



SUSTAINABILITY REPORT

2019

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ABOUT THIS REPORT

Port of Newcastle has used the Global Reporting Initiative (GRI) Standard in compiling this Sustainability Report. This report has been prepared in accordance with the GRI Standards: Core option. It relates to our performance for the 2019

calendar year and contains Standard Disclosures from the GRI Sustainability Reporting Guidelines.

A list of the standard disclosures and their location in this report is available in the index located on our website.

 View this publication online
portofnewcastle.com.au





MESSAGE FROM OUR CEO

For more than 220 years, Port of Newcastle (PON) has been a global trade gateway linking the Hunter and New South Wales with the world. There is no doubt the world has changed a lot in that time. This change is accelerating.

As the global trade environment shifts and evolves, PON is looking to embrace new opportunities and new ways to grow. We have embarked on an ambitious diversification strategy that will utilise the full capacity of our assets to increase existing trade and establish new, efficient and cost-effective supply chains.

In driving long-term value creation, sustainability will remain at the core of the Port's business strategy and culture.

2019 was an important year for PON. We made tangible progress in our commitment to becoming a more sustainable company, including the preparation of an Environmental Social and Governance (ESG) strategy that will underpin all our activities.

We were delighted to be recognised with Bronze Partner status as part of the NSW Sustainability Advantage Program. The Port also became the first in Australia or New Zealand to be accredited under the EcoPorts' Port Environmental Review System (PERS) following stringent Lloyd's Register independent tests.

Our top priority is the health and wellness of our people. The Port's systems and support provide a robust framework and a strong safety culture. In 2019, the Port developed a WHS strategy, further driving a positive wellbeing culture across the organisation. Despite a strong approach to safety management, in 2019 we recorded one employee work-related injury, one contractor work-related injury. The Port also received an improvement notice from the Australian Maritime Safety Authority (AMSA) for non-compliance with procedures for control of contractors. The safety of workers remains the Port's top priority and we continue to work towards a goal of zero injuries.

In a continuation of a commitment to create an inclusive and supportive working environment, PON in 2019

developed three new People and Culture policies. We also embarked on our first employee engagement survey, which informed the 2019 Storylines Report and resulted in the creation of an Employee Engagement Forum. We look forward to repeating the survey in 2020 to understand where we are as a community one year on.

In June 2019 our *Port of Newcastle Enterprise Agreement 2016-2019* expired. We commenced collaborative negotiations in January last year, with representation from three different unions. Whilst a revised EA was not accepted in 2019, new negotiations began in early 2020 and we look forward to ensuring a fair and reasonable agreement is in place for our employees as soon as possible.

The team at PON is embracing the latest technologies and industry innovation to provide a step change in the way freight is handled in Australia. Growing demand for clean, alternative energy sources will provide diversification opportunities that could result in Newcastle becoming a hub for the production and distribution of energy streams including hydrogen, LNG and solar. Our vision to become Australia's leading energy port is a key part of our diversification agenda, which supports the region's transition to alternative energy solutions.

Our community lives, works and plays alongside its working harbour. As the City of Newcastle grows and evolves, we will continue to operate a world-class port in a future-looking, socially responsible way to add value for

our local stakeholders. My team is taking a partnership approach to realising our vision for PON. We are uniting our shareholders, employees, customers and surrounding community around shared values that create positive change and ensure we continue to operate a safe, sustainable and environmentally and socially responsible business for generations to come.

Fundamental changes take time. However, if we are rigorous in our execution of incremental change, we will make it happen

I hope you enjoy reading our *2019 Sustainability Report*.

CRAIG CARMODY
CEO, Port of Newcastle



COMMITMENTS AND GOALS

1 Ensure a robust Procurement System aligned with the principles of ISO 20400:2017

2 Transition entire vehicle fleet to electric by 2023

3 Launch Indigenous Students in STEM scholarship

4 Zero incidents of regulatory non-compliance

5 35% of corporate sponsorship budget committed to "Our Planet" projects

6 Promote the empowerment of women and provide equal opportunities for leadership

7 Identify and understand climate related matters that are financially material to our business

8 100% renewable power for our electricity needs by 2021

9 35% of corporate sponsorship budget committed to "Our Community" projects

A MAJOR AUSTRALIAN TRADE GATEWAY

4,600 SHIP MOVEMENTS 

 171 MILLION TONNES OF CARGO

\$25 BILLION OF ANNUAL TRADE 

GENERATES 10,000 JOBS ACROSS NSW 

COMPANY OVERVIEW

Port of Newcastle (PON) is an unlisted private company located in the heart of Newcastle, NSW. It is the largest port on the east coast of Australia. As a global trade gateway

for more than 220 years, the Port delivers safe, sustainable and efficient logistics solutions for its customers.

THE PORT HANDLES **A DIVERSE RANGE OF CARGO TYPES**, INCLUDING



DRY BULK



PROJECT BULK LIQUIDS



BREAK BULK



RO-RO



CONTAINERS

With a deep-water shipping channel, capacity to double trade volumes, available portside land, and berthside connections to the heavy rail network, few Australian ports can match PON's unique capabilities.

The Port is integral to the prosperity of the Hunter Region and NSW, enabling Australian businesses to successfully compete in international markets. The Port creates jobs and generates more investment in local communities. In 2016-17 this contribution was valued at \$1.6 billion to the NSW economy and represented the creation of more than 10,000 jobs across the state.

As custodians of the region's most critical asset, we are striving every day to create a safe, sustainable and environmentally and socially responsible port for the future.

Our shareholders, China Merchants Port Holdings Company (CMPort), and The Infrastructure Fund managed

by Macquarie Infrastructure and Real Assets (MIRA), each own 50 per cent and have a strong, global track record in managing large infrastructure assets.

Our Board of Directors comprises representatives from both shareholder groups. Our independent chairperson is Professor Roy Green. In 2019, the Board nominated Hugh Fitzsimons from MIRA as its first representative to oversee ESG-related matters. The Board determines and monitors the strategic direction of the business to ensure the Port meets its legal and social responsibilities.

Our Audit and Risk committee, as appointed by the Board, oversees our Fraud Bribery and Corruption Prevention System (FBCPS). The Audit and Risk Committee monitors compliance, is independent from management, and has broad powers to investigate activities, obtain autonomous professional advice and make recommendations to the Board. PON's WHS committee meets quarterly and comprises representatives from all parts of the business.



ROY GREEN

Independent Chairperson



HUGH FITZSIMONS

Board Member representing MIRA ESG Representative



LIGAN SUN (VICTOR)

Board Member representing CMPort Member of PON Audit Risk Committee

OUR VALUES



1 WELLBEING

We support and invest in our people and their wellbeing



3 CURIOSITY

We challenge the status quo by questioning if there is a better or safer way



2 INTEGRITY

We are genuine, open and respectful in everything we do



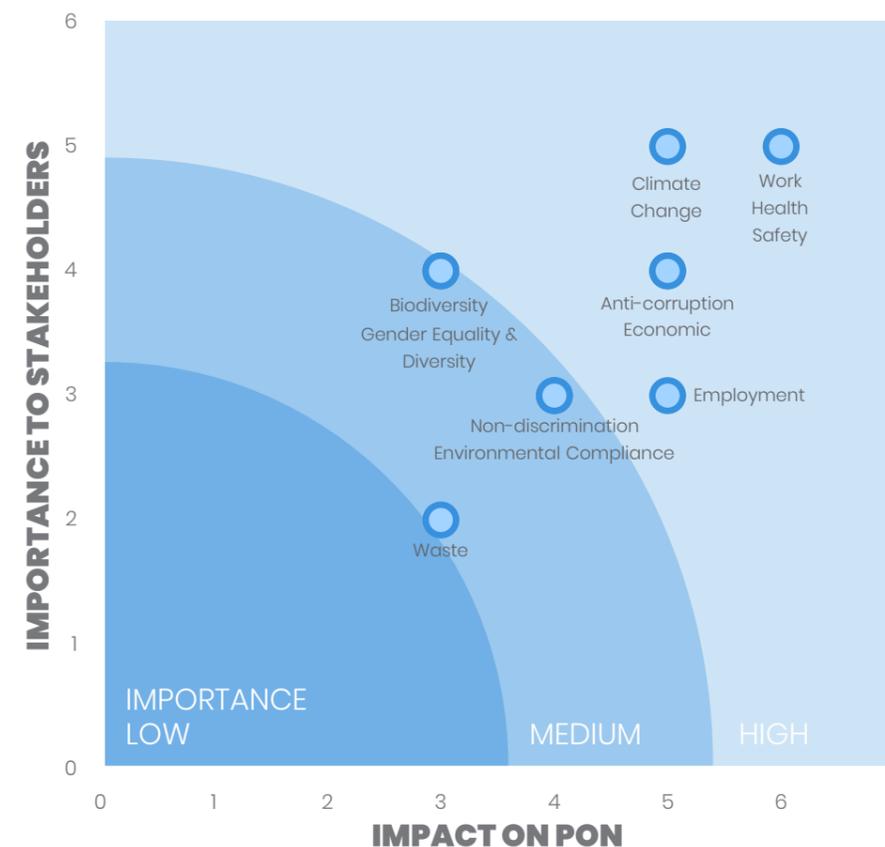
4 COMMUNITY

We are engaged with our communities and proud of the Port's role in the region

MATERIALITY SURVEY

In 2019, we piloted a materiality survey with our employees with the view to formally roll this out to our wider stakeholder group in 2020. Although we have not conducted a formal materiality assessment, we have considered the themes from our pilot assessment alongside themes identified informally through

consultation with our community, our investors, our customers and regulators and also from the 2019 Global Real Estate Sustainability Benchmark (GRESB) assessment results. With these themes in mind we believe our 2019 Sustainability Report covers the issues most important to our stakeholders.



792HA LAND

OPERATING



20 BERTHS

OUR COMMITMENTS



SUSTAINABILITY ADVANTAGE
Port of Newcastle is committed to adopting sustainable practices and in 2019 achieved Bronze Partner status from the NSW Government Sustainability Advantage Program in recognition of our environmental achievements. Its Bronze Partner status recognises PON demonstrating its commitment to business sustainability.



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS
PON's approach to sustainability aligns with the principles of the UN Sustainability Development Goals to promote prosperity whilst protecting the planet. In 2020, PON will undertake an assessment to formalise its alignment with the SDGs with a view to continually improve against the relevant associated targets.



ECOPORTS
As the first port in Australia or New Zealand to become a member of the International EcoPorts network, PON has been working across the Pacific region to advocate the benefits of the group's initiative. EcoPorts provides a consistent and globally recognised approach to environmental management in the Port sector. In 2019, PON achieved EcoPorts certification for its Environmental Management System.



AUSTRALIAN INSTITUTE OF HEALTH AND SAFETY
As a member of the Australian Institute of Health and Safety, the Port incorporates and promotes world-class health and safety practice through its Work Health and Safety Management System.



GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK
In 2019, PON participated in its first GRESB assessment to measure its performance against other global ports. The information will be used to set a baseline for determining sustainability opportunities that can be integrated into our business strategy.



NEWCASTLE PORT COMMUNITY CONTRIBUTION (NPCC) FUND
PON contributes at least \$1 million annually to the Newcastle Port Community Contribution (NPCC) Fund. The NPCC Fund supports suitable projects that enhance or maintain landside infrastructure and community amenity around the Port.

OUR PEOPLE

Our people are the engine room of our Port. Every Port of Newcastle employee is integral to delivering the organisation's strategic initiatives. We seek to provide a safe, secure and inclusive environment that protects people and promotes their wellbeing, and we strive to have robust systems in place, enabling compliance, commerciality and efficiency within a culture of mutual respect.

In our commitment to create an inclusive and supportive working environment we developed three new People and Culture policies in 2019. All People and Culture Policies at PON are reviewed and agreed by the Enterprise Agreement Consultative Committee before being rolled out to employees. The three new policies will be formally rolled out in 2020.



- ✓ **14 weeks** Primary Carer Parental Leave
- ✓ Additional **2%** super co-contribution
- ✓ **39%** staff enrolled in fitness program

3 NEW POLICIES

- ✓ Family and Domestic Violence Leave Policy
- ✓ Purchase Leave Policy
- ✓ Delegates Rights Charter

Seventy-one per cent of the PON workforce is made up of personnel that fall within two categories: professional; and technicians and trade. Our professional employees comprise 32 per cent of the workforce and apply theoretical knowledge and experience in performing analytical, conceptual and creative tasks. Our technicians and trade employees comprise 39 per cent of the workforce and apply broad or in-depth technical, trade or industry-specific knowledge in performing skilled tasks, often to support activities in our Marine and Operations division.

Contractors carry out a significant proportion of the organisation's activities and their work includes consultancy, maintenance of assets and project management.

¹ Only applicable to those employees covered by the Port of Newcastle Enterprise Agreement. All current part-time and casual employees are covered by this Agreement.

² Port of Newcastle maintains employee data confidentially and securely on an employee's electronic file and as part of its payroll system. This data has been used to generate the 2019 report.



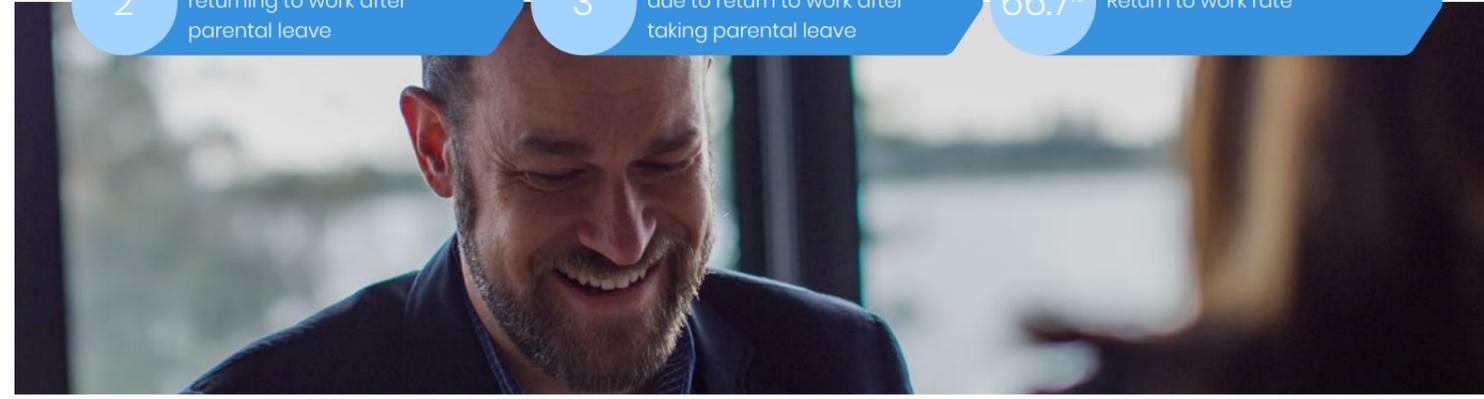
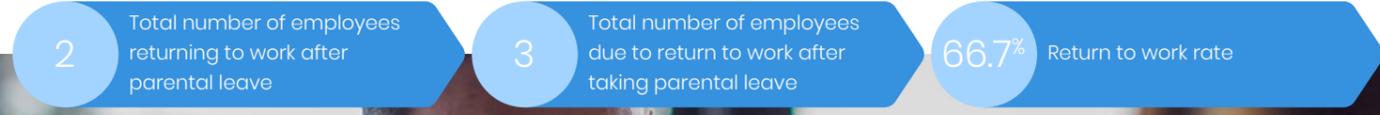
- ✓ **104** employees (31 Dec 2019), an increase of 3.75% from 2018
- ✓ **88.5%** covered by our Enterprise Agreement
- ✓ **1** hosted internship
- ✓ **23** new employees in 2019: 7 female / 16 male
- ✓ **16.7%** turnover rate
- ✓ Average **5 years** of service
- ✓ **37 years 11 months** longest service, Jeff Tamsett



ENTERPRISE AGREEMENT

Our Enterprise Agreement (EA) covers 92 of PON's 104 employees. At PON, we welcome freedom of association with unions. In 2019, we commenced collaborative negotiations on a new EA. There are three different unions represented in EA negotiations: Maritime Union of Australia (MUA), Australian Maritime Officers Union (AMOU) and Australian Institute of Marine and Power Engineers (AIMPE). New negotiations began in early 2020 and we look

forward to ensuring a fair and reasonable agreement is in place for our employees as soon as possible. One of the many elements of our negotiations is the inclusion of the definition of primary carer. This definition clarifies an employee's entitlement to parental leave to ensure that paid leave can be accessed by all employees, regardless of gender, if they are the primary carer of the child.



NEW EMPLOYEE HIRES FOR 2019 BY MANAGERIAL STATUS, EMPLOYMENT STATUS AND GENDER

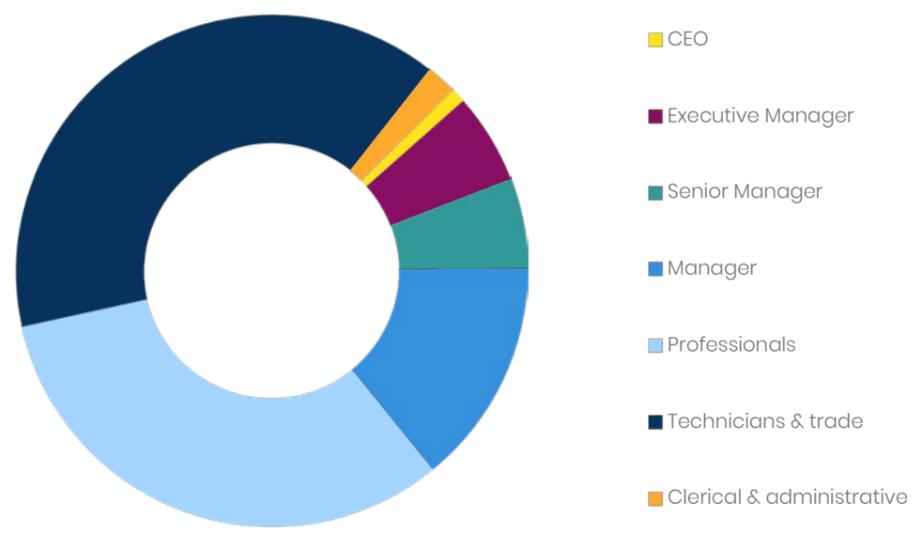
	MANAGERS		NON-MANAGERS	
	Male	Female	Male	Female
Permanent full-time employees	3	1	8	2
Permanent part-time employees	0	0	0	2
Fixed-term contract full-time employees	0	0	1	2
Fixed-term contract part-time employees	0	0	0	0
Casual	0	0	4	0

EMBRACING DIVERSITY

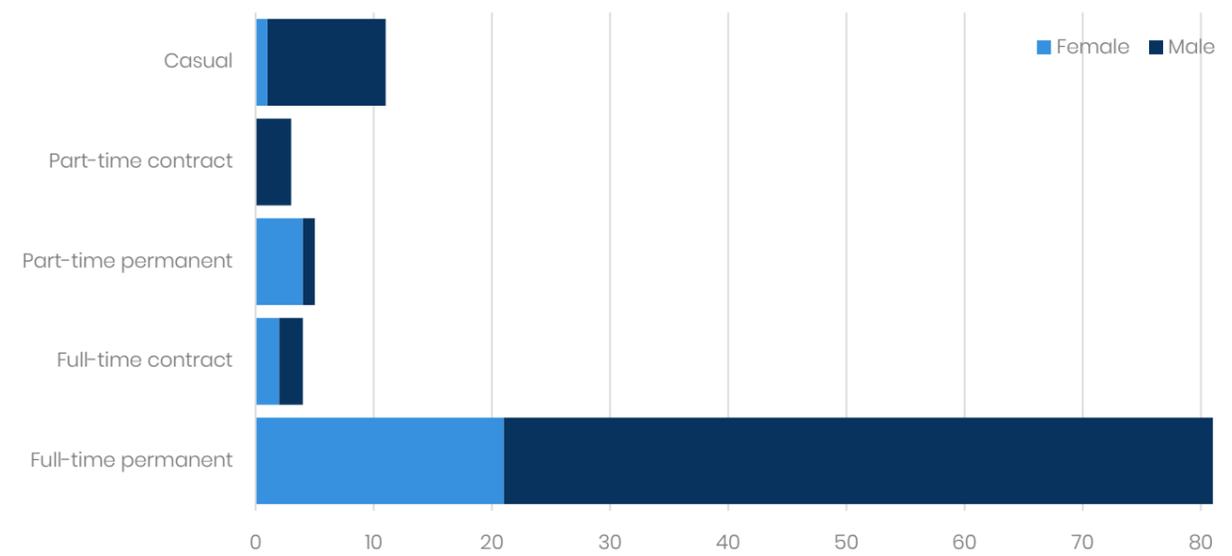
Port of Newcastle promotes the empowerment of women and provides equal opportunities for leadership to challenge what has traditionally been a male-dominated industry. We are committed to achieving greater equality and diversity in the workplace. We will achieve this through

policies that empower social inclusion irrespective of age, sex, disability, race, ethnicity, origin, religion or other status. We ensure equal pay for work of equal value and operate in full compliance with gender pay reporting requirements, including the *Workplace Gender Equality Act 2012*.

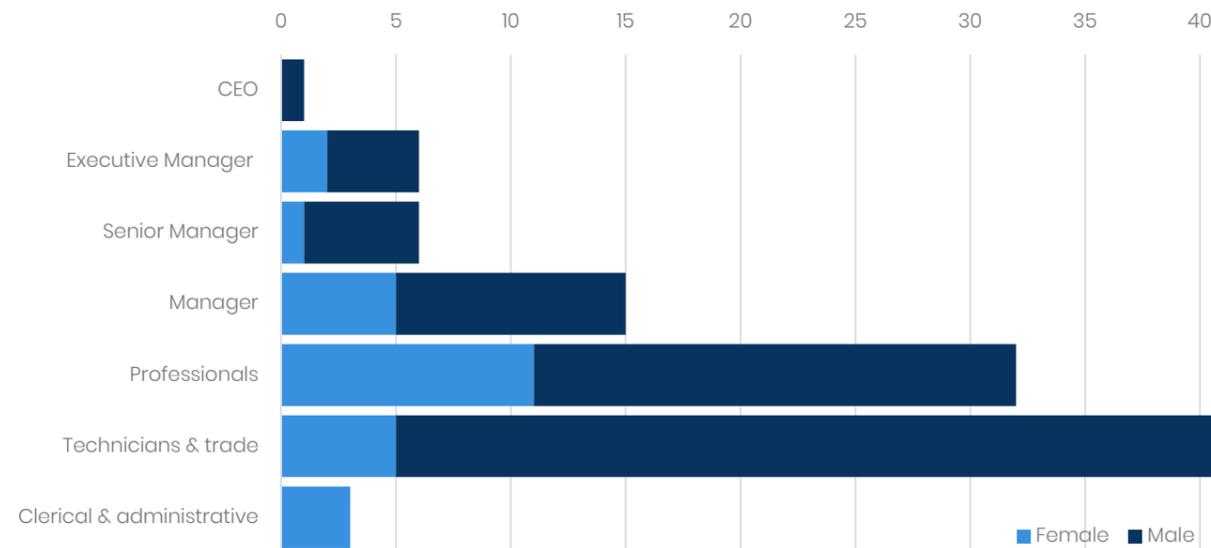
TOTAL EMPLOYEES BY EMPLOYMENT TYPE



IN 2019, PON WORKFORCE GENDER SPLIT



POSITION TYPE BY GENDER



GENDER SPLIT
26.67%
FEMALE
73.33%
MALE

MANAGEMENT TEAM
8 FEMALE
20 MALE

AGE DEMOGRAPHIC
62.86%
OVER 30 YEARS OLD

AGE DEMOGRAPHIC
27.62%
OVER 50 YEARS OLD

CASE STUDY

WOMEN IN MARITIME

"My current role of vessel scheduler works on a four-on, four-off rotation and has allowed me the opportunity to spend precious, quality time helping my son learn and grow."

Port of Newcastle's Vessel Scheduler, Teneall Chapman, was recently featured in a 'Women in Maritime' campaign run by the Nautical Institute of South East Australia brand (NISEA).

More online...
portofnewcastle.com.au



ZERO TOLERANCE FOR DISCRIMINATION

At Port of Newcastle we address the risk of discrimination through having in place a series of policies and practices that have been developed to discourage and eliminate any such behaviour in the workplace.

Developing diversity is a priority for PON in combating all forms of discrimination. Equal treatment, opportunities, promotion and access to positions of responsibility for its employees is a challenge for all organisations that PON not only recognises but is working to address through planning and workforce engagement.

Our policies define our commitment to promote and maintain a diverse workplace in which every person is treated fairly and given the opportunity to succeed. During recruitment we seek to attract, select and appoint the best available person for each vacant role. We communicate to our employees the fundamental standards of professional and ethical conduct expected in the workplace. We

also define our expectations for mutual respect at work, including the types of behaviour that constitute bullying, discrimination and harassment.

At PON, we support and encourage our employees to raise genuine grievances about matters affecting them in the workplace. We are committed to ensuring all workplace grievances are dealt with fairly, consistently, efficiently and with transparency, and that those who raise a workplace grievance are not victimised.

We are in the process of developing a comprehensive Equity, Diversity and Inclusion Strategy that will provide overarching coverage on all the above elements relating to an individual's employment. This, in conjunction with our existing policies, will further identify principles of equity, diversity and inclusion that we will then embed in all aspects of work/life at PON, including recruitment, ongoing development and conduct.

POLICIES

- ✓ Equality and Diversity
- ✓ Recruitment and Selection
- ✓ Code of Conduct
- ✓ Appropriate Workplace Behaviour
- ✓ Managing Workplace Grievances
- ✓ Delegates Rights Charter

2019 = ZERO INCIDENTS OF DISCRIMINATION

EMPLOYEE ENGAGEMENT

In February 2019, we engaged with Macquarie University and launched our first employee engagement survey. The university researchers analysed more than 70 voluntary responses given during confidential interviews and identified several themes present across the Port community. These themes went on to inform *Storylines 2019*, a report prepared and made available to all staff.

During 2019, we also created the Employee Engagement Forum (EEF) as a platform for staff to express views and raise ideas about productivity and culture in the Port community. The EEF hosts eight representatives from

across all divisions of the business.

One of the first initiatives to arise from the EEF was a proposal to establish a Mental Health First Aid program. The training program is being rolled out in early 2020 and will enable 20 PON staff to take part in the two-day, award-winning course delivered by Mental Health First Aid Australia.

In 2020, we will repeat the survey and ask staff what they think about these positive and negative messages and where we are as a community one year on.

SAFETY IS OUR NUMBER ONE PRIORITY



DEVELOPING OUR PEOPLE

We are committed to providing training and development opportunities so all our employees can develop, maintain and improve their skills to enable them to perform their tasks safely and to effectively and efficiently deliver on our business objectives.

We encourage all employees to attain new skills in assisting their development. Employees are encouraged to undertake relevant study as well as attend seminars and conferences as required.

PON provides WHS awareness training to employees to enhance and maintain their necessary skills, knowledge

and awareness. Regular training enables all to perform their duties and responsibilities in a safe, competent and effective manner.

We are committed to fostering sustainability awareness and encouraging a genuine respect for environmental protection in all our people.

WE ACHIEVE THIS THROUGH:

- ✓ Providing formal training on key ESG principles
- ✓ Incorporating ESG factors into the annual performance targets for all our people

OUR APPROACH TO WORKPLACE HEALTH AND SAFETY

Port of Newcastle is committed to improving organisational safety culture and performance across its operations. The Work, Health & Safety function plays a key role in driving and delivering the corporate safety strategy. This team works closely with managers and employees across the business to ensure a safe workplace. It provides advice and assistance to sensibly implement a best-practice safety management framework.

Our safety processes and practices prioritise the wellbeing of employees, contractors, customers and the community.

At PON we have in place a WHS system that supports employees, contractors and visitors in the undertaking of their daily activities in a safe and efficient manner and meets requirements of internal and external stakeholders inclusive of government, regulators, customers and the community.

It is an important reference that establishes the minimum requirements for the best way to work and minimising the risk of harm to employees, contractors, visitors, external stakeholders and the environment.

Our robust WHS management framework includes an improvement plan that considers significant risks. The WHS improvement plan is communicated to all employees and reviewed at management meetings.

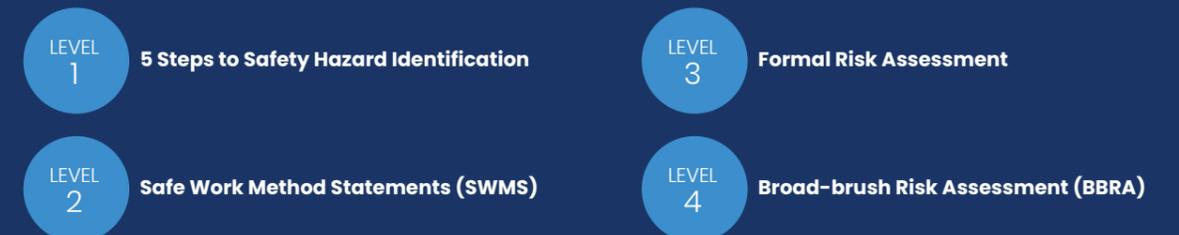
Our WHS team regularly conducts internal audits, including Critical Control Self Assurance Audits and Safety Conversations, to confirm that PON is effectively implementing and maintaining the WHS Management System. Internal audits also enable continuous improvements of our system. An Internal Audit Report is issued, with results, a list of corrective actions, and opportunities for improvement. At PON we conduct

external audits every three years. Our most recent external audit was completed in 2018.

WHS is a shared responsibility. At PON we ask that our employees contribute to the continuous improvement of our WHS performance by reporting all hazards and incidents, no matter how minor they may seem.

PON had one incident during 2019, where an improvement notice was received from Australian Maritime Safety Authority (AMSA) for non-compliance with procedures for control of contractors.

At PON, we have in place a risk assessment framework that identifies WHS hazards and undertakes risk assessments. The framework comprises four levels that progressively require more detailed assessment as the risk profile of an activity increases.



CASE STUDY

NEW OFFICE DESIGN

Port of Newcastle's head office has been purpose-built to prioritise the health and wellbeing of employees and guests through:

- ✓ Interior landscaping
- ✓ The use of natural materials and light
- ✓ Encouraging collaboration through the allocation of informal spaces
- ✓ Sit-stand desks and ergonomic chairs for all our people.

Adequate end-of-trip facilities and information on local active transport networks encourage and support our employees in choosing to walk and cycle to work.



OUR PLANET

At Port of Newcastle we operate within an Environmental Management System (EMS) based on the principles of ISO 14001:2015. Our EMS ensures commitment to a high level of environmental standards. In assessing environmental risk PON applies the precautionary principle approach, as introduced by the United Nations in Principle 15 of 'The Rio Declaration in Environment and Development', to reduce and avoid negative impacts in the environment.

In 2019, we became the first port in Australia and New Zealand to be accredited EcoPorts status under its certification program. EcoPorts certified PON under its Port Environmental Review System (PERS) following stringent Lloyd's Register independent tests to measure us against best-practice management globally. PON is now one of 115 ports worldwide to have been certified under the program.



ZERO
REPORTABLE
ENVIRONMENTAL
INCIDENTS



ZERO
ENVIRONMENTAL
REGULATORY
NON-COMPLIANCE

Our employee health program supports the wellbeing of our staff. The program monitors the health of all our employees before and throughout their employment, as deemed necessary. We notify the relevant regulator where adverse health effects are detected (hazardous substances). We provide access for all our employees and their immediate family members to an independent, confidential and voluntary counselling and referral service.

As custodians of the Port, we have the ultimate responsibility both morally and ethically to ensure safe operation across our sites, even though tenants or sub-contractors may perform work. We regularly engage with our stakeholders through open consultation and dialogue, community meetings and Port User Group meetings. In 2019, we commenced our first tenant safety conversations, one of the initiatives being rolled out under our 2019-20

401 SAFETY CONVERSATIONS **42 FLU SHOTS**
PON EMPLOYEE ASSISTANCE PROGRAM / ZERO COST / 4 SESSIONS PER ANNUM

We use several tools for communicating WHS matters, both formal and informal. We discuss WHS matters in our team meetings through a safety share. Formal training, brief information sessions (toolbox talks) and other communications, including noticeboards, emails, web announcements, newsletters and magazines, are also used.

Safety Strategy. These tenant safety conversations are an important step in ensuring we positively influence the safety of everyone working across the Port. PON records work-related injuries for its employees, and those contractors we engage directly. In 2019, there were ZERO fatalities or high-consequence work-related injuries. In 2019, we had one recordable employee work-related injury, and one recordable contractor work-related injury.

INJURY TYPE RECORDABLE WORK-RELATED INJURY

- ✓ **Employee injury frequency rate 9.54**
per 140,928 hours
- ✓ **0 Fatalities**
- ✓ **Contractor injury frequency rate 4.77**
per 68,624 hours
- ✓ **Total Injuries 2**
Contractor 1 / PON employee 1



ACTIVE ENVIRONMENTAL MANAGEMENT

Port of Newcastle recognises its responsibility to manage itself in a way that minimises impacts on the local environment and is committed to adopting sustainable practices.

Our active environmental management highlights our commitment to dealing with environmental impacts of Port operations and development. PON works hard to limit the impact of its operations on surrounding areas and has identified five key themes to guide this approach.



MANAGING OUR ENVIRONMENTAL FOOTPRINT

"We are committed to managing the environmental impacts of our operations and developing the Port in a sustainable manner."



BEYOND OUR BOUNDARIES

"We are active contributors to the management of local environmental initiatives."



COMMITTED STEWARDS

"We are proud to be the custodian of the Port for the NSW Government and the people of NSW."



OUR SYSTEMS AND SUPPORT

"Our systems support compliant and efficient operations, and Port of Newcastle is committed to adopting sustainable practices."



PORT-CITY RELATIONS

"Developing positive synergies inside and outside the Port area creates opportunity and contributes towards a resilient and sustainable city asset."

To effectively manage our resources, we must first measure them. PON maintains comprehensive data sets for our energy and water use and waste generation, quantifying its usage and cost. We use this data to identify resource improvement opportunities and to quantify material and dollar savings.

We actively support sustainable materials management through a whole-of-lifecycle approach and apply the principles of avoid, reduce, reuse and recycle. We introduced two new waste streams for recycling last year

through becoming a partner with the Plastic Police for our soft plastic recycling and providing a green waste option. Our head office implemented seven streams of waste management to minimise volumes going to landfill. In addition to this we also recycle any waste oil from our vessel plant operations.

In 2019, with our office move, we introduced a Clean Desk Policy. A shared hard-copy library alongside our new records management system and automated field inspections further promotes a paperless environment.

DIVERTED FROM LANDFILL



53KG
SOFT
PLASTIC



13250
PLASTIC
BAGS



462KG
GREEN
WASTE



21700
LITRES OILY
WATER



14
MOBILE
PHONES

2019 = 13 TEAMS 87 PEOPLE 1.64 TONNES OF LITTER

2018 = 12 TEAMS 76 PEOPLE 300KG OF LITTER

Port of Newcastle is required to remove sand and silt material from the channel. We are committed to working in collaboration with the City of Newcastle and the NSW Government to assist local beach renourishment efforts in response to erosion caused by severe weather events. Currently, suitable material requiring removal from the channel is relocated to an offshore site that supports the renourishment of nearby Stockton Beach.



CASE STUDY

PORT WIDE LITTER PICK

Newcastle businesses cleaned up more than 1.64 tonnes of litter from around the port on Friday 3 May.

The second annual Port Litter Pick cleaned up and properly discarded everything from cigarette butts, plastic bags and soft drink cans through to old tyres, scrap metal and an ironing board.

The Port of Newcastle initiative attracted 87 people from 13 port-related businesses, including Australian Rail Track Corporation (ARTC), Port Authority NSW, Cargill Australia, Linx Cargo Care, Newcastle Coal Infrastructure Group,

Kooragang Bulk Facilities/Tomago Aluminium, Impact Fertiliser, Sims Group Australia, Port of Newcastle, Koppers, Newcastle Stevedores, Custom Transportable Buildings and Newcastle Yacht Club.

The ARTC team took home the Litter Legends trophy, having collected 400 kilograms of rubbish from the rail corridor, the largest haul from all participating teams.

We set a new record in 2019, easily eclipsing the 300kg collected in 2018.



More online...

portofnewcastle.com.au



CASE STUDY

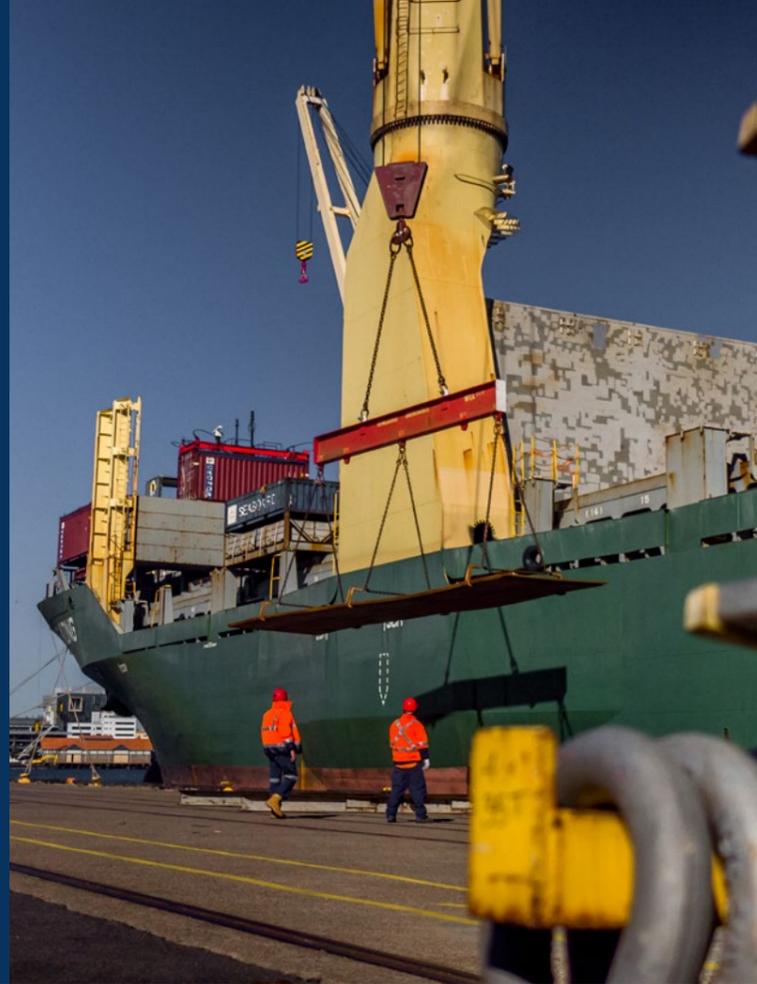
BULK TERMINAL UPGRADE

The Port's \$35 million Newcastle Bulk Terminal upgrade – which features a new ship unloader with state-of-the-art crane and environmental monitoring systems – is one example of the way in which we are committed to the latest in safety and environmental compliance.

Our vision is to make Newcastle the cleanest and most efficient bulk handling facility on Australia's east coast.

We are making a long-term investment to support our customers' ongoing commitment to the Port and the region.

More online...
portofnewcastle.com.au



In 2019, 364,541m³, the total volume of material removed from the channel, was lower than that removed in 2018 (389,750m³), however the associated Scope 1 emissions are observed to be greater. This difference is explained with our dredging program. Where dredging efforts are focused further upstream there is longer steaming time and consequently fewer trips during a day.

A significant reduction in CO²-e is observed at our Newcastle Bulk Terminal from the 2018 baseline year to 2019. This observation results from two significant changes including the removal of a third-party user load from PON usage, and the decommissioning of the gantry crane

infrastructure in preparation for the new loader's arrival. It is anticipated we will see a slight increase in CO²-e with the commissioning of the new gantry infrastructure later in 2020. PON is seeking to respond to this and other Scope 2 emissions through the purchase of renewable energy with our contract renewal project also to be completed in late 2020.

Additionally, significant reductions were observed from the relocation of our head office. In April 2019, we completed a full renovation of our new offices, consolidating three levels into one and introducing increased energy efficiency.

GHG EMISSION INTENSITY

SCOPE 1 DAVID ALLAN DREDGE

➔ **2018** 173.9m³ dredge spoil removed per tonne of CO²-e
 ↻ **2019** 150.5m³ dredge spoil removed per tonne of CO²-e

SCOPE 2 ELECTRICITY

➔ **2018** 6145.19 GJ
 ↻ **2019** 3476.11 GJ
 ➔ **2018** 15 tonnes of CO²-e per employee
 ↻ **2019** 9.3 tonnes of CO²-e per employee

↻ **6.15% REDUCTION IN SCOPE 2 EMISSIONS**



HEAD OFFICE

➔ **2018** Head Office 0.3 t CO²-e per m²
 ↻ **2019** Head Office 0.15 t CO²-e per m²



NEWCASTLE BULK TERMINAL – NBT K2 Berth facility

➔ **2018** 457.62 tonnes of CO²-e
 ↻ **2019** 297.36 tonnes of CO²-e

We are currently mapping our Scope 3 emissions as part of the carbon footprint project described above, due for completion early 2020. Despite our ongoing efforts to map Scope 3 we have already commenced opportunities to reduce some of the associated Scope 3 emissions through

offsetting all emissions associated with our corporate flights in 2018 and 2019. We are committed to continue to offset emissions from our corporate flights on a quarterly basis.

⁴ Note emissions for the NBT are calculated using Scope 1 and 2 outputs. As part of the gantry crane replacement project hoppers with diesel generators allow for ongoing operations.

CLIMATE CHANGE AND CARBON FOOTPRINT

As an estuary port, we are exposed to the associated effects of climate change including coastal inundation, erosion, weather patterns and bushfires. These issues can have significant impacts on our infrastructure and the supply chains that are critical to our ability to create long-term value.

In addition to understanding and managing the direct business risks associated with climate change, we are committed to supporting multilateral efforts to limit the global temperature rise this century to well below 2°C above pre-industrial levels.

In 2019, we embarked on a project to measure our carbon footprint and developed a tool that assesses our Scope 1, 2 and 3 emissions. With the project due for completion in early 2020, we will be well positioned to identify and prioritise emissions-reduction projects based on their ability to have the greatest positive impact.

To understand our Scope 1 and 2 emissions, we have used the National Greenhouse Accounts Factors (Aug 2019) as prepared by the Australian Department of Environment and Energy. We have set 2018 as the baseline year. Before 2018 we did not have smart electricity meters in place to enable us to accurately define those Scope 2 emissions associated with our electricity consumption. Our Scope 1 emissions are predominantly associated with our vehicle fleet and our dredger, the David Allan, which is required to maintain channel depth for safe navigation of vessels through the port.

We have committed to transitioning our vehicle fleet to electric vehicles resulting in an annual saving of 48 tCO²-e³; stage one of this project will commence in 2020. Also in 2020 we will renew our energy contracts with the goal to source from 100 per cent renewables.

³Based on 2018 baseline year

TOTAL DIRECT (SCOPE 1) GHG EMISSIONS

➔ **2018** 2380.53 t CO²-e
 ↻ **2019** 2579 t CO²-e

ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS

➔ **2018** 1399.74 CO²-e
 ↻ **2019** 965.95 t CO²-e





GREENFLEET PARTNERSHIP

We have offset carbon emissions from all our corporate flights as part of efforts to reduce our impact on the environment and create a more sustainable port.

Through our partnership with Greenfleet, a leading not-for-profit environmental organisation, we are now offsetting greenhouse gas emissions for all international and domestic corporate flights from January 2018 and into the future.

We have offset 254 tonnes of CO²-e, generated as part of corporate flights between January 2018 and December 2019, through the planting of 947 native trees to establish a biodiverse forest.

More online...
portofnewcastle.com.au



Port of Newcastle's footprint is bound to the north by a national park and Ramsar wetland area. The Hunter River is at the heart of the Port and is an artery for one of two major catchments providing water that sustains the region. Salt marshes play a huge role in the aquatic food web, the delivery of nutrients to coastal waters, as well as support for terrestrial animals such as shore birds. In NSW, salt marsh is listed as an endangered ecological community under the *Threatened Species Conservation Act 1995*. PON conducts annual monitoring that provides valuable data on the status and health of coastal salt marsh in the Hunter Region.

Our strategic landuse planning highlights the location and extent of areas with environmental value. In developing the Port, we consider our own impacts, and the impacts of others with the aim of minimal impact on biodiversity and

habitat connectivity. We will support surveillance programs for threatened terrestrial species that are present on Port land. Where there is an opportunity, we will commit to protecting habitat links and supporting the establishment of new links to enable movement across the landscape, in line with the *Hunter Regional Plan 2036*.

As a first-point-of-entry-determined port, in accordance with the *Biosecurity Act 2015*, the Port also shares responsibility for facilitating international trade, which brings with it a biosecurity risk. Biosecurity incident response and prevention processes are in place to help prevent the introduction of, and reduce the impact from, invasive alien species on land and water ecosystems. These have been developed in consultation with the Australian Department of Agriculture Biosecurity division.



OUR PROSPERITY

Since the first shipment left in 1799, the Port and the City of Newcastle have grown and prospered together. That is why the future prosperity of the Port is important not only for our business, but also the people of Newcastle and the Hunter Region.

Port of Newcastle provides an efficient supply chain option for importers and exporters in northern, western, north-western and far-western NSW. Our objectives are to deliver substantial cost savings for NSW exporters and importers, save the NSW Government billions of dollars in infrastructure spending and help reduce Sydney road and rail congestion and associated emissions.

PON recognises the environmental and productivity benefits of rail as the superior landside modal choice. Where there is opportunity, we will leverage our portside rail connectivity to further support reduced carbon emissions and supply chain efficiency.

The Port will collaborate with local regulators, major regional hubs and transport operators to ensure alignment for future development and to achieve our vision to become a global gateway for alternative energy and diversified trade. Our team will undertake integrated planning and the protection of infrastructure corridors and transport networks that feed into the Port and support the economic function of Port land.

We will continue to develop positive synergies inside and outside the Port area that create opportunity and contribute towards a smart, resilient and sustainable regional port city.

In 2019, we facilitated 171.37 million tonnes of trade through our Port, and a total of 2296 vessel visits. Our total revenue for the calendar-year period was \$161 million.

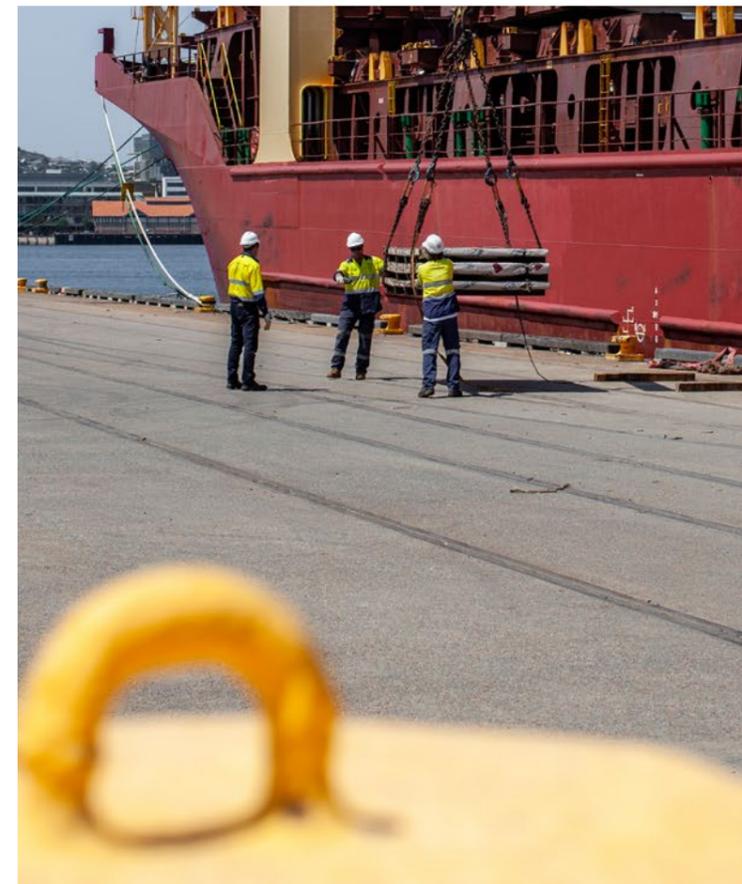
VESSEL VISITS



Port of Newcastle facilitates the movement of cargo through its common and private user berths and associated infrastructure. Ninety-six percent of PON's cargo throughput is coal. PON recognises the need to diversify the trade base and supports a range of alternative options to maintain its vision of becoming Australia's leading energy port. PON is currently the port of choice for wind turbine imports into NSW due to its capacity to store the components to allow for efficient and effective transport planning. In 2018, we completed our dedicated bulk liquids berth, Mayfield 7, the fourth terminal in the Port with the ability to import bulk liquid products. In addition to becoming an energy port, we also handle a range of agricultural cargoes including grains, meals and fertilisers.

PON has direct access to the national Australian Rail Track Corporation (ARTC) network and the Sydney metropolitan rail network, which offer improved alternatives to road freight. This also provides the opportunity for the establishment of market-led supply chains through increased choice and competition between modes (road vs rail) and choice of export ports. Rail freight infrastructure to the Port of Newcastle allows Australian grain producers to make significant transport cost savings by railing their goods to the Port. This increases the global competitiveness of Australian farmers.

TONNES OF TRADE



The Port plays a significant role as an economic driver and a catalyst for growth throughout our region, state and nation.

We commissioned EconSearch to undertake an Economic Impact Report for PON's 2016-17 financial year. The study illustrated the Port's significant contribution to local, state and national economic growth and employment.

The study concluded the direct impact of Port-related activity on NSW output was worth \$1.8 billion comprising

value added estimated at \$914 million and household income at \$529 million, while employment amounted to more than 4700 jobs.

It also concluded that every dollar spent in the Port of Newcastle generated a flow-on benefit for the local, state and national economies of up to \$1.32. For every million dollars of output PON generates, 5.2 jobs are created.

ETHICAL AND ACCOUNTABLE

Port of Newcastle has in place a series of policies and procedures that apply to its people to ensure high standards of ethical and accountable conduct. This includes a zero-tolerance approach to fraud, bribery and corruption. Communication of our expectations and policies is provided to all our people through our Onboarding Program at the commencement of their employment. Refresher training and ongoing communication around these material aspects are provided regularly.

The Port's Audit and Risk Committee, as appointed by the Board of Directors, oversees our Fraud, Bribery and Corruption Prevention System (FBCPS). The Audit and Risk committee monitors compliance, is independent from management, and has broad powers to investigate activities, obtain autonomous professional advice and make recommendations to the Board.

In 2019, there were no incidents or legal actions in relation to corruption, discrimination and non-compliance with laws and regulations in the social and economic area.



\$1 BILLION
HOUSEHOLD INCOME
GENERATED STATE-WIDE
\$900 MILLION
IN THE LOWER HUNTER

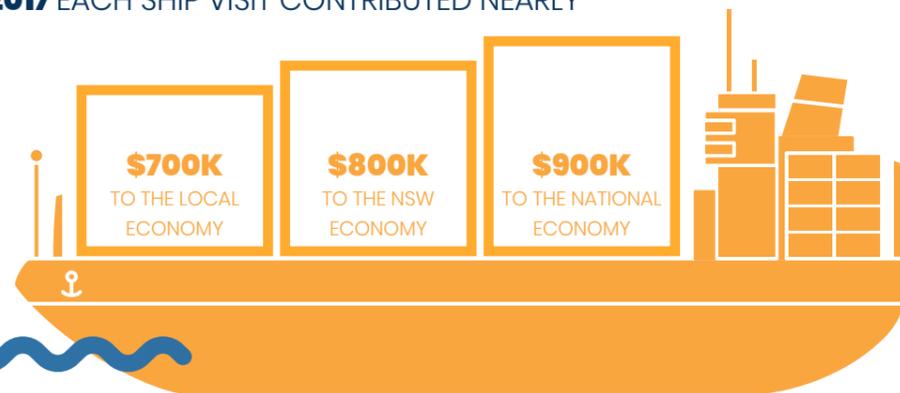


10,000 FULL TIME
JOBS ACROSS NSW
CREATED THROUGH PORT ACTIVITY

TOP 5 SECTORS THAT BENEFITED FROM PORT RELATED ACTIVITY WERE



IN 2016 / 2017 EACH SHIP VISIT CONTRIBUTED NEARLY



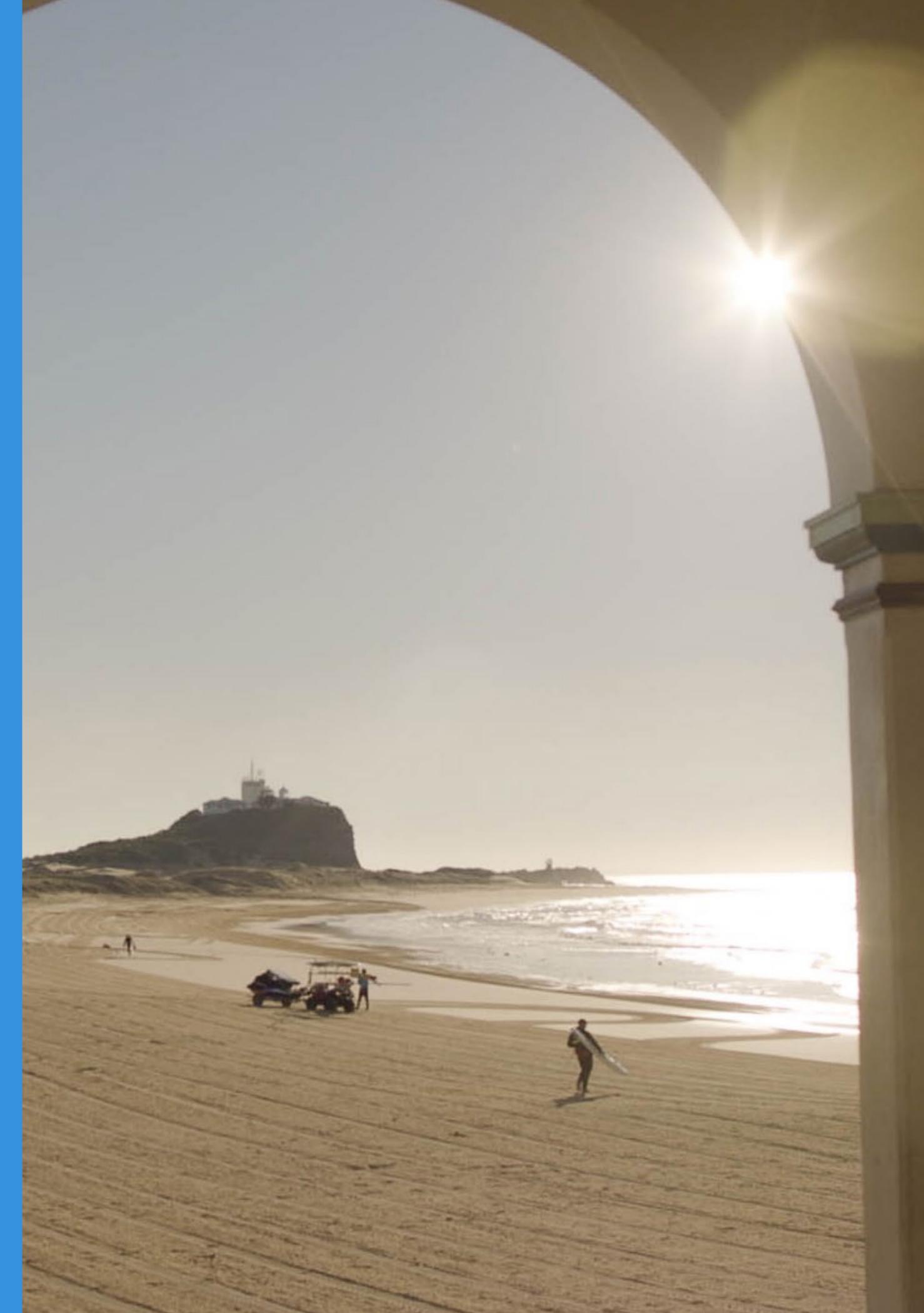
AVERAGE IMPACT PER SHIP CALL FOR THE PORT 2016 / 2017

Industry Sector	Lower Hunter	NSW	Australia
Turnover \$	1,391,000	1,513,000	1,758,000
Employment fte	4.0	4.3	4.8
Household Income \$	386,000	429,000	482,000
Contribution to GRP \$	690,000	763,000	864,000

Source: EconSearch analysis



**ZERO INCIDENTS
OF CORRUPTION**



OUR PARTNERSHIPS

In Newcastle, we live, work and play alongside our working harbour. Since the first commercial shipment left in 1799, Port of Newcastle and the City of Newcastle have grown and prospered together.

The fortunes of the Hunter Region and the Port of Newcastle will remain inextricably linked.

To this end, we will ensure the Port continues to support thriving, prosperous communities for generations to come by operating a world-class asset in a future-looking, socially responsible way.

We will continue to provide a platform for engagement with our community through inviting key representatives across a variety of suburbs and stakeholder groups to participate in our Community Liaison Group.

Partnerships are at the core of our mission to driving the principles of ESG through our operations, our internal culture and the way we engage with our customers and communities.

These partnerships unite our Board, management, employees, customers and community around shared values that create positive change.

We have identified our key stakeholders with the aim of directly and frequently engaging with them. We recognise they are critical to our existence and activity. We need to work with our community to instil confidence that we will contribute to a better future.

For our customers it is imperative we engage. We want to lead and unite; to assist tenants, co-create efficiencies and secure long-term gains; and to ensure prosperity for our buyers and producers by providing secure access to a superior supply chain.

To our owners, we are committed to maintaining a reliable, winning investment, and as long-term custodians of the Port we will work with the government to ensure we steward this critical asset for the benefit of everyone.

PON is committed to maintaining strong relations with local education and training providers. We are proud to support the development of our next generation of professionals and build the capacity of our local region

to support the jobs of the future. Last year, we supported an internship for a student studying Environmental Management and Sustainability at the University of Newcastle (UoN). In 2020, we will launch our Indigenous Students in STEM scholarship in response to recognising the need for STEM-based skills.

We acknowledge there are a range of expectations and views within the community regarding the Port and its activities. Key to PON's commitment is engagement and active communication. The PON Community Liaison Group comprises representatives of the community, business, industry and government. The Community Liaison Group is an opportunity to engage with the Port, learn about its operations and provide feedback.

We have in place regular forums where we meet with our industrial neighbours, including the Newcastle Port User Group, the Port's Users Safety Working Group and the Port Management Working Group. In 2020, we will launch our first Port User Sustainability Forum. Through sharing knowledge, we aim to support our port users in their efforts to improve their operations.

In addition to hosting our own forums, we participate and contribute to other forums hosted by our industrial neighbours and local government such as the Orica Community Liaison Group and the Newcastle Coastal Planning Working Group.

We run targeted surveys to understand our stakeholders' needs and expectations. In 2019, as part of our customer centricity project, we launched a customer survey. We have listened to the feedback and are working to make improvements where opportunities are identified.

PON is a proud member of the Ports Australia network, which meets annually to share knowledge and develop best practice AS/NZ guidance. In 2018, as part of a working group we developed and finalised the Dredging Code of Practice. More recently in 2019, as part of a working group we commenced works to develop sustainability framework guidance documentation for the ports sector.

4 **COMMUNITY
LIAISON
GROUP
MEETINGS**

12 **NEWCASTLE
PORT USER
GROUP
MEETINGS**

4 **PORT USERS
SAFETY WORKING
GROUP MEETINGS**
(REGULATORS, STEVEDORES, TENANTS, PANSW)



Port of Newcastle partners with the community and industry to assist local groups that invest in our region's

future and make a measurable difference to the lives of its people.

CASE STUDY

PARTNERSHIP SUPPORTS DRESS FOR SUCCESS

"Dress for Success is extremely grateful for the support given to us by Port of Newcastle. Funds from PON have enabled us to assist local women by expanding our stock of suitable work clothing in plus sizes, as well as supporting the promotion of our work locally through the purchase of banners and posters,"

Victoria Clay, Chair, Dress for Success Newcastle Committee



In 2019, we reconfigured our sponsorship program to align it with our ESG commitments. In 2020, our Sponsorship Program will help to deliver projects that give rise to thriving, prosperous communities for generations to come.

Our corporate sponsorship funding is allocated across the following target areas:



5%
OUR PEOPLE
TARGET



35%
OUR COMMUNITY
TARGET



35%
OUR PLANET
TARGET



25%
OUR INDUSTRY
TARGET

In addition to providing monetary support, Port of Newcastle enables its people to volunteer their time for causes consistent with its sponsorship target areas.

In 2019, we supported ongoing efforts to address the effects of erosion at one of our local beaches through providing 28.5 tonnes of clean sand from our maintenance dredging activities.

28.5 tonnes

of clean dredged sand placed offshore of Stockton Beach to help restore sand lost through erosion

YEAR	SAND PLACED m ³
2018	25,542
2019	28,458





ACKNOWLEDGING OUR ABORIGINAL HERITAGE

Port of Newcastle operates within the traditional countries of the Awabakal and Worimi peoples and is committed to building stronger relationships with its local Aboriginal communities.

The establishment of a Reconciliation Action Plan (RAP) is a key initiative in support of the national Closing the Gap movement.

It reflects the Port's commitment to engaging with our local Aboriginal communities and helping to improve economic, health and social outcomes. The establishment of Port of Newcastle's RAP will provide the plan and framework to commence our journey and contribute to the national reconciliation movement.

The development of our Reflect RAP will allow us to scope and develop relationships with our local Aboriginal community and enable us to have a clear vision on what reconciliation looks like for the Port of Newcastle by exploring our sphere of influence. In this way we will work towards developing future Innovate, Stretch and Elevate RAPs that will be meaningful, mutually beneficial and sustainable.

We are committed to delivering our first Reflect RAP in 2020.

For questions regarding the report or its content please get in touch.



For further information
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