



KMSB

Kimberley Marine
Support Base

ESG Strategy



Introduction from the Managing Director

Kimberley Marine Support Base Pty Ltd (KMSB) is the developer of a marine infrastructure project known as the Kimberley Maritime Offloading Facility (KMOF), which will be located within the existing Port of Broome, in the Kimberley region of northern Western Australia.



Andrew Natta

Through innovative infrastructure design and flexibility to deliver bespoke commercial and operational solutions, the KMOF is positioned to maximise trade through the region, opening the Port of Broome up to a broad range of industries and logistics support for those businesses.

KMOF is expected to be operational in 2024 - the project has all relevant approvals and is now in the final design and construction phase, with a contractor recently announced and construction due to commence in late 2022.

Since inception, KMSB has focused on achieving growth to the benefit of all of our stakeholders. We view our stakeholders in the broadest sense - being:

- Our investors who seek a viable, long-term business with strong financial returns;
- Our finance partners who expect a stable, responsible business model;
- The staff who are supported and fulfilled in their roles, and who are given real opportunities for growth and professional development;
- The Traditional Custodians on whose land we are grateful to work on, and with whom we seek to partner and collaborate;
- The community of Broome and the broader Kimberley region who will benefit from the significant investment, growth and commercial opportunities brought by the KMOF facility;
- The customers who will utilise KMOF, who receive a cost efficient, reliable and world class service;
- Our service providers who we deal with fairly, honestly and transparently, to the mutual benefit of all parties;
- The local, state and federal government departments and agencies and other regulatory bodies with whom we interact in a transparent, prompt and professional manner; and
- Future generations to whom we want to leave a thriving, balanced economy and environment.



We have consistently approached the growth of KMOF and operation of the business as complementary to a thriving environment, the aspirations of the local community, our staff and contractors, and a steady, stable governing framework.

This responsible and sustainable approach is integral to the fabric of our corporate culture. The enduring nature of the KMOF asset further dictates that sustainability is vital to the success of KMSB and drives the big picture and long-term approach of KMSB in all its actions and dealings. We future proof our plans because, like the KMOF facility, we are here for the long run, in our relationships with stakeholders, in the care we take in dealing with the environment around us, and in the sustainable governance structures across the group.

I am pleased that the KMSB way is now being formalised in this strategy, which provides internal and external stakeholders with transparency on the principles guiding our approach to the environment, our social obligations and our governance framework. We have determined to make our ESG strategy a public facing document in its entirety, because we value transparency and active engagement with all stakeholders. The strategy sets out tangible, measurable goals – we have always held ourselves to account, and now you can also understand our targets, how we aim to get there, and assess how we are doing with our bold aspirations.

This ESG strategy is a multi-faceted approach which permeates through our corporate values, day-to-day operations and our shared objectives for the direction of KMSB.

Executive Summary

KMSB'S ESG Vision

KMSB was born from an opportunity to optimise trade through the Port of Broome, which is strategically placed to support major onshore and offshore oil and gas and mining projects, agriculture and other sectors.

The KMSB infrastructure has been designed to operate across Broome's large tidal variations, which will facilitate increased import and export capacity, and dramatically change current supply chains. KMSB aims to be a major market disruptor to supply chains and logistics operations in north-Western Australia by supporting a wide range of industries, offering lower movement costs, reduced carbon emission options, and minimising risks through shorter distances to assets. We take on this challenge in an ambitious yet sustainable manner. KMSB is innovative and dynamic, but we are also long-term thinkers and highly value our relationships with stakeholders, our social licence to operate, the environment in which we work and a steady, sustainable governance model. We strive to:

- a)** care for and protect the environment in which we operate while taking active steps to reduce carbon emissions associated with KMOF;
- b)** support thriving communities and a happy, fulfilled workforce; and
- c)** meet the highest standards of good corporate governance.

Beyond just ensuring that KMSB acts in accordance with these principles, we also seek to ensure that our main asset, the KMOF facility, is managed and utilised to meaningfully advance KMSB's ESG goals. We have considered the broader role that KMSB achieve through:

- a)** strategically partnering with businesses that have values which align with KMSB's ESG ambitions;
- b)** creating contractual mechanisms to ensure that parties who contract with KMSB (in connection with KMOF or otherwise) are required to comply with appropriate KMSB ESG expectations; and
- c)** influencing third parties to implement ESG benefits in their businesses, for example through facilitating partnerships between Traditional Owners and third parties and assisting third parties to reduce their carbon emission through use of KMOF.

Reaching the Vision: Key Initiatives for the FY 2022/2023

In formulating our ESG strategy, we have conducted a materiality assessment, considering the unique nature of the KMSB business, the commencement of the construction phase of the KMOF project, and the matters which are important to our various stakeholders.

Over many months and extensive consultation, we have identified the following key focus goals for the 2022/2023 financial year, which we will continue to build on over the next three years.



Environmental:

- Become certified as a carbon neutral business.
- Invest in the KMOF facility, which will create large scale efficiencies in supply chains in north Western Australia, thereby reducing waste, kilometres travelled, fuel burned and carbon emitted across multiple industries.
- Treat the natural environment with the utmost care and respect, and exceed requirements imposed by environmental law and regulation.



Social:

- Our Aboriginal engagement is of key importance, including the development and implementation of a Reconciliation Action Plan and building on our collaborations with the Traditional Custodians of the land on which KMOF is located.
- Our relationship with the Broome community is integral to KMSB's success, and we will further strengthen the trust placed in us by the community through the delivery of local jobs and commercial opportunities, local spend and the significant investment and economic development as a direct result of the KMOF facility.



Governance:

- We will maintain the gold standard of corporate governance through the active engagement of the KMSB board and the key role played by the executive team, to facilitate considered, informed decisions and plans which align with a sustainable, long-term business.
- In so far as commercially appropriate, we will be transparent and open in our strategy, progress and compliance with our ESG goals.

In addition to our key environmental, social and governance objectives as set out above, as part of KMSB's commitment to ESG, a Sustainability

Working Group has been established. In addition to regularly reviewing and developing new ESG targets, the group will track and report on ESG progress internally and externally, further enhancing the transparency and measurable nature of KMSB's approach to ESG.

Environment

KMSB stringently complies with all environmental laws and regulations which apply to it and aims to minimise the risk of any negative impacts on the environment surrounding the KMOF facility.

But KMSB goes far beyond environmental compliance in the care and respect that we show for our natural environment.

At our core, KMSB is a business which aims to reduce current levels of carbon emissions by industry: the location and efficiency of the KMOF facility will result in significant changes to supply chains for onshore and offshore assets and numerous industries in the Northwest, thereby contributing to kilometres not travelled, fuel not burned and carbon not emitted.



Achievements to Date	FY 2022-2023 Goals	Stretch Ambitions – Next three years
<ol style="list-style-type: none"> 1. KMSB has identified significant inefficiencies in supply chains across a range of industries in north-western Australia, and the potential to drastically reduce waste and emissions through an innovative and bespoke infrastructure solution. 2. KMSB is undertaking an audit process to become certified as a carbon neutral business. 3. KMSB has achieved all necessary approvals for the KMOF facility under federal and state environmental protection legislation. 4. KMSB has significantly reduced the seabed and beach footprint through collaborative design process with the Yawuru people (the Traditional Owners), the Broome community and Kimberley Port Authority. Following extensive consultation and report findings, KMSB was able to evolve the design of the KMOF to systematically minimise the impact on local environmental sensitivities including dinosaur footprints, shorebirds, benthic habitats, seagrass, coastal processes, inshore reefs and the beach area. 5. KMSB has agreed contractual terms with the KMOF appointed operator which require the KMOF operator to: <ol style="list-style-type: none"> a) be Climate Active Certified by Climate Active Australia (as carbon neutral) one year after operations commence; and b) comply with all environmental laws; c) effectively manage specific environmental risks associated with the KMOF facility including spills, pollution and uncontrolled escapes and marine pest species; and d) implement an environmental management system not less than AS/NZ ISO 14001:2004. 	<ol style="list-style-type: none"> 1. KMSB to become certified under the Australian Government's Climate Active Carbon Neutral Standard as having net zero carbon emissions. 2. Implementation of a waste reduction strategy to reduce the environmental footprint of the corporate office. 3. Ensure that any further refinement of the KMOF design following testing, and the construction of KMOF, delivers the design solutions to minimise social, environmental, and cultural impacts of the physical infrastructure. 	<ol style="list-style-type: none"> 1. Work with the KMOF operator as an aggregator of Australian Carbon Credit Units under the Clean Energy Regulator's Carbon Emission Reduction Fund with respect to activities that can be implemented to enhance the operational efficiency of KMOF customers. 2. Develop environmental monitoring and preservation programs in collaboration with our regional stakeholders. 3. Identify and realise circular economy opportunities within internal operations and in the services and support we provide to users of KMOF. 4. Ensure that the as constructed facility meets KMSB's expectations in minimising environmental impacts and protecting local sensitivities, while ensuring ongoing monitoring and maintenance works are undertaken with the same level of care for the environment surrounding KMOF.

Social

Aboriginal Partnerships

KMSB acknowledges the Yawuru people and the Whadjuk people of the Noongar Nation as the Traditional Custodians of the lands and seas on which we work, respectively at the KMOF facility and KMSB's corporate head office.

We pay our respects to their Elders past, present and future, and extend that respect to all Aboriginal People. In doing so, KMSB seeks to support the ambitions and success of Aboriginal People within our sphere of influence and promote commercial development opportunities and equality of outcomes for Aboriginal People.

KMSB aspires to collaborate with the Traditional Owners of the region in which KMOF is located (Yawuru people). We seek to foster a mutually beneficial relationship built on trust, understanding and respect. We will do this by exceeding any regulatory obligations, by listening to the motivations and aspirations of the Yawuru people, by facilitating and supporting economic development for the Yawuru people, and by providing business opportunities for the Yawuru people to share in the economic benefits being derived from operations at the KMOF facility.



Achievements to Date	FY 2022-2023 Goals	Stretch Ambitions – Next three years
<ol style="list-style-type: none"> Heritage Agreement entered into between KMSB and the Prescribed Body Corporate representing the Yawuru People, which, amongst other things, ensures that culturally significant sites and materials are appropriately managed. KMSB started the KMOF project with a commitment to avoid impacting cultural heritage in the construction area. KMSB engaged in a collaborative process with the Yawuru People, and over the course of two years and many meetings, KMSB secured valuable input from the Yawuru people to optimise the KMOF design. In early 2020 this process culminated in a Spatial Analysis Multi-criteria (MOLA) Analysis which confirmed the suitability of the design for the Yawuru community. This analysis covered cultural, access and environmental factors. MOU entered into between KMSB and the development and investment company for the Yawuru community. The agreement facilitates the delivery of commercial benefits to the Yawuru people through the pre-construction phase of the KMOF project. KMSB has agreed contractual terms with the KMOF appointed operator which require the KMOF operator to: <ol style="list-style-type: none"> explore commercial opportunities with the Yawuru people; and develop and implement progressive Reconciliation Action Plans endorsed by Reconciliation Australia. 	<ol style="list-style-type: none"> Develop and implement a KMSB 'Reflect' Reconciliation Action Plan (RAP), to be endorsed by Reconciliation Australia. Further current negotiations with the Traditional Owner Group to result in the execution of a new MOU. This document will consolidate the advancement of commercial opportunities available to the Yawuru people in connection with construction and operation of KMOF. Aboriginal and Torres Strait Islander cultural awareness training to be provided to KMSB staff and selected service providers/contractors. 	<ol style="list-style-type: none"> The KMSB supply chain incorporating meaningful levels of majority Aboriginal-owned business, with preference given to entities which are appropriately certified. KMSB to conduct audits and establish targets for majority Aboriginal-owned business in its supply chains. Business partnerships between KMSB and the Yawuru People established which provide mutual commercial benefit to both parties. Develop and commence the implementation of an 'Innovate' RAP. Aboriginal and Torres Strait Islander cultural awareness training to be provided to all new starters, and implemented as part of inductions.

Community

KMSB's success and future is intrinsically linked to the relationship that it has with the local community.

KMSB is acutely aware of the potential for the KMOF facility to deliver significant, tangible benefits to Broome and the broader Kimberley region. Broome sits at the epicentre of growing industries including new oil and gas developments, onshore mining and cruise tourism, and is strategically located near Asia and key assets such as the Browse Basin.

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In our dealings with the community, we are guided by the following fundamental principles:

1. We are transparent, accessible and fair.
2. We seek to deliver tangible benefits to the community. Where practicable, we employ local residents, and source labour, materials, contracts and services from Broome and the surrounding region.
3. We are supportive of initiatives that are advantageous the community.
4. We are always open to any feedback or concerns held by the community in connection with our operations.



Achievements to Date	FY 2022-2023 Goals	Stretch Ambitions – Next three years
<ol style="list-style-type: none"> 1. Regularly sponsoring community events and initiatives, such as the Broome Chamber of Commerce and Industry Business Afterhours events. 2. KMSB identified that the beach area near the KMOF is used by the community for recreational purposes including fishing activities. To support this ongoing community use, KMSB amended the causeway design of the infrastructure to expand the pile spacing in support of improved trafficability. 3. KMSB has developed a Jobs Participation Plan in collaboration with stakeholders. This comprehensive document ensures that the construction and operation of KMOF will maximise local economic benefits. 4. KMSB has agreed contractual terms with the KMOF appointed operator which require the KMOF operator to deal with the Broome community in a manner which is consistent with KMSB's own ESG values. This includes acting fairly, openly and reasonably, cause minimal disruption or inconvenience, and meeting and consulting with and enhancing good relations with the local community. 	<ol style="list-style-type: none"> 1. Identify and enter into Broome-based procurement and contracting arrangements. 2. Sponsorship of local events and community fundraising. 	<ol style="list-style-type: none"> 1. Invest circa \$160 million on construction of the KMOF facility, with significant capital expenditure occurring in Broome. 2. Work with the Broome Chamber of Commerce and Industry to identify long-term partnership opportunities. 3. Develop collaborative community-based projects.



Health, Wellness & Safety

The health and happiness of KMSB employees and contractors are integral to the success and longevity of the KMOF facility.

Achievements to Date	FY 2022-2023 Goals	Stretch Ambitions – Next three years
<ol style="list-style-type: none">1. All KMSB staff are paid more than applicable award rates, and where their role permits, provided with flexible working arrangements. KMSB seeks to empower its staff to perform and thrive by providing a supportive and a happy workplace culture, together with opportunities to develop and grow.2. KMSB's contracts with the KMOF constructor and operator include rigorous requirements to ensure the highest levels of safety on site, including compliance with regulations and all policies, procedures and directions of the Kimberley Port Authority.	<ol style="list-style-type: none">1. Draft People Policy to be finalised and issued to all staff. This policy devises a consistent, transparent approach to the benefits and obligations of all of our People.2. Expand training and competency framework within KMSB and hire additional staff as the needs of the business allow for the creation of new jobs.	<ol style="list-style-type: none">1. Develop and implement staff wellness program.2. Formal programs in place for regular staff training and professional development.



Governance

KMSB has a steady, consistent approach in managing its business and risk, and in its dealings with all stakeholders. Our people are required to comply with our code of conduct, being:



We will not conduct ourselves in ways that are harmful to our culture and values.



We commit to honest and ethical conduct and fair dealing.



We comply with all relevant laws and policies.

The KMSB code of conduct and our culture of steadiness and consistency are mirrored by our eagerness to communicate in a transparent and clear manner with stakeholders in connection with our ESG ambitions and progress.

KMSB's board plays an active role in the business and provides oversight in relation to key strategic and commercial decisions. The board comprises a depth of engineering, business, regulatory and government experience, with executive and non-executive members. An executive team comprising the Managing Director, Chief Financial Officer and General Counsel also have an important role in financial and risk management, ensuring that KMSB continues to thrive as a sustainable, viable and long-term business.



Achievements to Date	FY 2022-2023 Goals	Stretch Ambitions – Next three years
<ol style="list-style-type: none"> 1. The KMSB board is comprised of highly experienced and knowledgeable directors with diverse professional backgrounds, and also receives assistance from a company secretary, who provides governance advice, keeps records, maintains corporate registers and effectively manages board processes. 2. Established a Sustainability Working Group to: <ul style="list-style-type: none"> a) track and report on ESG progress; b) effectively communicate KMSB's ESG standards and commitments internally and externally; and c) recommend new ESG targets and improvements. 3. Extensive risk identification and management with proportionally large in-house legal resource. 4. Established internal policies, including approvals processes for expenditure, contracts and other matters. 5. Comprehensive budgeting, financial controls and financial reporting structures with planned capital allocations and funding solutions. 	<ol style="list-style-type: none"> 1. Privacy policy to be further refined to address all aspects of the KMSB activities and potential data collection. 2. Implementation of new IT system to enhance data security. 3. Consider and evaluate sustainability linked debt funding options. 	<ol style="list-style-type: none"> 1. Increase diversity in organisation and in senior management. 2. KMSB's Board of Directors to be expanded to enhance the breadth of skills, knowledge and experience, and increase the diversity as required when KMSB moves into an operational phase. 3. Becoming a local industry leader in sustainable procurement and supply chain. 4. External stakeholder transparency and reporting of our sustainability performance.

Contact

Please direct all queries to:



info@kmsb.com.au



Suite 3, 105 Forrest
Street, Cottesloe 6011 WA

A series of vertical, wavy lines in shades of blue and white, located on the right side of the page.An aerial photograph of a long pier extending into a body of water, with a small building at the end. The water is a vibrant blue, and the pier is a dark structure. The image is partially obscured by a large white arrow pointing towards the center.

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