



# Sustainability remains at the forefront of the ports industry

By ADAM COOPER, Company Secretary / General Counsel – Flinders Port Holdings

As industries across the globe face up to the coronavirus pandemic, positive news has been hard to come by. Yet one positive trend has arguably maintained momentum even in the face of COVID-19. Over the last six months the issue of sustainability has remained at the forefront of industry and investor debate about the future of our economies.

As this edition of Across Borders Magazine highlights, this positive trend has been apparent in ports and logistics. Most of Australia’s major port operators have now published or are on their way to publishing sustainability policies and plans. We at Flinders Port Holdings published our own group-wide plan in April, centralising coordination, oversight, and delivery of our work in this space.

What is most telling within this trend is that the majority of these plans, our own included, are not siloed but instead directly aligned with overall business strategies. Instead of an addendum to business planning, sustainability is now seen as a central facet of it and a value generator in its own right. Furthermore, if we are to future-proof our businesses and our infrastructure then working in a sustainable fashion now is critical. Sustainability is not only about building an ethical business, it is about building a resilient business.

We have already started to make significant progress at our operations. At the Flinders Adelaide Container Terminal, we have significantly cut energy consumption. We have also entered into a Virtual Generation Agreement for the increased supply of renewable-based electricity across our Port Adelaide facilities. We are also working to ensure sustainable practice is embedded across our supply chain operations beyond the wharf. This is important to our customers who are increasingly engaging with us as their end-to-end supply chain partner.

On a strategic level, we have set out medium-term and stretch goals across



Environmental, Social and Governance (ESG) metrics. There are other approaches to sustainability planning but for our stakeholders, including investors, and customers the ESG framework allows us to measure and communicate progress, and to plug in to wider sustainability programs being implemented through supply chains we operate in.

Indeed, compatibility in approaches to sustainability across the supply chain space should be the long-term goal of the sector. Ports Australia’s soon to be published Port Sustainability Strategy Development Guide will enable ports and port businesses to take a systematic approach to sustainability strategy development which is aligned with industry good practice. There will not be a one-size fits all model, but Australia’s supply chain sector overall will benefit if there can be consistency in approaches to and measurement of sustainability.

While in the near-term the market will continue to be challenging, what the sustainability trend shows us is that threats – in this case threats linked to environmental degradation and climate change – can lead to innovation and value creation. The

embedding of sustainability into the supply chain sector is hugely exciting. And we are seeing other exciting innovation being driven by businesses looking to become more resilient. In South Australia we have seen a marked increase in interest in our Flinders Warehousing and Distribution (FWD) operations. FWD enables tailored supply chain solutions, including warehousing, distribution, customs, quarantine and transport. This model is saving our partners time and money, but it is also giving them peace of mind in what is becoming an increasingly complex supply chain environment.

Whether it is progress on sustainability or integration there are positive trends within the supply chain sector, particularly in Australia. As we start to emerge from COVID-19 there is an opportunity to further embed sustainable and innovative practice as trade recovers. We will certainly be pushing this agenda.





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