community Outreach and Port-City Dialogue
- Governance and Ethics
- Resilient Infrastructure
- Safety and Security.

Ports Australia signed up to the WPSP in late 2018 as an official 'Program Partner':



'This will lift our 80 Australian Ports onto the international stage when it comes to their sustainability and community work, this is great thing for the Australian and the global port community.

We are delighted to join a group of organisations that are working together to enhance and coordinate future sustainability efforts of communities worldwide...'

PORTS AUSTRALIA

Ports Australia encourages active participation in the program, including sharing Australian project examples to others within the platform.

WPSP DECLARATION

The World Ports Sustainability Program aims to demonstrate global leadership of ports in contributing to the Sustainable Development Goals of the United Nations. The program wants to empower port community actors worldwide to engage with business, governmental and societal stakeholders in creating sustainable added value for the local communities and wider regions in which their ports are embedded.



The business case for
sustainability

Sustainability is a business opportunity. While financial profit is a key objective for any business and necessary for survival, a broader focus on people and environment is required for long-term resilience and prosperity. Disclosure of non-financial performance, including Environment, Social and Governance (ESG) factors, are being required by investors and becoming a mandatory requirement for companies that are publicly listed.

Demonstrating strong sustainability performance can deliver confidence in investors, industry, government and stakeholders.

A well-considered Sustainability Strategy will address stakeholder expectations, promote engagement that is inclusive of diverse internal and external views, incorporate sustainability practices and thinking across all aspects of the business and subsequently improve performance.

Ports Australia believes the business case for sustainability is clear.

As a program partner in the WPSP, we recognise the need for each port to consider how they can best respond to addressing local and global challenges across key sustainability themes to add the best value to their business.



‘Sustainability has become an important factor in business strategies. Large multinationals and mid-sized companies are increasingly taking a long-term view toward managing environmental and social risks. Many companies recognize that by addressing environmental and social issues they can achieve better growth and cost savings, improve their brand and reputation, strengthen stakeholder relations, and boost their bottom line.’

INTERNATIONAL FINANCE CORPORATION, WORLD BANK GROUP

‘The Business Case for Sustainability’



‘Analysis showed that the observed **high sustainability companies** with institutionalized socially and environmental responsible practices **outperformed low sustainability companies** in stock market returns over the duration of the 18-year study and exhibited lower volatility whilst doing so’.

‘**High sustainability companies** also had a more engaged workforce, better relationships with stakeholders, a more secure license to operate, more loyal and satisfied customers, greater transparency and a better ability to innovate’.

HARVARD BUSINESS SCHOOL

‘The Impact of Corporate Sustainability on Organizational Processes and Performance’



Suggested

sustainability strategy contents

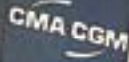


ECMU 422675 5
42G1

MAX. GROSS 30,480 KG
TARE 67,200 LB
3,720 KG
8,200 LB

NET 26,760 KG
CU. CAP. 58,000 LB
67.7 CU. M
2,390 CU. FT

B
CMA



CMAU 801217 3
42G1

MAX. GROSS 32,500 KG
TARE 71,450 LB
3,720 KG
8,200 LB

NET 28,780 KG
CU. CAP. 63,450 LB
67.7 CU. M
2,390 CU. FT



TGHU 408146 42G1

MAY WT. 22,800 KG
TARE WT. 10,000 KG
PAYLOAD 12,800 KG
CU. CAP. 12.000 CBM



CRXU 457378 42G1

MAX GROSS 30,480 KG
TARE 67,200 LB

This section examines the suggested contents of a Sustainability Strategy. Upon review of current industry performance and examining leading sustainability organisations, the following contents are suggested to be incorporated into a Strategy (Table 1).

The final contents of the Strategy are flexible and should be determined on a case-by-case basis.

Essentially, a Strategy would ideally be in two parts:

- **‘Story Telling’** – why the port/terminal is critical for the local, regional and Australian community and why it needs to be a sustainable infrastructure node for many years to come. This section should also highlight the achievements to date across the key strategy themes; and
- **‘Strategy Delivery’** – explaining the forward ‘Action Plan’ across key strategy themes. A forward commitment to reporting and continuous improvement should also be included in this section.

It is recommended that the Strategy be written for an external audience – clearly and concisely articulating the context, vision, achievements and committed actions. The Strategy would typically be informed by various internal supporting documents such as discussion papers, materiality assessments, strategy maps, budgets and detailed implementation plans which are used to prioritise and organise internal processes and actions.

Ports Australia also suggests ports examine the benefits of developing an online portal for the Sustainability Strategy and subsequent reporting to be hosted. Such sites may also serve useful for updates, periodic reporting and news information as the strategy work progresses. Ports Australia has an online portal, the Sustainability Hub, which highlights key issues on port sustainability while showcasing various sustainability efforts by Australian ports, <https://www.portsaustralia.com.au/value-of-ports/sustainability>.

Table 1. SUGGESTED Sustainability Strategy Contents – Overview

Sustainability Strategy ELEMENTS (Suggested) <i>(fundamental purpose of section shown in italics)</i>	GUIDANCE for each element (Suggested) <i>(relevance and/or level of detail will be adaptable to each port)</i>
Commitment	
Commitment to a Sustainable Future <i>Demonstrating clear governance / corporate commitment</i>	CEO and Board endorsements / comments for support.
The sustainability story	
Port Background <i>‘Telling the story’ about the port</i>	An overview of the port business and operations, including: <ul style="list-style-type: none"> • Brief History of the facility • Operating model • Key Business Drivers • The Port’s unique value offering / contribution <ul style="list-style-type: none"> – Economic; – Environmental; – Societal; and – Geographical

Sustainability Strategy ELEMENTS (Suggested) <i>(fundamental purpose of section shown in italics)</i>	GUIDANCE for each element (Suggested) <i>(relevance and/or level of detail will be adaptable to each port)</i>
Local and Global Connections <i>The supply chain</i>	Ports are integral to the supply chain and it is important that ports show how local products are connected throughout the world, particularly in the context of an island trading nation. This will help reinforce the value and importance of the port.
Sustainability Achievements <i>The sustainability story to date</i>	A snapshot of sustainability accomplishments to date. This objective of this is to shape and show where the sustainability story has already commenced.
Developing our New Strategy <i>The methodology</i>	An overview of the strategy development methodology and consultation processes. Introducing the Sustainable Development Goals (SDGs) may also be relevant here.
'Our Important Issues' <i>The focus on important issues</i>	<p>A snapshot of the results from the Materiality Assessment (refer to Stage 2). This may include the top 'important issues', the materiality matrix and a representation of interesting results.</p> <p>It may be relevant to introduce any other external factors or emerging global issues that the Strategy would like to address, such as SDGs, WPSP, 'The Global Risk Report', anticipated trading shift, impact of new / emerging technologies, etc.</p>
Stakeholder Insights <i>Feedback from the materiality process</i>	Highlight the feedback from both internal and external stakeholders, including supply chain stakeholders.
Our Sustainability Framework <i>The framework moving forward</i>	An overview of the sustainability framework, showing key themes, vision, description and focus areas, etc.
The sustainability action plan	
Making it Happen <i>The action plan</i>	The Sustainability Action Plan will demonstrate the port's commitment to integrate sustainability throughout the organisation. The actions could include short term (0–2 years) 'quick wins', long term (5 years +) 'aspirational', strategic and operational.
Committing to Reporting & Continuous Adaptation and Improvement <i>Sustainability reporting & renewal</i>	Commitment to monitoring and communicating on the progress of the Strategy – including a Reporting Framework (refer to Stage 4).



Developing a port

sustainability

strategy

Each step is adaptable and should be 'right sized' to any port business, operation and culture.

FOUNDATION STEPS

01

What is the 'Current Status'?

Purpose: Identifying 'the current position'

Method: Complete a **Strategic Gap Analysis** to establish a baseline and identify achievements to date, create a sustainability vision and corporate positioning, consider initial opportunities and initial testing against the SDGs.

02

What issues do stakeholders think are important?

Purpose: Identifying 'the most important issues'

Method: Complete a **Materiality Assessment** through engagement with internal and external stakeholders to identify the important 'material issues' to address.

03

Mapping a forward pathway

Purpose: Determining 'actions'

Method: **Building the Sustainability Strategy** based on information from the foundation steps; mapping out key themes, key strategies / focus areas, targets and actions. The work should address short term (0–2 years) 'quick wins' and longer term (5 years+) 'aspirational' actions.

04

Communicating the strategy and reporting

Purpose: 'Communication' & 'Reporting'

Method: Preparing a communications plan to **deliver the Sustainability Strategy** to internal and external stakeholders, and determine a future sustainability reporting framework.

This 4-stage methodology outlines an ‘adaptable’ approach and can be ‘right-sized’ for any port. While the process is evidence-based and has been applied to ports and terminals in Australia and New Zealand, each stage may be further tailored to suit the organisational type, vision and needs.

Stage 1 – What is the ‘Current Status?’

Establishing an ‘organisational baseline’ is critical. By understanding what aspects and initiatives are in place across the organisation, it will help identify existing ‘good-work’ and organisational gaps and opportunities. These can be mapped against initial ‘sustainability themes’ to determine if organisational policy settings are balanced.

This stage also includes developing an initial ‘sustainability vision’ for the organisation.

The following table (Table 2) presents a snapshot of key tasks to determine the ‘current status’ in terms of sustainability. Each port will need to determine the best approach given their context and current operations.

Table 2. Stage 1 to develop a Sustainability Strategy

What is the ‘Current Status?’	
ABOUT THIS STAGE	
Purpose	To clearly identify where the organisation is now (your baseline) and a future vision of where the organisation wants to go, aligning with the concepts of sustainability.
Value of this Stage	<p>Determine the current level of understanding and commitment to sustainability.</p> <p>Assist in raising sustainability ‘awareness’ including benchmarking sustainability performance to similar operations.</p> <p>Bring together sustainability initiatives and ‘good work’ examples from all areas across the organisation to define a collective ‘current status’.</p> <p>Help determine an initial sustainability vision in regard to how the organisation would like to be looked upon.</p>

01

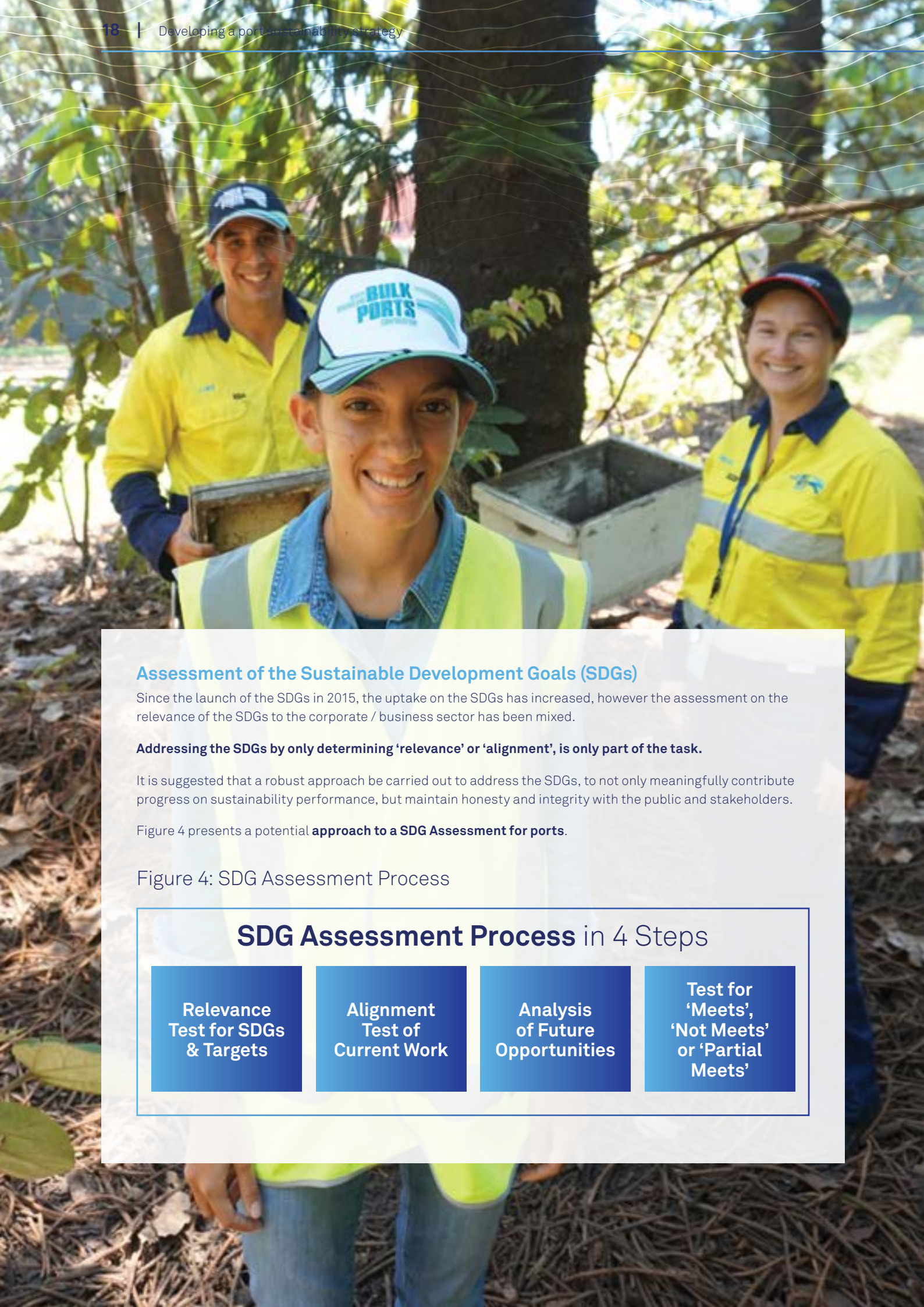
What is the 'Current Status'?

KEY TASKS

Upfront Commitment	It is important to secure a strong commitment upfront from key personnel and the CEO, on the process and the Sustainability Strategy.
Upfront Engagement	<p>A dedicated 'Sustainability Working Group' is strongly recommended to be established made up of representatives across the organisation. This diverse core team will provide consistency, support and advocacy for the project.</p> <p>The organisation's communication and public relations teams should also be engaged early to assist with communications and stakeholder engagement.</p>
Determining 'Scope' of Strategy	Critical to the success of the strategy will be determining strategy 'scope' and reach. Clearly, there are some issues within the 'direct area of influence/control' of the port, whilst other issues may require 'influence' through strong leadership to help collectively achieve more sustainable outcomes within the port and/or supply chain catchment. Ports need to determine the scope as part of this initial stage. Depending upon the model of port operation, this will vary between ports.
Taking Stock	<p>Identifying current 'good work' examples and sustainability initiatives across the organisation. Face-to-face interviews with key personnel are recommended to support the project learning and draw additional information on key areas of the business; past, underway and for the future.</p> <p>It may also be important to determine the current level of understanding on the concept of sustainability to shape communications moving forward.</p>
Building a Framework	At this preliminary stage, it may be useful to determine an initial structure for the sustainability framework. This may include sustainability themes (eg. people, planet, prosperity, partnerships) and their descriptors.
Preliminary Opportunities	Knowing the organisation's sustainability vision and leading practice, this is a good time to set some preliminary opportunities. It is important to note this may include projects in the pipeline and could also consider long term aspirational goals.
SDG Assessment	While 'taking stock' on current initiatives, it is worthwhile looking at the 17 Sustainable Development Goals and their 196 associated targets. After determining what SDGs are relevant to your port, it will be useful to compare each SDG with what you are currently doing and determining the opportunities to address the intent of each SDG (see overleaf).

CLOSING OUT THIS STAGE

Reporting Findings	To deliver the findings from this step it may be useful to formalise the findings into a report and presentation. The findings should be reviewed in the Sustainability Working Group and the information disseminated to Executive Teams and individuals involved during this Stage.
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Assessment of the Sustainable Development Goals (SDGs)

Since the launch of the SDGs in 2015, the uptake on the SDGs has increased, however the assessment on the relevance of the SDGs to the corporate / business sector has been mixed.

Addressing the SDGs by only determining ‘relevance’ or ‘alignment’, is only part of the task.

It is suggested that a robust approach be carried out to address the SDGs, to not only meaningfully contribute progress on sustainability performance, but maintain honesty and integrity with the public and stakeholders.

Figure 4 presents a potential **approach to a SDG Assessment for ports**.

Figure 4: SDG Assessment Process

SDG Assessment Process in 4 Steps

Relevance
Test for SDGs
& Targets

Alignment
Test of
Current Work

Analysis
of Future
Opportunities

Test for
‘Meets’,
‘Not Meets’
or ‘Partial
Meets’

Relevance Test for SDGs & Targets

The objective of this step is to strategically test the **relevance** of each SDG to the particular port business. This test is based on the intent of the SDG **and its associated targets** at a business level (as opposed to government or country compliance levels). The number of relevant SDGs will vary between ports.

Based on experience and testing outcomes by the World Port Sustainability Program (WPSP), SDGs 1, 2 and 10 are typically deemed less relevant for port and terminal sectors. These SDGs may be considered 'case-specific' and would only be relevant if there was specific interest to **strategically** engage with that SDG.

Alignment Test of Current Work

This step allows current organisational work, policies and activities to be considered against the relevant SDG **targets**. How well **aligned** is the current work?

Analysis of Future Opportunities

This step involves determining **opportunities** for future strategic, long-term actions to progress against the relevant SDG targets.

Test for 'Meets', 'Not Meets' or 'Partial Meets'

Based on the current work examples, a qualitative assessment is considered to determine if the port business 'meets', 'partially meets' or 'does not meet' the relevant SDG targets.

Factors to be considered should include asking if the examples are best practice, strategic, long-term, ongoing or on par with organisations leading in that SDG. Examples of leading organisational approaches can be drawn from sustainability reports listed in the Appendix.

Stage 2 - What issues do stakeholders think are important?

Materiality Assessments (MAs) are becoming more commonly used in corporate & sustainability strategy development. They are a key ingredient for successful Sustainability Strategies.

In essence, MAs 'help define what matters and by whom'.

MAs are used to capture stakeholder views (internal and external) on **the most important issues** for a business to consider in strategy and corporate reporting.

The MA process can be aligned with the Global Reporting Initiative (GRI) G4 Guideline as it assists with future sustainability reporting – particularly the GRI Standard, which demands identification and assessment of 'material issues'.

The key tasks tabulated below (Table 3), outline the 4-step MA process in line with GRI.

Table 3. Stage 2 to develop a Sustainability Strategy

What issues do stakeholders think are important?	
ABOUT THIS STAGE	
Purpose	To seek stakeholder feedback and clearly identify what are the 'most important issues' to them (also known as 'material issues').
Value of this Stage	<p>Initiate active stakeholder engagement early in the project and discuss the port's intent to deliver on sustainability.</p> <p>In addition to internal views, validate 'important issues' at the port with an 'external lens'.</p> <p>Capture valuable insights on the port from various stakeholder perspectives.</p> <p>Deliver a validated list of 'important issues' as a quantitative data set.</p>
KEY TASKS	
Stakeholder Identification	<p>Before commencing a MA, a stakeholder list should be collated to determine who will be involved. It is suggested that all key internal stakeholders be invited to participate. Depending on the size of the organisation, at least an equal number of external stakeholders could also be invited to participate. External stakeholders need to represent a wide range of interest groups, such community groups, regulators, financiers, port tenants / users, supply chain representatives and industry groups.</p>
Identify 'Important Issues' <i>(MA Step 1)</i>	<p>Materiality begins with determining a list of 'important issues' for testing with stakeholders. The list should be refined based on the information collated in the previous stage and workshops with the Sustainability Working Group.</p>

02

What issues do stakeholders think are important?

<p>Prioritise ‘Important Issues’ <i>(MA Step 2)</i></p>	<p>Step 2 involves prioritising (or ranking) the important issues through platforms such as online surveys and in face-to-face interviews. Qualitative and quantitative data is captured to determine the ‘most important issues’ and compare external stakeholder views to internal stakeholder views, typically presented in a ‘materiality matrix’.</p>
<p>Validate ‘Important Issues’ <i>(MA Step 3)</i></p>	<p>The MA results would be validated with an internal lens to ensure that they accurately reflect the business, that no unexpected issues have been identified, and/or to annotate incidents or events that have affected the results. The Sustainability Working Group and Executive Teams are recommended to be involved with validating the results.</p>
<p>Review & Report ‘Important Issues’ <i>(MA Step 4)</i></p>	<p>A final report of the MA should be prepared capturing not only the results, but the relevant processes.</p>
<p>Continued Engagement</p>	<p>It is suggested that stakeholders involved in the MA process, particularly external stakeholders, are acknowledged and thanked for their contribution and time. Abbreviated results could be shared with external parties or a commitment made to share the results in the first ‘Sustainability Report’.</p>

CLOSING OUT THIS STAGE

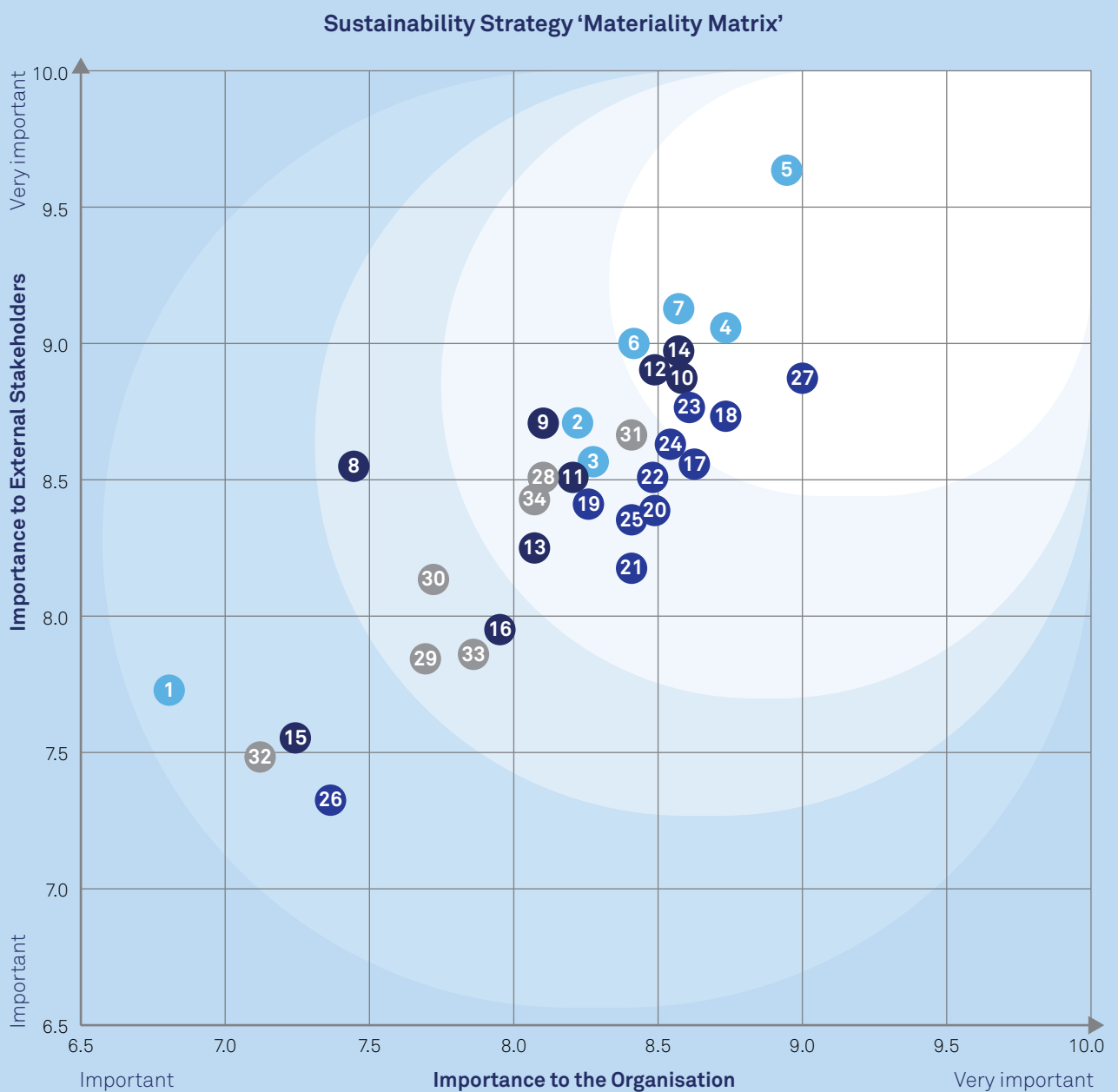
<p>Reporting Findings</p>	<p>The Materiality results should be formalised into a ‘Materiality Report’ and presented internally. Where appropriate, snapshot results should be shared publicly.</p>
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A look at materiality outcomes

Materiality Assessments are commonly used in corporate and sustainability strategy development. While the value of materiality helps 'define what matters', it also provides an outstanding opportunity to engage with stakeholders **in the early stages** of the project.

Quantitative results from the assessments will allow external stakeholder views to be compared with internal views. An example of stakeholder mapping in a Materiality Matrix can be seen in Figure 5, courtesy of the Port of Brisbane Pty Ltd.

Figure 5: Port of Brisbane Materiality Matrix and Stakeholder Ranking Graph



PEOPLE

1. Workplace Diversity
2. Ongoing Learning
3. Talent Attraction & Retention
4. Employee Wellbeing
5. Workplace Health & Safety
6. Positive Organisational Culture
7. Proactive Leadership

PLANET

8. Climate Change Resilience
9. Biodiversity / Habitat Enhancement
10. Efficient Use of Resources
11. Renewable Energy Transition
12. Water Management
13. Port Impacts
14. Biosecurity
15. Sustainable Building Design
16. Management of Port Buffers

PROSPERITY

17. Trade Growth & Diversity
18. Port Efficiency
19. Robust Governance
20. Asset Management
21. Effective Financial Performance
22. Efficient Supply Chains
23. Protect Transport Networks
24. Technology & Innovation
25. Cyber Security
26. Tourism & Cruise Operations
27. Customer Focus

PARTNERSHIPS

28. Port Communication
29. Port Education
30. Community Partnerships
31. Industry Partnerships
32. Indigenous Partnerships
33. Research & Educational Partnerships
34. Government Relationships

Stage 3 – Mapping a forward pathway

A crucial stage of the project is bringing together the results from the Foundation Steps (Stages 1 and 2) to robustly develop the Sustainability Strategy (Table 4). It is important the gaps (ie. opportunities), key issues, materiality results and stakeholder feedback are comprehensively and collectively mapped to help determine a clear forward pathway.

A robust 'Action Plan' will be a critical element in the strategy. It will be important to ensure short term 'quick wins' and long term 'aspirational' actions are developed. This could include a commitment to properly resourcing the implementation of the actions.

Table 4. Stage 3 to develop a Sustainability Strategy

Mapping a forward pathway - 'The Draft Strategy'	
ABOUT THIS STAGE	
Purpose	To clearly articulate the Sustainability Story of your port to date and outline the 'Action Plan' pathway.
Value of this Stage	<p>Create your port's sustainability story.</p> <p>Respond to the results from Stages 1 and 2 and map them to actions.</p> <p>Set the pathway with a robust action plan.</p>
KEY TASKS	
Clear Vision	Finalise a clear vision for sustainability and what sustainability means to your port business. Include commitments from the CEO and/or Board where it is perceived to add value.
The Sustainability Story	<p>Using the results from Stage 1 (ie. 'good work' examples and sustainability initiatives), a 'sustainability story' for the port can come together.</p> <p>This provides an opportunity to collectively showcase initiatives across the sustainability themes and progress over time. Scene setting and a background on the port is important to demonstrate the port's unique value.</p>
Reinforce Supply Chain Connections	As part of telling the sustainability story, it will be important to reinforce local and global connections through the supply chain.
Demonstrated Engagement	It is important to demonstrate that the Strategy is developed in consultation with stakeholders and the action plan responds to stakeholder feedback.
Integration at a Corporate Level	Consideration should be given to whether the Sustainability Strategy will be stand alone or integrated with existing Corporate Strategies. Alternatively, a middle ground may be preferred – ie. establishing a Sustainability Strategy as a 'standalone' in the first instance – with a view to integrating it at a later date once the delivery of the Strategy has gained traction. Either way, it is recommended that the Sustainability Strategy is 'mapped' to test alignment against existing corporate plans or strategies, as part of this step.
Finalising a Framework	It is suggested the structure for a sustainability framework should be finalised with styled graphics. It will be important that the themes and descriptors accurately reflect the sustainability vision.

03

Mapping a forward pathway - 'The Draft Strategy'

Building a Robust Action Plan

A robust 'Action Plan' should be set out to achieve the sustainability vision and work towards leading practice. To ensure a clear line of sight, detailed mapping work should be carried out to align actions to the important issues and SDGs. This will be important for feedback to stakeholders and future sustainability reporting.

It is important the Action Plan sets both:

- short-term 'quick wins' actions – that includes additional support for projects already in the pipeline or projects that have a high level of support and will have high impact; and
- long-term 'aspirational' actions – that will stretch the organisation to target emerging areas or make a substantial investment.

Examples of **emerging focus areas** for actions, which have been examined in current leading sustainability strategies are listed below.

For a greater impact and opportunity to embed sustainability, actions should have a balanced and 'whole of business' focus to provide opportunities to deliver consistent processes across the organisation.

To reinforce commitment to the Strategy, it is recommended targets, metrics and timeframes are allocated to each action. When the actions are refined and approved, responsible persons or teams and resources should be allocated.

Reporting Commitment

A commitment to sustainability reporting should be considered. While SDGs can be used to show relevance to port business, it can also be used to continuously test strategy balance and assist with reporting approaches.

CLOSING OUT THIS STAGE

Reporting Findings

A 'Draft Sustainability Strategy' with an action plan will emerge from this Stage. The findings should be reviewed in the Sustainability Working Group and the information disseminated to Executive Teams to produce a 'Final' version.

Example of focus areas for a Sustainability Action Plan

The following themes and focus areas have been collated from experience and an examination of leading port organisations. **This is for guidance only** and each port would be encouraged to determine the focus areas that are the 'right fit' for their port business and sustainability vision.

PEOPLE

Focus Areas:

Leadership	Innovation	Talent Attraction & Retention
Culture	Learning	Wellbeing
Communication	Diversity & Equality	Safety

'We achieve our business goals by encouraging a culture that is inclusive, collaborative and high performing. As an organisation we are committed to prioritising a safe, healthy and harmonious working environment that values the contribution made by all our employees.'

BRENDAN BOURKE
 CEO, Port of Melbourne

PLANET

Focus Areas:

Biodiversity	Water & Waste Management	Minimise Impacts
Climate Action	Resource Efficiency	Air Emissions / Quality
Renewable Energy	Alternate Fuels / Electrification	Clean & Safe Shipping

'Opportunities to improve the environment are identified and considered when planning for projects and port operations. Sound environmental performance is essential for long-term sustainability and Fremantle Ports' continuing business success.'

CHRIS LEATT-HAYTER
 CEO, Fremantle Ports



Ports see sustainability planning as essential to ensure the long term health of the environments in which they operate, as well as with the community they serve and interact with. Ensuring sustainability can be delivered within the context of a port is possible through holistic planning, combining a range of focus areas which encompass the business’s sustainability vision.”

STEWART LAMMIN
Chair, Ports Australia Board

PROSPERITY

Focus Areas:

- Trade Diversity
- Supply Chain Efficiency
- Circular Economy
- Change Management
- Shipping Channel Management
- Sustainable Procurement
- Operational Efficiency
- Equipment Efficiency
- Asset Optimisation

‘As a critical supply chain enabler and port manager, we are focused on responding to the needs of our customers, investing in and maintaining port infrastructure, and facilitating efficient and sustainable trade growth for Queensland.’

ROY CUMMINS
CEO, Port of Brisbane

PARTNERSHIPS

Focus Areas:

- Stakeholder Engagement
- Joint Project Investment
- External Communication
- Public Reporting
- Public Education
- Industry Partners
- Community Partners
- Indigenous & Cultural Partners
- Research Partners

‘We have fostered strong and trusting relationships with customers, stakeholders and the community over the past 150 years. The sustainable future of our city port relies on deepening and expanding partnerships to achieve positive social, economic and environmental change in the future.’

RANEE CROSBY
CEO, Port of Townsville

Stage 4 – Communicating the Strategy and reporting

The effectiveness and success of a Sustainability Strategy can be dependent on an effective and well targeted stakeholder communication (Table 5).

Communicating the port Sustainability Strategy will help send a clear message on port expectations and the way the port 'will do business'.

Successfully communicating the Strategy will:

- demonstrate a commitment to stakeholders that sustainability is critical to the business
- improve accountability lines for the business
- directly encourage organisations within the 'sphere of influence' to be involved in the sustainability initiatives, through demonstrable leadership.

Table 5. Stage 4 to develop a Sustainability Strategy

Communicating the Strategy	
ABOUT THIS STAGE	
Purpose	To determine effective and empowering communication pathways to deliver the Strategy both internally and externally, with a commitment to follow up reporting.
Value of this Stage	<p>Ensure the Sustainability Strategy is effectively communicated to stakeholders.</p> <p>Enhance the level of understanding of sustainability with stakeholders.</p> <p>Provide feedback to stakeholders, particularly those involved in the MA phase.</p> <p>Ensure sustainability messaging reflects the corporate vision and branding.</p>
KEY TASKS	
Communication Planning	A communications plan for the sustainability strategy should be developed that considers a What/How/Who Model, identifying stakeholders and communication pathways such as social media (eg. <i>Twitter, Facebook, Instagram, LinkedIn</i> , etc), media outlets (distributing media releases announcing strategy release/updates/results to media outlets), industry & technical associations (eg. conferences, workshops, national & international forums etc) and / or through online publications / portals.
Accessible Document Development	To reinforce commitment and properly communicate the Strategy to both internal and external stakeholders (particularly those that participated in Materiality Assessment) it is strongly suggested that the document is clear and concise – with appropriate infographics, styling and publishing format.

04

Communicating the Strategy

Sustainability Reporting

Leading organisations actively deliver Sustainability Reports to communicate progress on their performance. A recognised reporting framework is suggested.

Whilst reporting against the GRI Standard is a globally accepted sustainability reporting framework, other approaches including those that are developed inhouse and suited for the local context are also used by a wide range of organisations. Ports Australia recommends a staged approach to allow time to collate information and build metrics.

Reporting against the SDGs or the WPSP themes is encouraged by Ports Australia. As previously mentioned, reporting against these should be beyond showing what is simply 'relevant' to the port. It should meaningfully show how the organisational work contributes to the SDGs or the WPSP themes – what the current level of performance is and which goals / themes will be contributed to in the future.

CLOSING OUT THIS STAGE

Reporting Findings

The success of this stage will be effectively communicating via a well-designed and meaningful Sustainability Strategy document to both internal and external stakeholders with a clear commitment for reporting.

Key Sustainability Reporting Considerations



Sustainability reporting for large public companies around the world has become the norm. research this year (2018) found that 78 percent of the S&P 500 issued a sustainability report for the most recent reporting period, most with environmental and social performance metrics. The rate of sustainability reporting for the world's largest companies is even higher, with some figures noting as high as 93 percent'

HARVARD LAW SCHOOL FORUM

Corporate Governance, 2018

It is suggested that a formal reporting framework is used to help drive sustainability actions and provide increased transparency for stakeholders.

Leading organisations are using a variety of frameworks, however the most commonly used include:

- GRI (Global Reporting Initiative) www.globalreporting.org
- Integrated Reporting Framework www.integratedreporting.org
- Taskforce on Climate-Related Financial Disclosures www.fsb-tcfd.org
- Sustainability Accounting Standards www.sasb.org

The SDG framework is typically used to assist with sustainability reporting.

The ultimate reporting framework typically depends upon a number of factors including ownership structure, preference of private investors / equity providers, regulatory reporting requirements and existing governance / reporting arrangements.

Organisations can ultimately elect to undertake third party / independent auditing of reporting as part of their governance approach. It is strongly suggested however, that a staged approach be used by ports in working towards such formal reporting, to allow time to establish data collection procedures and determine baseline metrics.

Some key considerations for sustainability reporting include:

1. Understand what the most important issues are to your stakeholders

This will allow you to focus on the right issues. Don't assume internal conversations capture these. This can be achieved by ensuring your 'Materiality Assessment' process is comprehensive, inclusive of internal **and external stakeholders** and well-scaled. Report mainly on these matters stemming from the MA with clarity and accuracy so that there is a clear focus on the material issues. Don't underestimate the knowledge of internals and externals and the 'blue-sky' opportunities you may uncover in this MA process.

2. Be 'honest' and 'balanced'

Integrity underpins strategic success. Report the policy/project achievements AND those that you need to do more work on or didn't achieve within initial timeframes. It is critical to be open and honest – stakeholders will respect this more than just hearing 'good news stories'.

3. Use a recognised framework to guide your reporting

Work towards using a recognised framework to help with data collection and establishment of trends over time. This journey can take some time – but make a start. Importantly a formalised structure/ approach can then help set goals and manage change more effectively. This may also help ensure corporate strategy is 'balanced'.

4. Be accountable

The actions of the organisation are the responsibility of the organisation – don't 'push-out' responsibility to third parties for lack of achievement.

5. Seek professional / communication assistance

Sustainability Reporting can be overwhelming. It is important to consider professional and communications assistance in helping to develop the systems, policies and procedures to effectively report your strategy. Look at industry examples / leaders for inspiration.



Benefits of Sustainability Reporting

Sustainability Reporting is an important part of corporate governance. Many leading businesses are now preparing sustainability reports as part of their annual reporting process.

Australian Ports such as North Queensland Bulk Ports recognise the benefits of undertaking a forensic review of their Sustainability Plan and reporting on it:

The plan is driving long term whole of organisational thinking by improving profitability and resilience to the cyclical nature of economic environments, reducing environmental impacts, improving organisational efficiencies, encouraging innovation, increasing value creation and promoting prosperous communities and businesses. We are already achieving enduring outcomes from sustainability through improving business and operational efficiency, creating value for our customers, maintaining our reputation and ensuring we have a solid record and social license to operate and grow.'

NQBP SUSTAINABILITY REVIEW
October 2015 – June 2017

Sustainability reporting has a number of benefits:

<p>Provides a 'systematic' approach to measuring performance over time</p> <p>SYSTEMATIC</p>	<p>Demonstrates an 'open door approach' to reporting</p> <p>TRANSPARENT</p>	<p>Drives business improvements</p> <p>PERFORMANCE</p>
<p>Improves stakeholder communication</p> <p>RELATIONSHIPS</p>	<p>Helps attract & retain talent looking for employers with balanced strategies</p> <p>ATTRACTION & RETENTION</p>	<p>Provides a platform to compare against industry peers</p> <p>BENCHMARKING</p>



Implementing a

successful

sustainability strategy



While the suggested Strategy development process outlined in this guideline will deliver robust strategic and operational actions, implementation of the Strategy (and its actions) will be the true test of commitment by the organisation.

For the Strategy to be successfully implemented and drive a sustainable business model, it should be integrated into all aspects of the business.

Over time, the Strategy needs to be purposefully incorporated into core business.

Implementation requires a strategic approach. Several key success factors are listed below for consideration:

Key Success Factors to Implement & Integrate a Sustainability Strategy

1 Leadership

Commitment and leadership on sustainability begins with the Board, CEO and management teams to successfully implement 'sustainable thinking' throughout the organisation. Senior Executive commitment needs to reinforce the importance, business-case and value of sustainability.

Active sustainability leadership is required to drive success and move towards an integrated business model, embedding sustainability at all level and aspects of the business, including organisational culture.

2 'The Strategy Champion – is not just One Person'

The Sustainability Strategy should not be championed by only one person, or even one department within the organisation. A diverse, cross-divisional team should be encouraged.

It is suggested as the Strategy gathers momentum, this team should evolve to incorporate relevant team member changes.

3 Employee Engagement & Culture

Given that sustainability impacts all aspects of the organisation, all employees in the organisation should have the opportunity to be engaged in the Strategy implementation. Building a pathway to transition to a positive culture, the organisation will need to consider:

- delivering education / awareness on sustainability to ensure successful engagement and enablement of positive change. Some focus areas could include: the value of sustainability, project examples both in-house and external, and demonstrating how sustainability impacts all areas of the business;
- building corporate values that support and foster sustainability; and
- encouraging a positive organisation culture of empowerment, learning, diversity and innovation.

4 Sustainability 'Integration'

Sustainability should be integrated at all levels of an organisation from the culture, business practices and operations.

At a corporate level, the Sustainability Strategy should be integrated at the core of business aligned to the corporate vision, drivers and overarching corporate strategy. The organisation's vision, mission and values should reflect a sustainability focus, which sets the foundation for building a positive organisation culture. Over time, the Sustainability Strategy should integrate with the corporate strategy / business / operational plans etc.

At a business process and operational level, the Sustainability Strategy should target change to 'whole of business' processes and practices. Redefining of processes should be collaborative and incorporate the sustainability objectives of the organisation.

5 Stakeholder Engagement

Engagement of internal and external stakeholders is central for enduring success. Ports should continue to interact with stakeholders, seeking regular engagement and work together to identify solutions, encourage cooperative dialogue and potential partnership opportunities.

Engagement should be encouraged ‘all the time’ not just ‘at project time’.

Engaging with stakeholders, including supply chain collaboration, is critical for understanding port operations and impacts and, understanding the roles, risks and expectations of stakeholders. As organisations along the supply chain increase their level of engagement in sustainability, there are greater opportunities to work towards shared values to support sustainability-related goals. These values may lead to unlocking opportunities to support innovative systems and processes, optimising business and operational efficiency and improving ‘business as usual’ practices.

Significant cost saving may be realised through strong partnerships.

6 Collaboration

Collaboration and partnerships are key to transforming into a sustainable business. With numerous actions delivered by a Sustainability Strategy, collaboration within the port sector, across various industries including tenants and within the supply chain, will ensure understanding and clarity of the Strategy for the successful implementation of actions.

Ports are uniquely positioned with a large ‘sphere of influence’ that presents limitless opportunities to collaborate and partner with stakeholders; from governments, local council, community and environment groups, suppliers, customers and port tenants to research institutions.

7 Resource Planning

Following the commitment of developing a Sustainability Strategy, appropriate resource planning should be undertaken.

A plan for human and financial resources will need to be clearly articulated and allocated to enable transition to a sustainable port business. Optimising or re-allocating internal resources, systems and processes as well as opportunities for collaboration outside the organisation should be considered.

It is anticipated that dedicated senior management resourcing would be part of this.

8 Adapting to a Changing Agenda

A leading sustainable business needs to be able to anticipate and respond to emerging issues and trends in the sustainability agenda and the port industry.

Organisations that present the capability to adapt and change to a rapidly moving agenda, will have a greater competitive advantage.

9 Engagement with Global Sustainability Platforms

With a connected global supply chain, ports are well positioned to positively contribute to global sustainability platforms.

As an island nation, expanding global connections and developing global learning partnerships will be particularly important.

Ports Australia acknowledges many of the international collaborations undertaken by Australian Ports and encourages ports to further engage in the relevant global sustainability platforms such as the World Port Sustainability Program (WPSP).

10 Monitoring & Reporting

To ensure accountability and transparency, ports should consider setting relevant targets and defining performance metrics (against actions from the Sustainability Strategy) to communicate and track sustainability performance.


Using a recognised reporting framework can help focus on a systemic approach to reporting and tracking progress. This can also help benchmark the current sustainability performance at a global level and set expectations for future communication and performance. Alternatively, a well-developed reporting framework that is suitable for appropriate reporting of the port business can be implemented.

Port business are adopting different approaches for reporting sustainability performance from annual Sustainability Reports to online dashboards. A consistent, open and transparent approach which reports with clarity and accuracy on material matters without overreaching, is suggested.

An aerial photograph of a large cargo ship docked at a pier. The ship has a red hull and a black upper section. The deck is visible, showing several large, flat, grey structures. In the background, there is a coastal town with buildings and a marina filled with sailboats. The sky is blue with white wavy lines. The text "Concluding remarks" is overlaid on the image.

Concluding
remarks





Developing and implementing Sustainability Strategies in Australian ports, will actively demonstrate that the industry is taking progressive action and provides a vehicle to capture excellent work underway in the port sector.

Not only is it ‘the right thing to do’, it is also becoming the ‘expected thing to do’.

Globally, sustainability platforms are available to the port industry to share leading practice and knowledge through the World Port Sustainability Program (WPSP). Ports Australia endorses this program and strongly encourages ports to showcase their excellent work on the global stage. Many Australian ports have already been considered for global sustainability awards under this platform and we expect this trend to continue.

This guideline suggests a systematic approach to develop and implement a Sustainability Strategy. The approach also includes considering and demonstrating alignment to the United Nations Sustainable Development Goals, which underpin the WPSP platform.



The approach promoted in this guideline will allow port businesses to clearly articulate their purpose, what sustainability means to the business and how a sustainable vision can shape the pathway forward. The approach supports a considered and honest review, using internal and external stakeholders, to ensure the 'right' actions are delivered that will provide lasting and effective 'whole of business' change.

What is clear is that every port is different, and that the approach chosen for each port be 'right sized' and properly defined. **This guideline can help define that approach.**



Appendix A –
Australian and
international

snapshots



Leading Sustainability Strategies in the Port Sector – Australia

This section showcases highlights from Australian port industry sustainability leaders that have prepared and released Sustainability Strategies (Plans) prior to 2020.

Examples of other sustainability **initiatives** within the Australian port industry including sustainability 'reporting', '**actions**' and '**projects**' and policies can be found within the Ports Australia 'Sustainability Hub' (<https://www.portsaustralia.com.au/value-of-ports/sustainability>)

NORTH QUEENSLAND BULK PORTS

North Queensland Bulk Ports (NQBP) manages four major bulk ports in Queensland, Australia – three of which are located within the Great Barrier Reef World Heritage Area.

Developed in 2015, the NQBP Sustainability Plan was the first comprehensive sustainability plan released for an Australian port.

As part of the strategy development work NQBP looked at historical achievements back as far as 1993 to ensure their sustainability 'journey' was appropriately recognised.

Published prior to the release of the United Nations SDGs and the introduction of the World Port Sustainability Program (WPSP), the Plan included the following key themes:

- Smart Port Operations;
- Our Environment;
- Workplace and People;
- Planning a Brighter Future; and
- Port Communities.

NQBP actively pursued the actions in the plan and has evolved its integration of sustainability throughout the business through the strategic planning process. Progress is reported via their Annual Report.



This Sustainability Plan recognises that managing a sustainable business strengthens our core ability to grow trade through our ports into the future for the benefit of Queensland and Australia.'

NORTH QUEENSLAND BULK PORTS



NSW PORTS

NSW Ports plays a vital role in keeping Australia's economy moving. The port manages key trade gateways at Port Botany and Port Kembla, through which millions of tonnes of freight are imported and exported to domestic and international markets.

NSW Ports developed their first Sustainability Plan in 2015. In 2019 they released the second version of the plan with a stronger focus on core business issues.

NSW Ports conducted a 'materiality review' in developing their 2019 plan using several processes, including an industry peer review, stakeholder feedback and employee workshops.

The results of the materiality assessment were grouped into four key sectors: Our Business, Our Environment, Our Community and Our People.

Of note, and as part of their sustainability work, NSW Ports has implemented an environmental incentive program for shipping to encourage vessels with improved environmental emissions performance. This was the first time such a scheme had been introduced at an Australian port.



Sustainability is integral not only to our business, but to the long-term success of the supply chain industries.

We recognise we have a responsibility to enact sustainable environmental, social and governance measures which minimise the impact our business has on the natural environment and the communities in which we operate.'

MARIKA CALFAS

Chief Executive Officer



PORT OF BRISBANE

The Port of Brisbane is Queensland's largest multi-cargo port and plays an important role in supporting the growth of the state and Australian economies.

The port has been actively in the sustainability discipline for many years – having developed the first port sustainability guidelines and codes in Australia in 2003. From that time, sustainability has been a robust part of the governance and development philosophy of the port.

In 2018/2019 the Port of Brisbane refreshed their sustainability approach and developed a 'Sustainability Strategy' based around the methodology recommended in this guideline document. The process included a detailed 'Materiality Assessment' with over 170 people participating in either online surveys or face-to-face interviews. Stakeholders included people several hundred kilometres from the port along critical supply chains.

The port determined to use the WPSP foundation concepts of 'People', 'Prosperity', 'Planet', and 'Partnerships' as the central strategy themes with key goals including:

PEOPLE

Create an engaged, diverse and responsive culture

PLANET

Achieve positive net environmental benefit

PROSPERITY

Deliver efficient and sustainable economic growth

PARTNERSHIPS

Enable responsible growth

Importantly, the strategy adopted a 'whole of business' approach and is aligned with the United Nations' Sustainable Development Goals (UN SDGs). Fourteen of the 17 UN SDGs were deemed to be relevant to the business.



Our Sustainability Strategy heavily influences our decision-making across the business by setting out the priorities, challenges and opportunities ahead of the Port of Brisbane as we strive to achieve our vision of being Australia's leading port, here for the future.'

ROY CUMMINS

Chief Executive Officer

PBPL is committed to making a difference. We understand that we do not operate in isolation – that is why our approach is to have a positive impact on everything and everyone; our supply chain and community. We strive to operate in a way that balances economic prosperity, responsible growth and robust governance while respecting and enhancing the natural environment.



FLINDERS PORT HOLDINGS

Flinders Port Holdings is a privately owned port and logistics services group based in Port Adelaide, the seaport suburb of South Australia's state Capital, Adelaide.

At Flinders Port Holdings, it is believed that a sustainable business is one that acts positively to achieve sustainable outcomes, minimising harm, being at one with the communities and the environment and ensuring the financial resilience of the group now and in the future.

The plan underpins its new Sustainability Group Policy and centralises coordination, oversight and delivery of all its work in this space.

It covers a range of actions it will take, and goals they want to achieve, over the next three years and is grouped in to three themes: Environmental, Social, and Governance (ESG). These themes align with best practice in sustainability.

Across each of the three themes are set short and medium-term goals. More generally, Flinders Port Holdings is also committed to continue strengthening its overall sustainability approach in conjunction with their Master Planning. For this, Flinders Port Holdings will engage with its stakeholders to understand their concerns and identify further opportunities that will fall into each of our three sustainability themes.



Our aim is to be recognised as a leader in sustainable port development and operations. We want our legacy to be the creation of a business we can continue to be proud of and which contributes to a positive future for generations to come.'

STEWART LAMMIN

Chief Executive Officer

Environmental

- Land and water
- Emissions reduction
- Resource efficiency
- Ecosystems
- Waste management
- Climate resilience

Social

- People and culture
- Health, safety and wellness
- Diversity and inclusion
- Stakeholder engagement
- Community cohesion
- Sponsorships and support
- Ethical sourcing

Governance

- Board oversight and diversity
- Planning and development
- Economic contribution
- Funding and capital allocation
- Risk and compliance management
- Supply chain management
- Reporting and transparency

Leading Sustainability Strategies in the Port Sector – International

This section showcases highlights from global sustainability leaders in the port industry – demonstrating a well-established and strategic approach to sustainability.

PORT OF AMSTERDAM

Vision 2030 sets long term goals for the Port of Amsterdam, which is achieved through 5-year strategies; the current 2017–2021 Strategy having a focus on a smarter, faster and cleaner port. Progress is reported in their Annual Reports.

The Sustainable Port delivered an initial sustainability plan targeting five key themes: energy transition and circular economy, environment and the surrounding area, clean and safe shipping, work and knowledge and, responsible supply chain.

In the **Annual Report 2018**, the Port of Amsterdam reported against the SDGs with substantial investment in circular economy and energy transition. As the 'port of partnerships' the port has worked collaboratively to become the 'battery of the city' for energy distribution fulfilling circularity plans.



We prefer to demonstrate sustainable leadership instead of waiting until legislation compels us to act. We do this on three levels. First and foremost, as a responsible organisation we strive to be a role model by minimising our CO2 footprint and promoting good employer behaviour. In addition, we are working with our clients on a sustainable port that has a minimum impact on the surrounding area, which appeals to sustainable innovators. Lastly, our aim is to be a committed partner, which encourages transparency in the supply chain’.

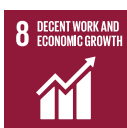
KOEN OVERTOOM, CEO MICHEL DE BRAUW, CFO
‘The Sustainable Port’, Port of Amsterdam



Ensuring healthy lives and promoting well-being for all at all ages.



Ensuring access to affordable, reliable, sustainable and modern energy for all.



Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



Building resilient infrastructure, promoting inclusive and sustainable industrialisation and fostering innovation.



Making cities inclusive, safe, resilient and sustainable.



Promoting responsible consumption and production.



Taking urgent action to combat climate change and its impacts.

PORT OF ANTWERP

Port of Antwerp has been reporting on its sustainability progress every two years since 2011 using GRI core reporting, with the most recent being the **Sustainability Report 2019**.



Since 2016, as part of the port's sustainability initiatives, it has implemented the **Port of Antwerp Sustainability Award** which is awarded biennially, recognising innovative projects by tenants to transition to sustainability and address the UN SDGs.

It was the host port for the **'World Port Sustainability Program'** launch in March 2018 and is one of seven ports collaborating in the new **'World Ports Climate Action Program'**, launched in September 2018.



In everything we do we endeavour to make the greatest possible sustainable contribution to society'

JACQUES VANDERMEIREN, CEO
2019 Sustainability Report

PORT OF VANCOUVER

The Port of Vancouver refreshed with a new vision in 2016 **'to be the world's most sustainable port'**. The initial approach to sustainability started back in 2010 with future scenario planning through the initiative **Port 2050**.

Annual **Sustainability Reports** have been tracking sustainability performance since 2010. The most recent Sustainability Report is presented in an online format on the port's website – and presents excellent information and data.

The Port of Vancouver is leading in encouraging shipping incentives through its **EcoAction Program** to promote clean shipping. The program also encourages measures to reduce underwater noise, which is supported by the **ECHO (Enhancing Cetacean Habitat and Observation) program**. This is a leading collaborative project to understand underwater noise from marine shipping on whales. An Annual Report has been delivered on this program since 2015.

Port of Vancouver is one of seven ports collaborating in the new **'World Ports Climate Action Program'**, launched in September 2018.



As our country's trade continues to grow, it is our collective responsibility to oversee sustainable development here at Canada's largest port. I'd like to recognize the strong partnerships between the port authority and our port community partners, all of whom are clearly committed to collaboration in the name of becoming the world's most sustainable port.'

ROBIN SILVESTER

President and CEO, Vancouver Fraser Port Authority





Appendix B –
concept of
sustainability and the
adaptation
to business



The concept of sustainable development received its first major international recognition in 1972 at the United Nations (UN) Conference on the Human Environment held in Stockholm.

In 1987, the Brundtland Commission of the UN delivered a 'global agenda for change' and outlined the widely accepted definition of sustainability that refers to sustainable development: *'development that meets the needs of the present without compromising the ability of future generations to meet their own needs'*.

In 1992 the UN Earth Summit in Rio outlined the 'UN Commission on Sustainable Development', with the objective to coordinate sustainable development activity. This commission delivered the Millennium Development Goals (MDGs) in 2000 to primarily address social issues such as improving the lives of the world's poorest people.

Revised with a broader sustainability lens, the Sustainable Development Goals (SDGs) were launched in 2015 to deliver a sustainable development framework for everyone: government, businesses and individuals. The 17 Goals were adopted by all UN Member States in 2015 and is known as the '2030 Agenda'.

In the early 2000s, the United Nations focused on encouraging the corporate world to incorporate the SDGs – the aim being to align business strategies and operations with the universal principles on human rights, labour, environment and anti-corruption, and to support business to take actions that advance societal goals.

The **United Nations Global Compact** (UNGC) was formed and is a non-binding United Nations agreement to encourage businesses to adopt sustainability practices. It is known as the 'world largest corporate sustainability initiative' and provides a principles-based framework.

The UNGC supports businesses to align with ten principles covering focus areas in human rights, labour, environment and anti-corruption, and the SDGs.

The UNGC offers a range of resources and tools for business to address sustainability issues, including addressing the SDGs. **'The SDG Compass'** provides an understanding of integrating sustainability into reporting, the **'SDG Industry Matrix'** provides industry-specific examples on contribution towards the SDGs, and the **'SDG Action Manager'** is an online tool for businesses to assess their impact on the SDGs.

The **Global Compact Network Australia** (GCNA) is a local network made up of a number of businesses, non-for-profits and universities supporting the UNGC. The GCNA hosts a range of events and supports organisations that are working towards the SDGs.

The United Nations also invited a group of the world's largest institutional investors to join a process to develop the **Principles for Responsible Investment** (PRI). This led to the development of a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating environmental, social and governance issues into investment practice. In implementing the Principles, signatories contribute to developing a more sustainable global financial system.

The PRI works to achieve a sustainable global financial system by encouraging adoption of the Principles and collaboration on their implementation; by fostering good governance, integrity and accountability; and by addressing obstacles to a sustainable financial system that lie within market practices, structures and regulation.

The Principles were developed by investors for investors, and accordingly have support of over 3000 organisations including ABN AMRO, Catholic Superannuation Fund and Mitsubishi UFJ Trust and Banking Corporation.



Sustainable development is the pathway to the future we want for all. It offers

a framework to generate economic growth, achieve social justice, exercise environmental stewardship and strengthen governance'

BAN KI-MOON

Former UN Secretary General

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