

SUSTAINABILITY REPORT 2020

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ABOUT THIS REPORT

Port of Newcastle used the GRI Standards in compiling this Sustainability Report and prepared it in accordance with the Core option. It relates to our performance for the 2020 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.



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ACKNOWLEDGEMENT OF COUNTRY

Port of Newcastle acknowledges the Traditional Custodians of the land and waters of Newcastle Harbour, the Awabakal and Worimi People and pays respect to all Elders past, present and emerging.





MESSAGE FROM OUR CEO

Australia's supply chains and national resilience were tested in 2020. The direct and indirect implications of the pandemic defined the year. We identified three key priorities: keep our people safe, do our part to minimise COVID-19 community transmission, and maintain the continuity of port operations for our customers and the economy.

Port of Newcastle was one of the first organisations in the Hunter to shift to remote working arrangements for all office-based staff, well before government directives and advice to that effect.

While COVID-19 dominated the headlines, mental health became an equally important workplace health and safety priority for our organisation in 2020 as we became more geographically fragmented than previous years. While challenging, we grew stronger together. Initiatives such as mental health first aid training for our staff and the Smiling Mind program – both in place before COVID-19 – took on greater significance.

COVID has changed the way we work and we have embraced agile working arrangements as our new "normal". While the global COVID-19 pandemic left Port of Newcastle's trade largely unaffected, with a four percent decline in volumes, this was not the experience for many businesses and community. The resilience of the port community became all the more critical in 2020. Supermarket product shortages highlighted how much our society takes for granted otherwise robust supply chains. Ports play a critical role with 98 percent of Australia's trade coming through its ports each year.

Port of Newcastle's trade alone was valued at \$26 billion in 2020. Port activity also creates many flow-on benefits. In 2020, economists HoustonKemp analysed the contribution Newcastle's port activity makes towards the Hunter, state and national economies. The port's direct and flow-on contribution to Australia's gross domestic product (GDP) is almost \$1.5 billion and it also underpins almost 9,000 full-time equivalent jobs nationally. Driving Port of Newcastle is the knowledge that when Australia's largest east coast port is providing reliable, efficient, and competitive access to global markets, the benefits flow well beyond the port boundary.

In 2020, Port of Newcastle's deepwater access and excellent connections to national road and rail networks continued to provide an attractive supply chain option for a range of trade types, including break bulk and the growing roll-on roll-off trade.

The port has long been recognised as Australia's leading energy terminal. Thermal coal dominates, but the port is growing into a critical gateway for renewable energy technology. This was evidenced during 2020 with shipments of wind turbines through the port. Both existing and emerging energy technology can access a competitive and efficient supply chain.

Embracing renewable energy trade is just part of a broader focus on creating a safe, sustainable, and environmentally and socially responsible port of the future. We set ourselves an ambitious goal to transition to electric vehicles and 100 per cent renewable energy supply by the end of 2021. We are well on track to meet



that with 90.5% of our electricity supply now transitioned to renewables. By the end of 2020, about 70 per cent of the port's vehicle fleet had switched to electric.

As the first port in Australia and New Zealand to be accredited under EcoPort's Ports Environmental Review System (PERS), Port of Newcastle is benchmarked against the best ports around the world. PON has also joined forces with other leading Hunter businesses to coordinate a regional response to the United Nations (UN) Sustainable Development Goals.

Port of Newcastle is optimistic about the future. With a multi-billion-dollar capital investment program, there is much to look forward to in the years to come. The Multipurpose Deepwater Terminal (MDT) project, subject to the removal of penalties applying to container movements through the port, is set to deliver cost efficiencies for businesses across NSW and contribute \$2.5 billion in economic activity across Australia, generating more than 15,000 direct and indirect jobs.

Port of Newcastle is pleased to provide competitive supply chain options for NSW importers and exporters, as we all look to rebuild the Australian economy. I hope you enjoy reading our *2020 Sustainability Report*.

CRAIG CARMODY
CEO, Port of Newcastle



COMMITMENTS AND GOALS FOR 2021 AND BEYOND



Formalise PON's emission reduction targets.



Reduce PON Scope 1 and 2 emissions to less than the Science Based Target initiative (SBTi) well below 2°C 2025 scenario.



Achieve 100 percent renewable power for our electricity needs by 2021.



Transition entire vehicle fleet to electric by 2023.



Offer at least 12 mental health first aid courses to PON employees. Set and maintain minimum ratios of accredited employees for each division.

| Number of employees in Division | 2-10 | 11-20 | 21+ |
|--|------|-------|-----|
| Minimum number of require mental health first aiders | 2 | 3 | 4 |



Achieve Silver Partner recognition under NSW Government Sustainability Advantage Program.



Develop our Diversity and Inclusion Strategy.



Develop an Aboriginal and Torres Strait Islander internship program.



Assess 100 percent of our suppliers for modern slavery risk.



Develop a sustainability financing framework.



Corporate Sponsorship commitments:

- 35 percent to Our Planet projects
- 35 percent to Our Community projects
- 25 percent to Our Industry
- 5 percent to Our Partnerships



Grow staff participation in our workplace giving program to match PON co-contribution commitment of up to \$5000 per charity



100 percent of staff undertaking mandatory cultural awareness training

PERFORMANCE AGAINST COMMITMENTS AND GOALS SET IN 2019

1 Ensure a robust procurement system aligned with the principles of ISO 20400:2017

Following the gap analysis completed in 2019 against ISO 20400:2017 PON has undertaken significant reviews of its existing procurement system to incorporate the recommendations.

2 Transition entire vehicle fleet to electric by 2023.

PON is well on track to transition its entire vehicle fleet to electric. Five more vehicles were added in 2020.



3 Launch Indigenous Students in STEM Scholarship.

In 2020, PON launched a \$30,000 partnership with the University of Newcastle. Applications for the Indigenous Students in STEM Scholarship opened in September 2020 and will be awarded in 2021.

4 Achieve zero incidents of regulatory non-compliance.

In 2020, PON had zero incidents resulting in regulatory action. There were a number of minor non-conformances relating to potential mosquito vectors.



5 Commit 35 percent of corporate sponsorship budget to Our Planet projects.

In 2020, PON supported all those compliant submissions that fell within the Our Planet project category. Whilst 35 percent of our budget was committed to this category, the total volume of Our Planet projects amounted to 24 per cent of the budget spent. We encourage applications in 2021 for those with a project that has a positive impact on our planet.

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

In 2020, 43 percent of PON's new recruits were female. PON engaged LKS Quairo to roll out leadership training for all employees.



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

In 2020, PON commenced works with the University of Technology Sydney's Sustainable Futures Institute to undertake a TCFD scenario analysis for the port. These works will be completed in 2021

8 Achieve 100 percent renewable power for our electricity needs by 2021.

PON is well on track to secure 100 per cent renewable power for our electricity needs by the end of 2021. In November 2020, PON entered into a retail PPA with Infigen Energy for its three embedded networks, covering 90.5 percent of PON's power usage.

9 Commit 35 percent of corporate sponsorship budget to Our Community projects.

In 2020, we had an exceptional number of compliant applications for the Our Community projects category, with an amazing 46 percent of the total corporate sponsorship budget being allocated.

COMPANY OVERVIEW

Port of Newcastle (PON) is an unlisted private company located in the heart of Newcastle, NSW. It is Australia's deepwater global gateway and the largest port on the nation's east coast. PON is more than a port. It exists to build Australia's prosperity with responsible, integrated, and innovative supply-chain solutions. With trade worth about \$26 billion to the national economy each year, PON enables Australian businesses to successfully compete in international markets.

The port currently handles over 4,400 ship movements and 164 million tonnes of cargo annually. With a deepwater shipping channel operating at 50 per cent of its capacity, significant port land available, and enviable access to

national rail and road infrastructure, PON is positioned to further underpin the future prosperity of the Hunter, NSW, and Australia. As custodians of the region's critical asset, the port is diversifying its trade as it strives to create a safe, sustainable, and environmentally and socially responsible future.

Our shareholders, The Infrastructure Fund managed by Macquarie Infrastructure and Real Assets (MIRA), and the China Merchants Port Holdings Company (CMPort), each own 50 per cent and have a strong global history in managing large infrastructure assets.

Our Board of Directors comprises representatives from both shareholder groups.

GOVERNANCE

PONs has in place a robust governance framework to ensure that we operate our business in a responsible manner. Our framework includes management systems and processes aligned with international standards. To further support and enhance our responsible management practice our Board of Directors provide a key role in overseeing our approach.

Our independent chairperson is Professor Roy Green. Hugh FitzSimons from MIRA continued in his role as PON's 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.

Also appointed by the Board, PONs People, Culture and Remuneration (PCR) Committee are responsible for overseeing our People & Culture strategic plan and Diversity & Inclusion Strategy. Additionally, the committee is responsible for overseeing any Executive and company KPIS and any Executive remuneration changes prior to approval from the Board.

PONs Work Health and Safety Committee provides oversight of port specific operational risks, PONs Safety Strategy and also monitor safety performance.



ROY GREEN

Independent
Chairperson



HUGH FITZSIMONS

Board Member representing MIRA
ESG Representative

MAJOR AUSTRALIAN GATEWAY

4,414
SHIP 
MOVEMENTS

 **164.5**
MILLION TONNES
OF CARGO

\$26 BILLION
OF ANNUAL
TRADE 

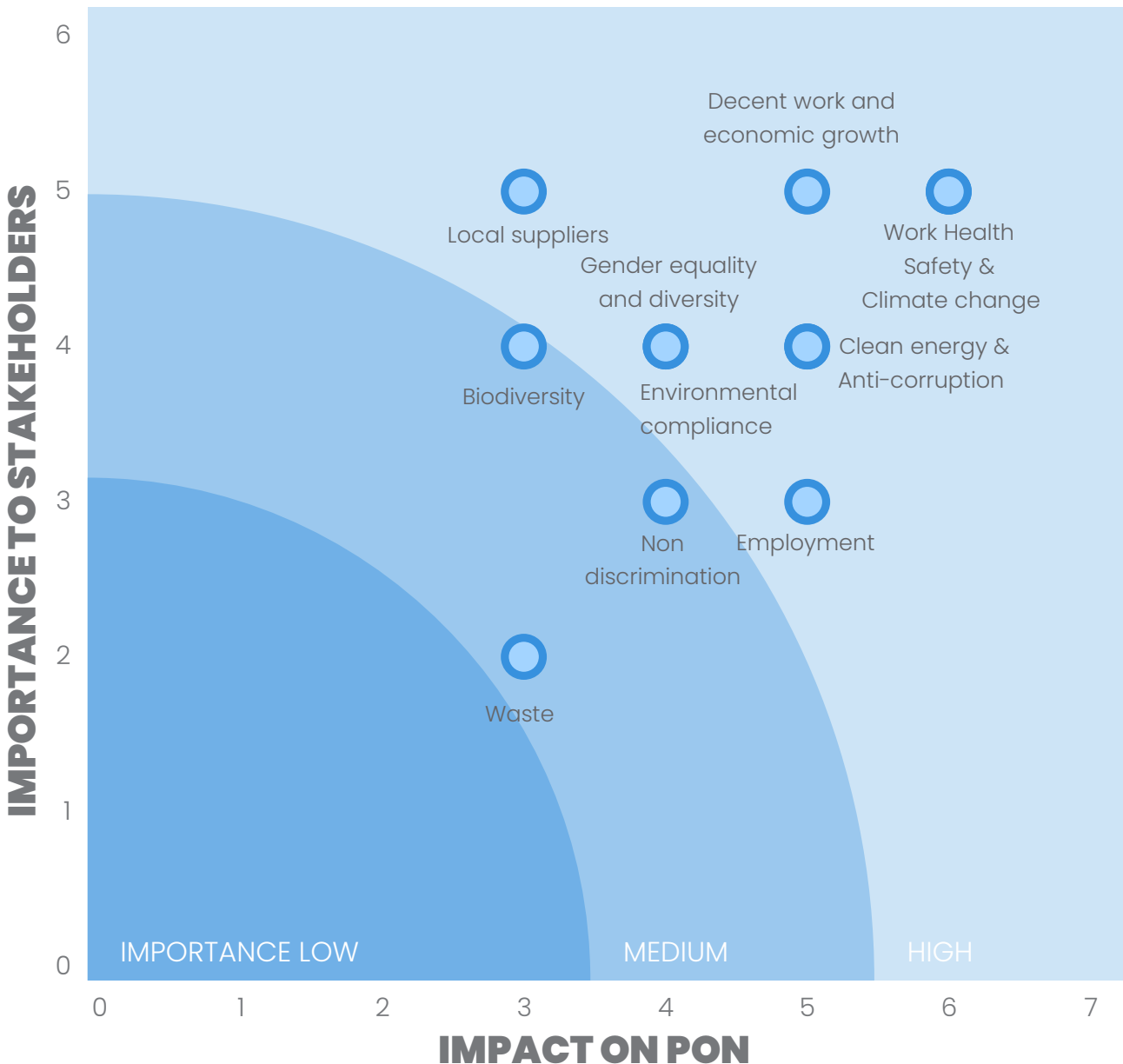
GENERATES 9,000
DIRECT AND INDIRECT
JOBS ACROSS
AUSTRALIA 

MATERIALITY SURVEY

In 2019, PON piloted a materiality survey with our employees with the view to formally roll this out to our wider stakeholder group in 2020. Due to limitations resulting from the impacts of COVID-19, the proposed 2020 materiality assessment was postponed and will be conducted in 2021.

While we have not conducted a formal materiality assessment, we have nevertheless considered the themes from a number of initiatives including:

- our internal materiality assessment completed in 2019;
- our 2020 Global Real Estate Sustainability Benchmark (GRESB) assessment results.
- our Sustainable Development Goal (SDG) prioritisation project completed in 2020. The above have been considered alongside themes identified informally through consultation with our community, our investors, our customers, and regulators. With these themes in mind, we believe our 2020 Sustainability Report covers the issues most important to our stakeholders.



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. PON is committed to achieving Silver Partner status in 2021.



ECOPORTS

EcoPorts provides a consistent and globally recognised approach to environmental management in the port sector. As the first port in Australia or New Zealand to become a member of the International EcoPorts network and to be certified under the program, PON has been working across the Pacific region to advocate the benefits of the group's initiative.



ISO 14001

In addition to having EcoPorts certification, PON's Environmental Management System (EMS) is also aligned with the ISO 14001 standard. In 2021 PON will be undertaking an external audit of our EMS against the requirements of the standard.



GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK

In 2020, PON participated in its second GRESB assessment to measure its performance against other global ports. PON achieved four stars out of a possible five and ranked second against other Oceania port assets participating in the assessment. PON's overall score increased from 40 in 2019 to 75 in 2020, a clear demonstration of our sustainability progress.



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 completed a project to align and prioritise SDGs most relevant to the business. In total, 15 of the 17 SDGs were considered by the group to be relevant to PON with six of those SDGs being set as PON's priority goals.



AS/NZS 4801:2001/ISO 45001

At PON our Work Health and Safety (WHS) Management System is currently aligned with the Australian Standard AS/NZS 4801:2001. In 2020 an external audit of our WHS Management System was completed. The audit included analysis against the ISO 45001 standard.



AUSTRALIAN INSTITUTE OF HEALTH AND SAFETY

As a member of the Australian Institute of Health and Safety, the port incorporates and promotes world-class practices through its Work Health and Safety Management System.



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. This is in addition to the PON sponsorship program supporting community projects and staff initiatives which align with our sustainability goals and objectives.


SUSTAINABLE DEVELOPMENT GOALS

PON is committed to aligning its sustainability commitments with the principles of the UN Sustainability Development Goals (SDGs).

In 2020, PON, as part of its membership with the NSW Government Sustainability Advantage Program, completed a project to align and prioritise those SDGs that are most relevant the business.


A diverse internal working group was put together with cross-divisional and executive team representation to consider each of the SDGs and their relation to PON's business.

The group reported 15 of the 17 SDGs were relevant to PON with six of those SDGs being set as priority goals.




Priority SDGs

Those having the strongest links to our core business areas. These encapsulate areas upon which our business has significant impact and that make the greatest contributions to sustainable development by 2030.



5 GENDER EQUALITY 7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION




Supporting SDGs

Actively manage the supporting SDGs to minimise negative impacts while maximising positive impacts, and continue to report on our performance and plans related to these goals.



3 GOOD HEALTH AND WELL-BEING 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES 14 LIFE BELOW WATER 15 LIFE ON LAND



Underlying SDGs

Those that do not have such direct links to our current material issues, but as a company we have some impact across them.



4 QUALITY EDUCATION 6 CLEAN WATER AND SANITATION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS

OUR PEOPLE

Our people are the engine room of the port. Every PON 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. We strive to have robust systems in place, enabling compliance, commerciality, and efficiency within a culture of mutual respect.

At PON we are committed to creating an environment that makes our place of work a great place to work. We seek to do this through creating a culture that is collaborative and open.

MENTAL HEALTH FIRST AID PROGRAM CORPORATE FITNESS PROGRAM

OUR VALUES



COMMUNITY

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



WELLBEING

We support and invest in our people and their wellbeing



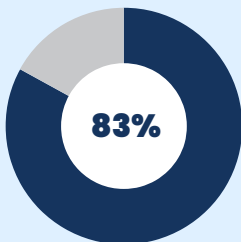
INTEGRITY

We are genuine, open and respectful in everything we do

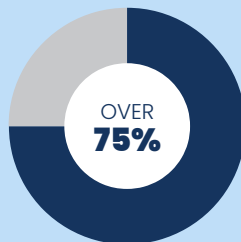


CURIOSITY

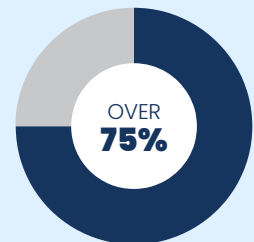
We challenge the status quo by questioning if there is a better or safer way



are satisfied or very satisfied with PON's internal communications



of PON employees surveyed said the organisation encourages two-way communication and employee feedback drives positive change



said there was no negative impact on internal communications as a result of remote work arrangements, with 35% saying it had a positive impact

Source: PON Internal Communications Survey - September 2020.

One such step that demonstrates this commitment was development of our values. In 2020, led by the Employee Engagement Forum, employees from across the business helped to define a new set of values that reflect our workplace culture and support our plans for the future.

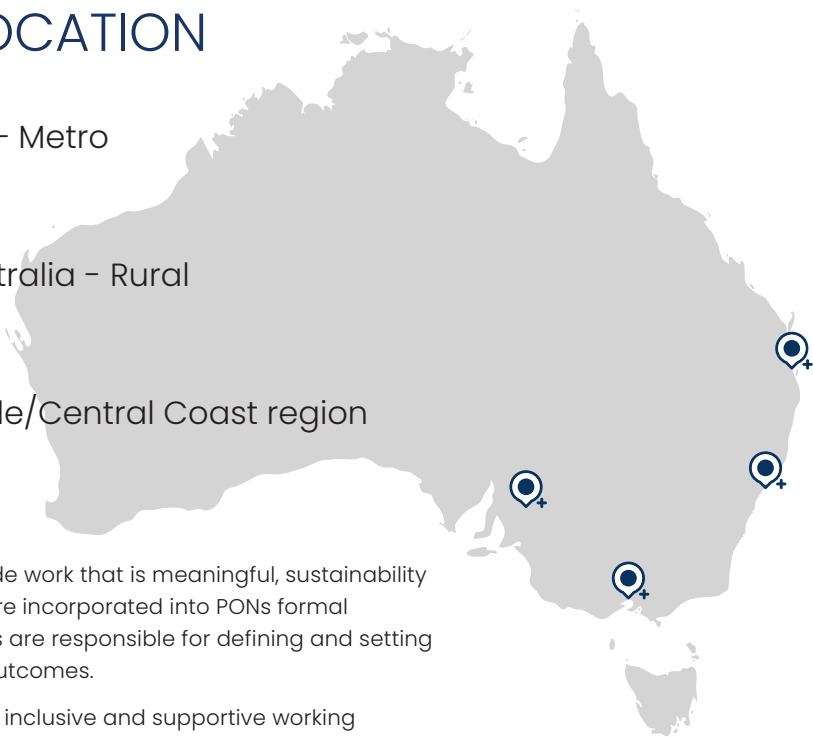
Our values influence how we develop our strategy, how we measure performance, how we treat our colleagues and how we approach our work at PON. These are a guiding compass, a north star for everything we do at Port of Newcastle.

// We felt the smartest thing to do was to hand it over to the workforce. //

Craig Carmody
CEO

NEW HIRES BY LOCATION

- 📍 **2** recruits from Victoria – Metro
- 📍 **1** recruit from Brisbane
- 📍 **1** recruit from South Australia – Rural
- 📍 **1** recruit from USA
- 📍 **2** recruits from Newcastle/Central Coast region



In 2020, as part of PONs charge to provide work that is meaningful, sustainability focused key performance indicators were incorporated into PONs formal performance review process. Employees are responsible for defining and setting targets that have positive sustainable outcomes.

As part of our commitment to create an inclusive and supportive working environment, we developed two new People and Culture policies in 2020. All People and Culture policies at PON are reviewed and endorsed by the Enterprise Agreement Consultative Committee before being rolled out to employees.

- ✓ **14 weeks** Primary Carer Parental Leave
- ✓ Additional **2 percent** super co-contribution for employees covered by the Port of Newcastle Enterprise Agreement
- ✓ **31 staff** enrolled in fitness program
- ✓ **Workplace giving**

NEW POLICIES

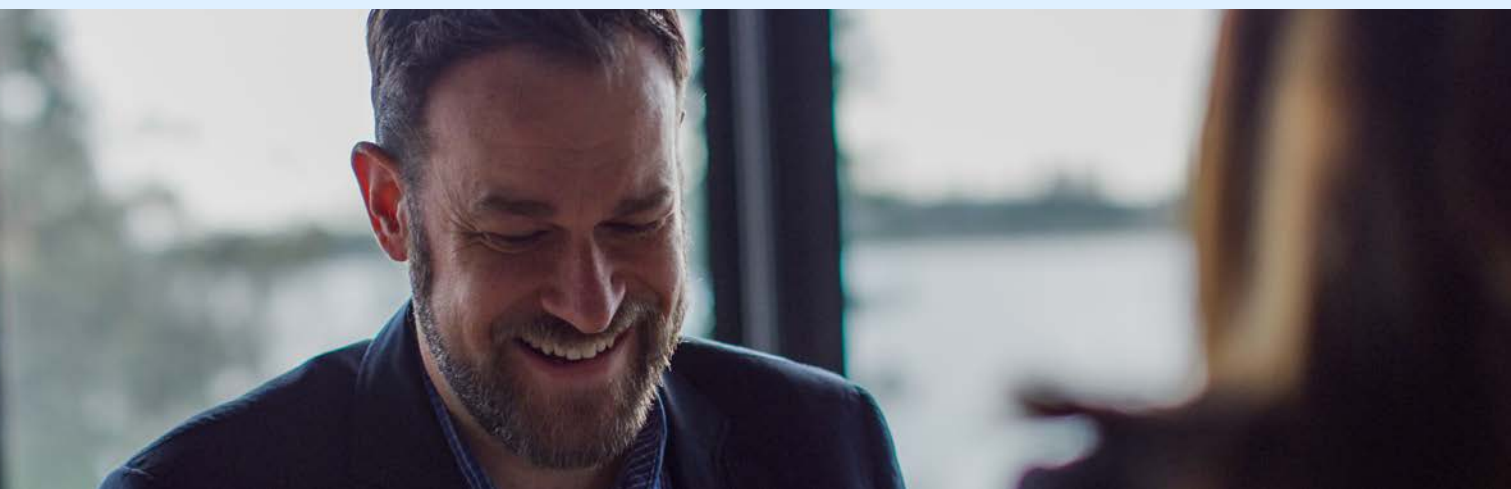
- ✓ Agile Workplace Policy
- ✓ Family and Domestic Violence Leave

The PON workforce comprises 71 per cent of personnel who 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.

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 2020 report.



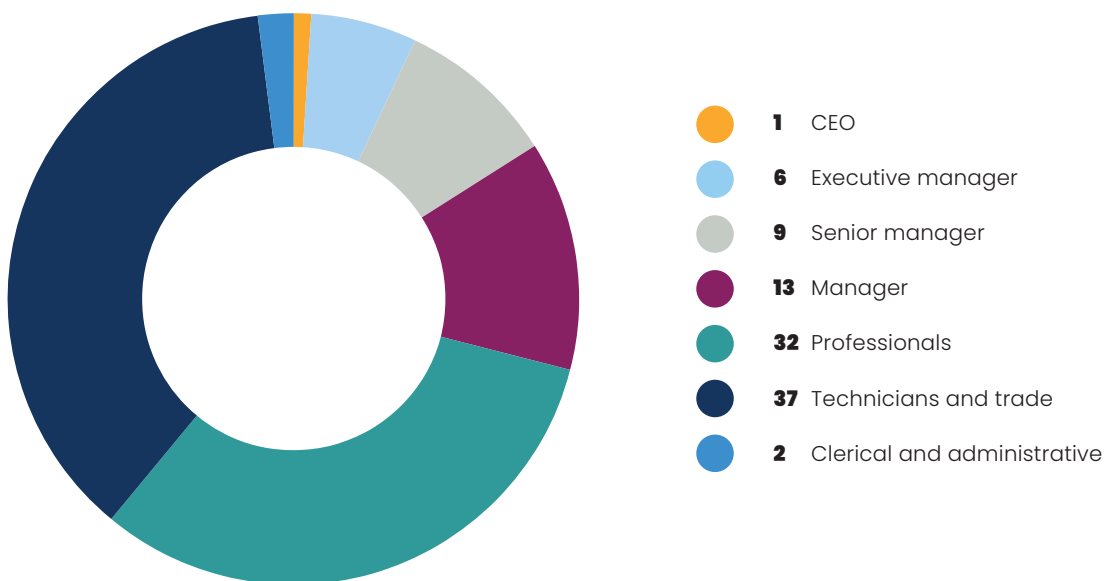
- ✓ **116** employees (as at 31 Dec 2020), an increase of 11.5% from 2019
- ✓ **82.8%** covered by our Enterprise Agreement
- ✓ **20** new employees in 2020: **6** female, **14** male
- ✓ **5.4% voluntary turnover rate**
- ✓ Average **5.5 years** of service
- ✓ **38 years 11 months** longest service, Jeff Tamsett



EMPLOYEE STATUS FOR 2020 BY MANAGERIAL STATUS, EMPLOYMENT STATUS AND GENDER

| | MANAGERS | | NON-MANAGERS | |
|---|----------|--------|--------------|--------|
| | Male | Female | Male | Female |
| Permanent full-time employees | 22 | 10 | 47 | 17 |
| Permanent part-time employees | 0 | 0 | 2 | 3 |
| Fixed-term contract full-time employees | 1 | 0 | 0 | 3 |
| Fixed-term contract part-time employees | 1 | 0 | 2 | 0 |
| Casual | 0 | 0 | 7 | 1 |

TOTAL EMPLOYEES BY EMPLOYMENT TYPE



ENTERPRISE AGREEMENT

Our Enterprise Agreement (EA) covers 96 of PON's 116 employees. At PON, we welcome freedom of association with unions. PON has in place a charter of Workplace Union Delegates rights. In 2020, PON successfully negotiated a four-year Enterprise Agreement, backdated to 2019, providing consistency and certainty for the majority of the workforce as we entered into the COVID-19 global pandemic.

This agreement provides for a number of employee benefits above and beyond the Fair Work Act National Employment

Standards (NES) and relevant modern awards, with an annual increase of 2.5 per cent or CPI, whichever is higher for the life of the agreement.

Three unions were represented in the EA negotiations: Maritime Union of Australia (MUA), Australian Maritime Officers Union (AMOU), and Australian Institute of Marine and Power Engineers (AIMPE).

3

Total number of employees returning to work after parental leave

1

Total number of employees due to return to work after taking parental leave

CASE STUDY

WORK LIFE BALANCE

"After commencing my maternity leave in 2019, I was looking forward to returning to work six months later. Although it is quite daunting to return to work after spending this time away and going through such a huge life upheaval, I was fortunate that I had the support to transition back into my role via a part-time arrangement before I took on a full-time load. Port of Newcastle's agile work arrangements also provide a level of flexibility when it comes to juggling work, family and home life."

Sarah Kiely,
Communications and Community Relations Manager



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EMBRACING DIVERSITY

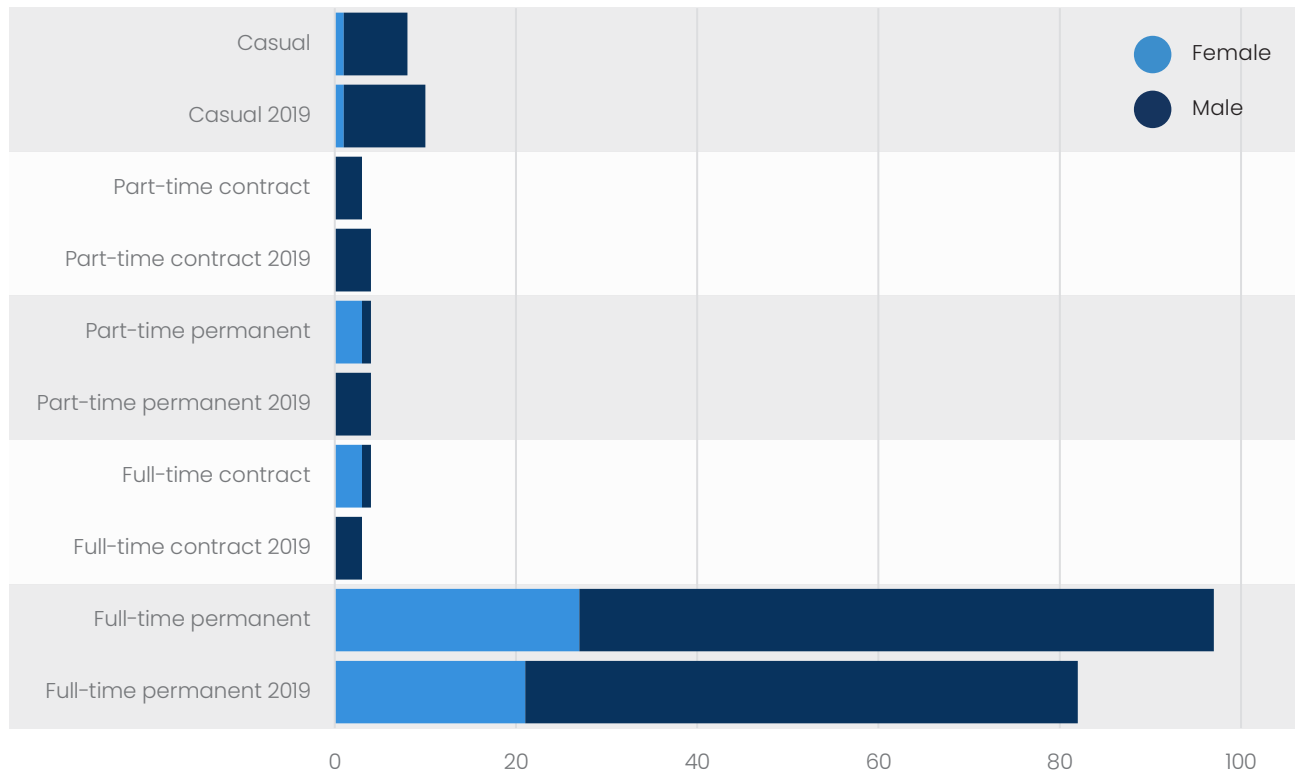
In line with its ongoing commitment to embracing diversity, Port of Newcastle submitted its first Workforce Gender Equality Agency survey in 2020 for the 2019 calendar year.

The survey included a series of questions across six gender equality indicators and the results demonstrate our progress against several important gender equality milestones.

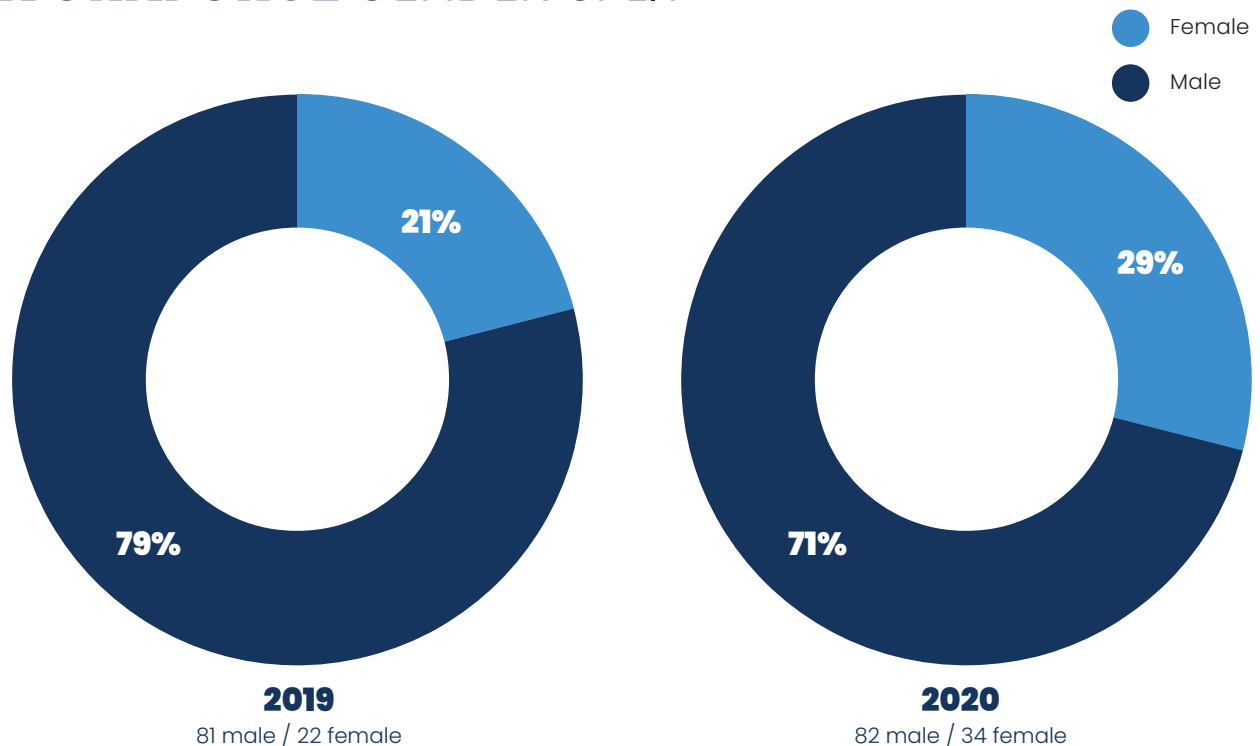
The report highlighted a number of opportunities for improvement, and these will inform the development of a holistic Diversity and Inclusion Strategy, which is due to be finalised in 2021.

- ✓ Code of Conduct Policy
- ✓ Equal Opportunity Policy
- ✓ Parental Leave Policy
- ✓ Recruitment and Selection Policy
- ✓ Flexible Work Options Policy
- ✓ Family and Domestic Violence Leave Policy
- ✓ Agile Working Policy

IN 2020, PON WORKFORCE GENDER SPLIT



WORKFORCE GENDER SPLIT





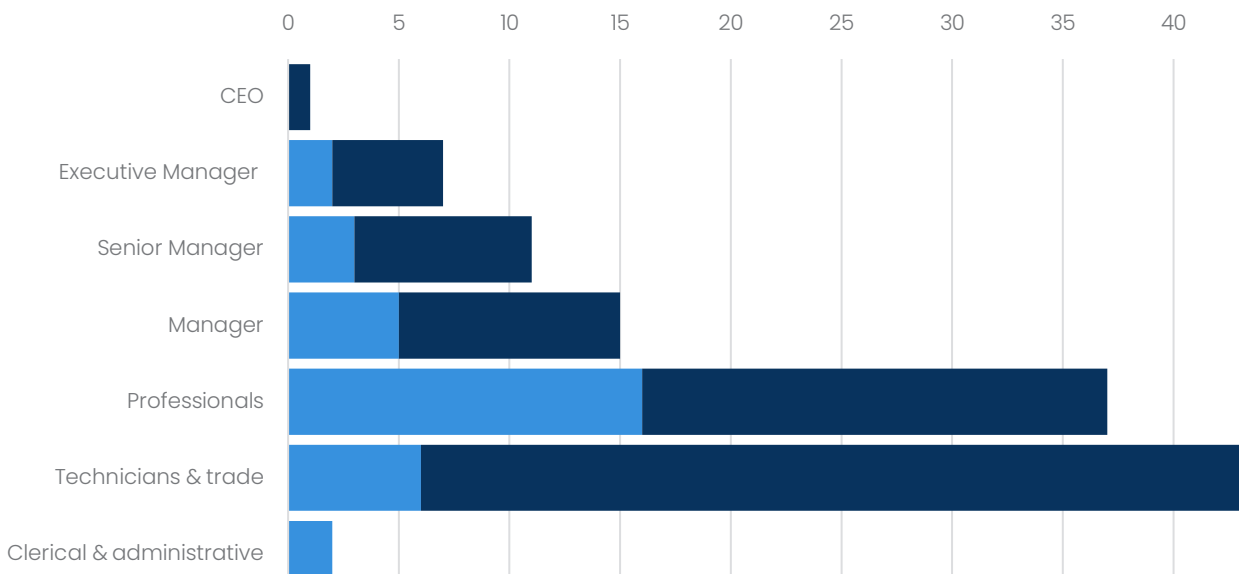
GENDER SPLIT
28.45%
FEMALE
71.55%
MALE

MANAGEMENT TEAM
10 FEMALE
24 MALE

AGE DEMOGRAPHIC
94.83%
OVER 30 YEARS OLD
36.21%
OVER 50 YEARS OLD

POSITION TYPE BY GENDER

● Female
 ● Male





 **CASE STUDY**

**FIRST PON DAD TO ACCESS
PRIMARY CARER PAID PARENTAL LEAVE**

"As a new dad, I was really grateful to be able to access the primary carer paid parental leave. Not only was it an amazing opportunity to get to spend quality time with my new son but also in our specific circumstances having access to this leave enabled me to support my partner Sigrid. Sigrid unexpectedly had to have a caesarean and I



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needed to be home to help out. Having the ability, as a dad, to access the primary carer paid leave allowed me to be there to do the heavy lifting so that Sigrid could focus on her recovery."

Dan Ryan, Deputy Chief Financial Officer

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.

In 2020 PON we commenced developing a comprehensive Equity, Diversity, and Inclusion strategy. Once the Strategy is finalised in 2021, it 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



Family and Domestic Violence Leave



Agile Working Policy

2020 = ZERO INCIDENTS OF DISCRIMINATION REPORTED OR IDENTIFIED

SAFETY IS OUR NUMBER ONE PRIORITY



EMPLOYEE ENGAGEMENT

The second instalment of the Port of Newcastle engagement survey in conjunction with Macquarie University was conducted in February 2020. This voluntary survey was undertaken by 75 employees (72% participation rate) across all areas of the business. The subsequent report generated 14 storylines to the narrative that is our history and culture.

Generally speaking, the report confirmed the majority of staff feel “things are better now than they were 12 months ago”. In particular, there was a feeling among the PON team that the strategic direction of the business is now clearer, with the majority of people not only knowing the overarching plan for the business, but importantly, where they feel they contribute to this plan. Overall, our staff perceive PON to be friendly, professional, and supportive.

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 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 in all our people for environmental protection.

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.

The COVID-19 situation changed much of how we go about our daily lives. Understanding that this situation can provide a lot of uncertainty and may cause greater stress, anxiety and worry for staff PON undertook a number of supporting initiatives.

In 2020, at PON we developed a dedicated Health and Wellbeing intranet page providing access to all of our employees to helpful information, resources and access to support services that promote good mental health and wellbeing.

In order to support staff PON is partnered with Smiling Mind to deliver a COVID-19 Employee mental Health program to help people manage their mental health during this challenging time.

Smiling Mind is a 100% not-for-profit organisation. Established in 2012, Smiling Mind exists to improve the mental health, wellbeing and resilience of Australians through the regular practice of mindfulness meditation.

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 minimises 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 containing 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 2020. This audit focused on systems, symbols, behaviour, and culture. Outcomes from this audit have informed the development of a long-term safety strategy. A key commitment arising from the development of the long-term safety strategy is to achieve certification against ISO 45001:2018. PON is committed to certification within the next three years.

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 nil incidents in 2020 that resulted in action from SafeWork NSW or the Australian Maritime Safety Authority (AMSA).

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.

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, such as hazardous substances. We provide access for all our employees and their immediate family members to an independent, confidential, and voluntary counselling and referral service.

LEVEL 1
5 Steps to Safety Hazard Identification

LEVEL 2
Safe Work Method Statements (SWMS)

LEVEL 3
Formal Risk Assessment

LEVEL 4
Broad-brush Risk Assessment (BBRA)



OUR APPROACH TO WORKPLACE HEALTH AND SAFETY CONT.

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 such as Toolbox talks, and other communications including noticeboards, emails, web announcements, newsletters and magazines, are also used.

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.

COVID RESPONSE

PON is recognised as a Covid-safe business. This demonstrates our commitment to follow government guidelines and work with industry partners to implement preventive measures that will keep our people and our community safe.

As with many other businesses in 2020, PON had to rapidly adapt to the global pandemic. All non-operational PON staff commenced working-from-home arrangements in March 2020. PON supplied appropriate infrastructure and equipment to maintain this arrangement. Staff continued to work from home until November 2020, when the office was re-opened and agile working arrangements commenced. The PON Agile Work Policy is now in place and will continue into the future, allowing non-operational staff the choice of work flexibly from any location, including PON offices and from home.

PON continues to provide all staff with access to Special Covid Leave, which is uncapped, and available to employees who experience Covid-like symptoms, who have caring responsibilities as a result of Covid, or who have a change in circumstance as a result of Covid.

PON ran a number of employee wellness initiatives over 2020 including an Easter pack sent home to all staff, a special R U Ok Day morning tea pack, and a mental health speaker virtual event. A number of PON staff have received mental health first aid training. PON continues to offer an employee assistance program to all staff.





SAFETY STRATEGY

In 2020, PON conducted a detailed external audit inclusive of culture where the outcomes have informed the development of a long-term safety strategy. Implementation of this strategy will commence in 2021.

PON records work-related injuries for its employees, and those contractors we engage directly. In 2020, there were zero fatalities or lost time injuries.

 **530** SAFETY CONVERSATIONS
 **49** FLU SHOTS
18 EMPLOYEES TRAINED IN MENTAL HEALTH FIRST AID
PON EAP • **ZERO** COST • **4** SESSIONS PER ANNUM

INJURY TYPE RECORDABLE WORK-RELATED INJURY



Employee injury frequency rate 0.00
per one million hours



0 Fatalities



Contractor injury frequency rate 0.00
per one million hours



Total Injuries 3
Contractor 0 / PON employee 3

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 UN in Principle 15 of The Rio Declaration in Environment and Development, to reduce and avoid negative impacts in the environment. In 2021, PON will undertake a review of its EMS with a view to certification against the ISO 14001 standard.

Since becoming the first port in Australia to be certified under the EcoPorts program in 2019, PON continues to advocate for other Australian and Pacific ports to participate. Two additional Australian ports have now finalised their commitment to the program – Geelong and Mackay – with several others actively preparing their applications. To maintain currency and ensure continual improvement, PON recompleted the Self Diagnosis Method in 2020.



ZERO
REPORTABLE
ENVIRONMENTAL
INCIDENTS




ZERO
NON-COMPLIANCES
RESULTING IN
REGULATORY ACTION

"Ambassador ports such as PON provide great examples of good practice and the EcoPorts EcoSLC Network provides a mechanism for the exchange of knowledge and experience"

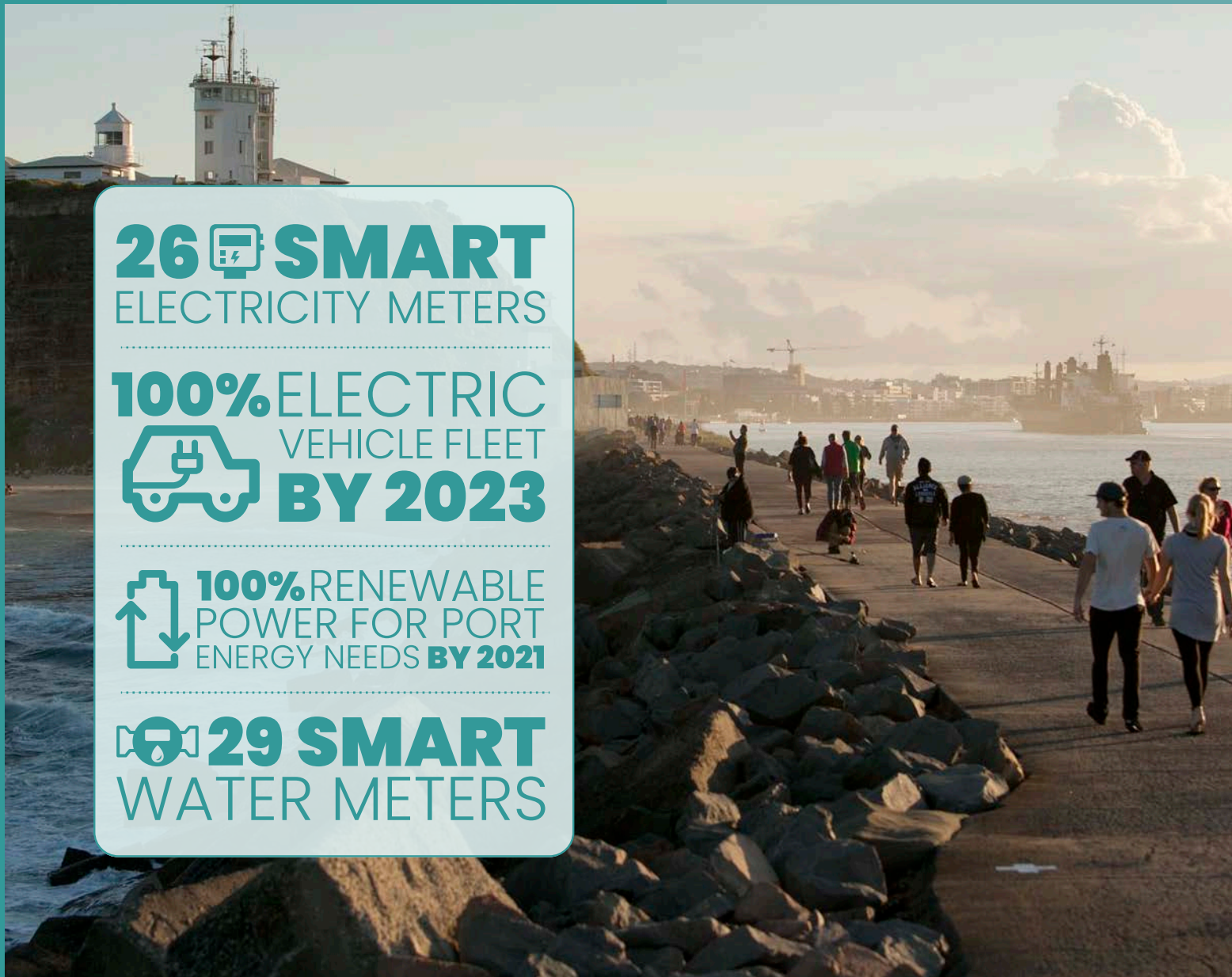
Dr Chris Wooldridge, EcoSLC

26  **SMART**
ELECTRICITY METERS

100% ELECTRIC
 VEHICLE FLEET
BY 2023

 **100%** RENEWABLE
POWER FOR PORT
ENERGY NEEDS **BY 2021**

29  **SMART**
WATER METERS



ACTIVE ENVIRONMENTAL MANAGEMENT

Port of Newcastle recognises its responsibility to manage the business 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.



DIVERTED FROM LANDFILL



166KG
SOFT
PLASTIC
2019 53KG



316KG
GREEN
WASTE
2019 462KG



15,600
LITRES OILY
WATER
2019 21,700



EQUIVALENT TO
54,750
PLASTIC BAGS

We actively support sustainable materials management through a whole-of-lifecycle approach and apply the principles of avoid, reduce, reuse, and recycle. Our head office has 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 2021, PON is committed to further understanding opportunities to improve its waste management through participation in the NSW Government Bin Trim Program. The program will include an initial waste survey and

provide the business with a tailored action plan to find more ways to avoid, reduce and recycle our waste.

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

PLASTIC POLICE

PON began its partnership with the Plastic Police in August 2019. Since then, an equivalent of 54,750 plastic bags have been saved from landfill. Our nominated PON Plastic Police Champion, financial controller Nikki Ashworth, says ...

"I am proud to work for an organisation that participates in the soft plastic recycling program Plastic Police. Through the program and my role as Plastic Police Champion, employees are encouraged to reduce the use of soft plastics and are provided with the opportunity to recycle soft plastics at work. It is rewarding every month to see how the volume of soft plastics that are being recycled by the employees of PON and how those soft plastics have been turned into products that can be enjoyed by the local community"



More online...

portofnewcastle.com.au



CASE STUDY

ELECTRIC VEHICLES

In May 2020, the port took the first step in its transition to a fully electric fleet with the acquisition of four electric vehicles (EVs). Six months later, PON was well along the way to its target of 100 per cent electrification by 2023, after purchasing an additional five vehicles. To support our vehicle transition, two 50-kilowatt DC fast chargers have been installed in the operational port area and six 22-kilowatt dual-port AC chargers at our head office.

“The business case for BEVs is both financial and strategic. While the port will save \$20,000 in fuel costs and 48 tonnes of CO2 equivalent annually once the fleet is fully electric, the driver for us is more about leadership and demonstrating to others that electric vehicles do work. They’re also the way of the future.”

Jackie Spiteri,
Senior Manager ESG.

More online...
portofnewcastle.com.au

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 2020, we commenced a project with the UTS Sustainable Futures Institute to understand the physical and transitional risks associated with different climate change scenarios. Upon completion in 2021 this project will further inform PON’s risk-management approach as it relates to climate change.

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 2020, we completed a project that assessed our Scope 1 and 2 emissions against the Science Based Targets initiative

(SBTi) trajectories. The project provided us with a tool that enables us to identify and prioritise emissions reduction projects. PON will also use the output of this tool to identify and formalise mid-term and long-term emission reduction targets. It is planned to formalise these targets in 2021.

To report on our Scope 1 and 2 emissions, we use the National Greenhouse Accounts Factors 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.

³Based on 2018 baseline year

TOTAL DIRECT
(SCOPE 1) GHG EMISSIONS

| | | |
|--|-------------|------------------------------|
| | 2018 | 2380.53 t CO ₂ -e |
| | 2019 | 2579 t CO ₂ -e |
| | 2020 | 1681 t CO ₂ -e |

ENERGY INDIRECT
(SCOPE 2) GHG EMISSIONS

| | | |
|--|-------------|------------------------------|
| | 2018 | 1399.74 t CO ₂ -e |
| | 2019 | 965.95 t CO ₂ -e |
| | 2020 | 730.65 t CO ₂ -e |

The significant reduction in Scope 1 emissions for 2020 is associated with scheduled maintenance for the David Allan dredger. PON is actively working on developing initiatives that when introduced will increase the efficiency of our dredging operation and subsequently reduce the associated Scope 1 emissions.

The decrease in Scope 2 emissions observed from 2019 onwards is largely associated with the decommissioning of the gantry crane unloader at K2 and the new office renovation/location. It is anticipated we will see a slight increase in CO₂e with the commissioning of the new gantry infrastructure. While project was due for completion in 2020, due to the impacts of Covid it will be later in 2021.

In October 2020, PON subscribed to a five-year renewable energy contract with energy retailer Infigen for its three

embedded networks. The three embedded networks, located at the Newcastle Bulk Terminal and Carrington and Mayfield precincts, service PON operations and tenants operating within these networks.

The renewable energy contract has direct linkage with the Bodangora wind farm, whose turbine components were shipped through the Port of Newcastle in 2017-18.

The project will significantly reduce PON's Scope 2 emissions and Scope 3 emissions resulting from tenant usage. In total, based on 2018 as a baseline year, this project will save a total of 4,876 tonnes of CO₂e per annum.

PON has a series of smaller sites that will transition to renewable energy contracts by the end of 2021.



GHG EMISSION INTENSITY

SCOPE 1 DAVID ALLAN DREDGE

| | | |
|---|-------------|---|
| ➔ | 2018 | 2241.14 ¹ dredge spoil removed per tonne of CO ₂ -e |
| ↘ | 2019 | 2422.23 dredge spoil removed per tonne of CO ₂ -e |
| ↘ | 2020 | 1552.79 dredge spoil removed per tonne of CO ₂ -e |

SCOPE 2 ELECTRICITY

| | | |
|---|-------------|---|
| ➔ | 2018 | 6145.19 GJ |
| ↘ | 2019 | 3476.11 GJ |
| ↘ | 2020 | 3543.06 GJ |
| ➔ | 2018 | 15 tonnes of CO ₂ -e per employee |
| ↘ | 2019 | 9.3 tonnes of CO ₂ -e per employee |
| ↘ | 2020 | 6.3 tonnes of CO ₂ -e per employee |

↘ **47.8% REDUCTION IN TOTAL SCOPE 2 EMISSIONS**
FROM 2018 BASELINE YEAR



HEAD OFFICE

| | | | |
|---|-------------|-------------|--|
| ➔ | 2018 | Head Office | 0.3 t CO ₂ -e per m ² |
| ↘ | 2019 | Head Office | 0.15 t CO ₂ -e per m ² |
| ↘ | 2020 | Head Office | 0.01 t CO ₂ -e per m ² |



NEWCASTLE BULK TERMINAL – NBT K2 Berth facility

| | | |
|---|-------------|--|
| ➔ | 2018 | 1 tonne of CO ₂ -e per 457.62 tonnes of cargo |
| ↘ | 2019 | 1 tonne of CO ₂ -e per 297.36 tonnes of cargo |
| ↘ | 2020 | 1 tonne of CO ₂ -e per 224.77 tonnes of cargo |

In 2020, PON continued its commitments to map and measure our Scope 3 emissions with a view to influence a reduction in those emissions within our sphere of influence.

We continue to offset our corporate flights with our GreenFleet partnership and as a result of our renewable energy contract entered into in November 2020 have influenced a significant reduction in Scope 3 emissions from those tenants operating within our embedded networks.

The works completed in early 2020 as part of mapping our carbon footprint, identified that in addition to emissions

arising from our tenant operations, emissions associated with purchased goods and vessels were potentially significant contributors to our Scope 3 output.

To more accurately measure and understand these Scope 3 emissions, PON has committed to undertake an in-depth study into vessel emissions in port, and further analysis on our how we can influence a reduction in those emissions associated with purchased goods.

¹ Note David Allan CO₂e emissions have been corrected for 2018 and 2019 following an external review of PON's emissions data completed in 2020. The change is associated with the update of emissions factors.

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.



CASE STUDY

VESSEL ARRIVAL SYSTEM

Port of Newcastle and Port Authority of NSW are committed to multilateral efforts to protect the natural environment and limit the global temperature rise this century to well below 2°C. Our Vessel Arrival System (VAS) demonstrates this commitment.

Following the 2007 Pasha Bulker storm event, a VAS was developed and introduced to Newcastle. The system provides an opportunity for arriving vessels to manage their voyage speed time to minimise time at anchor.

The Australian Maritime Safety Authority (AMSA) recently commissioned a study to understand the impacts of Newcastle's VAS. The study identifies significant reductions in greenhouse gas (GHG) emissions and fuel oil consumption (FOC) following the introduction of the VAS. Additionally, the VAS has also increased voyage efficiency.



More online...
portofnewcastle.com.au



PRE AND POST VAS

Speed optimisation results in more consistent time in port

\$36,000

saving in fuel oil per voyage

50%

less time in port

23%

lower average entire voyage speed

18%

reduction in GHG emissions

PON continued its commitment through our partnership with Greenfleet to 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. As a result of Covid, our corporate travel and subsequent emissions were significantly reduced, and we were able to meet the minimum offset volumes for each quarter. The total amount of Scope 3 emissions associated with corporate flights for 2020 was 28.4tCO₂e. These emissions will be captured as part of our 2021 Q1 offsets.

The 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, delivering nutrients to coastal waters and supporting 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 land use 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.

We will continue the alliance with the University of Newcastle for its expertise and proactive input into management and protection of the threatened green and golden bell frog. Our commitment is now for three years. 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. A port-wide fauna plan is also in development including feral animal management.



CASE STUDY

GREEN AND GOLDEN BELL FROG REFUGE PONDS

In 2020, PON in collaboration with the University of Newcastle and Hunter Central Coast Development Corporation (HCCDC) sponsored the installation of a cluster of green and golden bell frog (GGBF) refuge ponds on Kooragang Island. The initiative arose following the 2019 Kooragang bushfire resulting in severe damage to the previously installed ponds. These cluster ponds are significant to the local population of GGBFs as they not only provide additional habitat but also serve as a permanent wetland and provide refuge in dry conditions.



More online...
portofnewcastle.com.au



As a first-point-of-entry-determined port, in accordance with the Biosecurity Act 2015, PON 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, Water and the Environment (DAWE) biosecurity division.

PON regularly engages with the local DAWE biosecurity team to manage biosecurity risks around the port. This engagement includes an annual mosquito vector survey. In 2020, several potential vectors were identified on PON and tenant-managed land. PON has since addressed those vector risks through management of its own operations and positive engagement with its tenants to address those risks on their sites.



OUR PROSPERITY

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

PON 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 continue to 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 2020, we facilitated 164.5 million tonnes of trade through our port, and a total of 2207 vessel visits. Our total revenue for the calendar-year period was \$160.097 million.

VESSEL VISITS



PON facilitates the movement of cargo through its common and private user berths and associated infrastructure. Ninety-six per cent 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,

TONNES OF TRADE



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 PON 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.



The Hunter's trade gateway to the world contributes almost \$1 billion to the local economy.

HoustonKemp analysis conducted in 2020 highlighted the benefits of Newcastle's port activity for the Hunter, state, and national economies, including the positive impact on employment and household income.

The port's direct and flow-on contribution to Australia's gross domestic product (GDP) is almost \$1.5 billion and it also underpins almost 9,000 full-time equivalent jobs nationally.

THE ANALYSIS, USING 2018-19 FINANCIAL YEAR DATA, ALSO FOUND THAT PORT ACTIVITY GENERATES

IN THE LOWER HUNTER



5,700

direct and indirect jobs



\$475 MILLION

direct and indirect household income



\$1 BILLION

GRP

FOR NEW SOUTH WALES



7,800

direct and indirect jobs



\$629 MILLION

direct and indirect household income



\$1.2 BILLION

economic contribution

FOR AUSTRALIA



9,000

direct and indirect jobs



\$736 MILLION

direct and indirect household income



\$1.5 BILLION

economic contribution

HoustonKemp also analysed the economic benefit of constructing a 2 million twenty-foot equivalent unit (TEU) Multipurpose Deepwater Terminal (MDT) in Newcastle, finding the project design and construction would generate 9,300 jobs and \$1.3 billion to the Lower Hunter alone.

The project would contribute \$2.5 billion to GDP and create 15,000 direct and indirect jobs for Australia.

The figures do not include the broader economic benefits created through increased supply chain efficiency and making NSW businesses trading internationally more competitive in global markets.

While difficult to quantify the many ways the port contributes to the social and economic wellbeing of the region, this analysis helps shed light on the importance of Australia's largest east coast port to the nation's economic prosperity.

For every dollar port activity generates in Newcastle, there is a total contribution of \$2.62 to Australia's GDP. The port has a

critical role to play in providing accessible, efficient, and cost-effective supply chains that underpin local jobs, businesses and the region's economic prosperity. Port projects started today will be critical in the decades ahead, ensuring diversification of the economy and positioning it to be internationally competitive and prosperous long into the future.

Newcastle Multi-purpose Deepwater Terminal construction will generate

| LOWER HUNTER | NSW | AUSTRALIA |
|--|--|--|
| 9,300 jobs* | 12,600 jobs* | 15,000 jobs* |
| \$671 million contribution to household income** | \$1.1 billion contribution to household income** | \$1.3 billion contribution to household income** |
| \$1.3 billion contribution to the economy** | \$2.2 billion contribution to the economy** | \$2.5 billion contribution to the economy** |

* direct and indirect fulltime equivalent

** direct and flow-on



CASE STUDY

SUPPORTING TENANTS DURING COVID

PON's commitment to sustainability is demonstrated through its engagement with and support of its port tenants in the COVID-19 pandemic. PON developed a policy based on supporting port businesses through the challenges of the pandemic's impact on the economy and supply chains. We focused on smaller port tenants. The pandemic did not impair PON's property rental income, confirming the resilience of the port tenant businesses.

PON nevertheless applied its policy of relief. In a minor number of cases where specific trades were materially impacted, PON provided relief applying Commonwealth and state COVID-19 commercial tenancy codes. PON in addition also provided postponement of certain rent increases for many tenants. Whilst this relief was for a short period, the port tenants appreciated our leadership and the demonstrated resilience of our commitment to assist. Leading this work was Lee-Ann McMurray, PON's property manager. *"Myself and my team member Jackie Howard engaged with port tenants through the pandemic. They all appreciated the contact and transparency of the policy we were applying – that we were 'with them' during the pandemic."*



More online...
portofnewcastle.com.au



LOCAL SOURCING

At PON where there is an opportunity, we will source locally. For our corporate catering needs, PON use the EatFirst who source everything from local and vetted Australian businesses, including social enterprises. EatFirst are further committed to sustainable practices by encouraging their suppliers to use recyclable, compostable or recycled packaging.

With Wellbeing being one of our core values at PON, we are committed to supporting healthy eating. As well as sharing information on healthy eating practice on our



Health and Wellbeing intranet page, we also provide our employees with fresh fruit each week. We source our fresh fruit from the Local Crop. Local Crop are a collective of passionate growers' makers and creators encouraging community spirit and support for local enterprise. All of the fruit sourced for PON is local, organic, fresh and seasonal.

// For every dollar generated by port activity in Newcastle, there is a total contribution of \$2.62 to Australia's GDP. //

Craig Carmody
CEO


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.

\$25 BILLION
IN ANNUAL TRADE

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

 **GENERATES**
10,000 JOBS
ACROSS NSW

ZERO INCIDENTS
OF CORRUPTION



OUR PARTNERSHIPS

In Newcastle, we live, work, and play alongside our harbour. Since that first commercial shipment departed in 1799, the port and its city have prospered.

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 drive 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.

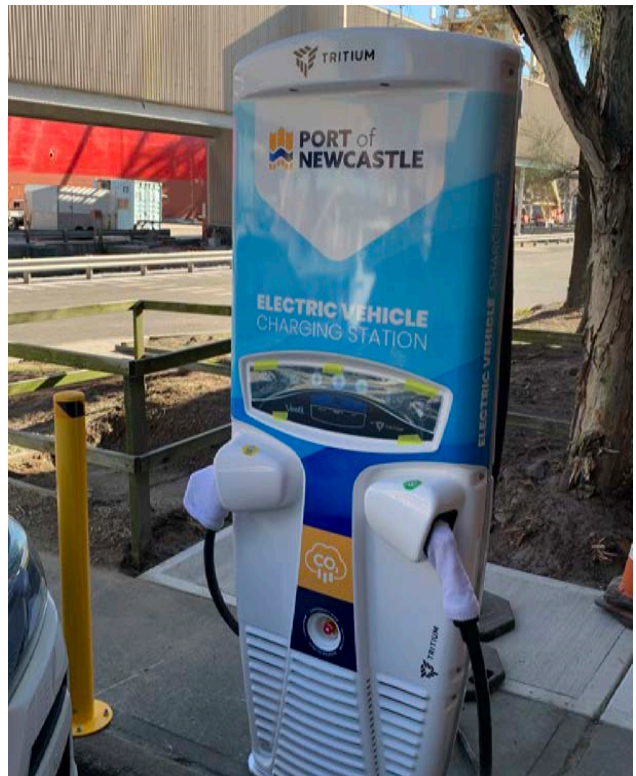
For our customers it is imperative we engage. We want to lead and unite; to assist tenants, co-create efficiencies and secure long-term gains; and to provide secure access to a superior supply chain to ensure prosperity for our buyers and producers.

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.

\$30K 

**INDIGENOUS STUDENTS
IN STEM SCHOLARSHIPS**

**PUBLIC EV
CHARGING STATIONS
PARTNERSHIP WITH
LOCAL COUNCIL** 



4 **COMMUNITY
LIAISON
GROUP
MEETINGS**

12 **NEWCASTLE
PORT USER
GROUP
MEETINGS**

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



INDIGENOUS STEM SCHOLARSHIPS

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. In September 2020, PON launched an Indigenous Students in STEM Scholarship. It recognised the need for STEM-based skills.

The \$30,000 partnership aims to enhance the Hunter Region's capacity to meet future technology-led jobs and to support tertiary education pathways for Indigenous students.

The scholarship is open to Indigenous students who plan to complete a Science, Technology, Engineering or Mathematics (STEM) related degree at the University of Newcastle.

Three scholarships, each worth \$10,000, will be awarded over the three-year period of the program.

The scholarship forms part of a broader commitment to creating social, environmental, and economic benefits for NSW and the Hunter Region.

As well as financial support, the scholarship includes the opportunity to take part in professional development at Port of Newcastle and learn more about our operations.

The scholarships will be awarded in 2021 based on university enrolment, merit, and community involvement.

"The Indigenous STEM scholarship has been established to develop and attract the advanced skills that will be needed by the port and local industry in the future.

Importantly, it also aims to inspire and support pathways for Aboriginal and Torres Strait Islander students to be a part of this technology-led environment."

Craig Carmody, CEO



// *Our connection with the Port of Newcastle evolved as a result of our mutual focus on sustainability and understanding of our environment. As an organisation, the University of Newcastle is committed to supporting Aboriginal and Torres Strait Islander students coming into higher education. Cultural understanding of our land and habitats aligns itself beautifully with this opportunity for our Indigenous students and we look forward to watching them shine. //*

Leah Armstrong
UoN



Port of Newcastle provided \$100,000 to fund a full-time Masters/PhD student scholarship for a new higher degree program run by Macquarie University's Business School.

Key areas of research include the pivotal role of ports as hub-and-spoke agents in the import and export trade, based on an integrated modal supply chain, as well as the possible future of supply chains in Australia based on a study of the benefits and costs of integration between modes.

Port of Newcastle also provided \$30,000 for Macquarie University to facilitate a series of supply chain webinars and online roundtable discussions about how to build more resilient and responsive supply chains. Held during the peak of the COVID-19 pandemic, these discussions explored how to mitigate disruptions under extraordinary circumstances and events.

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. Many of these forums were able to continue during lockdown with virtual meetings running in place of the traditional face-to-face meetings.

We are committed to engaging with our port users on sustainability matters. 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.

PON is a proud member of the Ports Australia network, which meets annually to share knowledge and develop best practice AS/NZ guidance. In 2020, we worked to develop sustainability framework guidance documentation for the ports sector.



CASE STUDY

ENGAGING WITH OUR PORTSIDE NEIGHBOURS'

"The Newcastle Rowing Club has built up a relationship with Port of Newcastle over 20 years. The Community Liaison Group provides the link between the Port of Newcastle and the community. What the Rowing Club gets out of it is the knowledge of what is going on and any issues in the harbour. The more liaison we have with the Port, the better it is for the Newcastle Rowing Club and the surrounding community."

John McLeod, Newcastle Rowing Club



More online...
portofnewcastle.com.au



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.

PON's sponsorship program is a key component of our commitment to sustainability and our active contribution to the local community.

Funding offered through the Community Sponsorship Program is in addition to the \$1 million the port provides annually through the Newcastle Port Community Contribution Fund, which the NSW Government administers.

In 2020, our sponsorship program helped deliver projects that give rise to thriving, prosperous communities for generations to come.

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

// The 'Your port, our community' commitment is about ensuring the port and the communities surrounding it continue to thrive for generations to come. //

Sarah Kiely

PON communications and community relations manager



5%
OUR PEOPLE
TARGET



35%
OUR COMMUNITY
TARGET



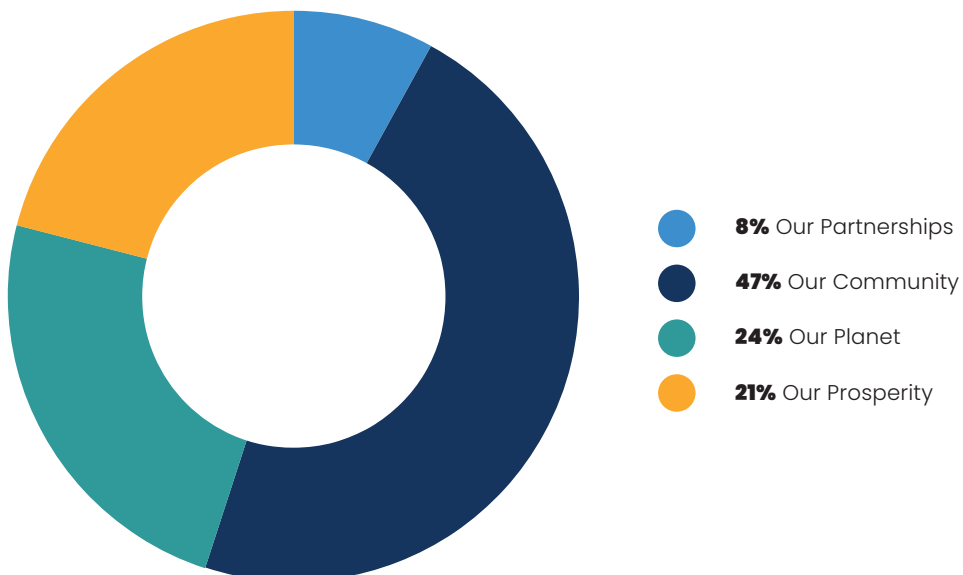
35%
OUR PLANET
TARGET



25%
OUR INDUSTRY
TARGET

**TOTAL SPONSORSHIP
\$119,454**

2020 SPONSORSHIP PROGRAM ALLOCATIONS





ZARA'S HOUSE

Zara's House Refugee Women's and Children's Centre is located in Jesmond and supports women as they rebuild their lives after fleeing conflict and experiencing the loss of family, home and country.

Port of Newcastle is proud to partner with Zara's House in support of its Flourish in Newcastle program, which will engage local tradespeople and volunteers to transform the not-for-profit's outdoor area. The works include tree planting, an upgrade to the chook run and the design of a mural celebrating the Port of Newcastle. The aim is to make it a functional and serene place for the people who benefit from the services Zara's House provides.

"Thanks to the sponsorship received from Port of Newcastle, we placed orders in mid-winter for fruit and ornamental trees. We have taken delivery of 16 white crepe myrtles, five fruiting plum trees, five Coratina olive trees, six grape vines and an orange tree. We have constructed a grape trellis and have completed a wicking veggie and herb garden."

Sister Diana Santleben, Zara's House Secretary



More online...

portofnewcastle.com.au



SPONSORSHIP PROGRAM

Port of Newcastle was pleased to announce the outcome of its 2020 sponsorship program, with funding and in-kind support provided to 12 local organisations.

The 12 organisations supported through the Community and Planet themes of the sponsorship program are:



CENTRE FOR HOPE

Leadership Velocity coaching program for senior high school students



HUNTER HURRICANES

2021 Australian Water Polo League round to be held at Queens Wharf



CURIOS LEGENDS

Online theatre and performing arts video broadcasts for children

"Like most of the arts industry, COVID hit us hard. Over 90% of our work evaporated overnight. The only way forward for us has been to pivot our offerings – within

three weeks we had devised our 'Out of the Box' workshop series, where participants are able to engage with our workshops from home. We're delighted to be working with Port of Newcastle to present the final six workshops in this series."

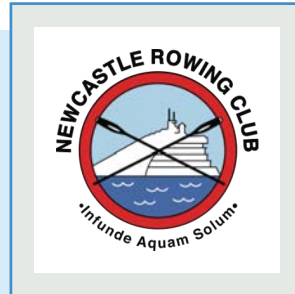
Mitchell Reese,
Artistic Director at Curious Legends.

SPONSORSHIP PROGRAM CONT.



PITCHX 2021

Support towards an augmented reality (AR) experience



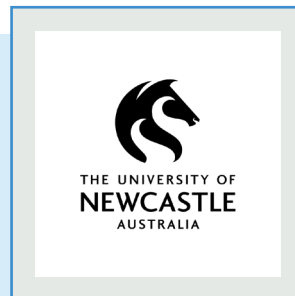
NEWCASTLE ROWING CLUB

Course survey for the annual regatta



THE NEWCASTLE SHOW 2021

Naming rights of the STEM education area



NEWCASTLE UNIVERSITY

Women in Engineering
annual Cocktail Connections event



CROATIAN WICKHAM SPORTS CLUB

Solar panels in partnership with Climate Action Newcastle

"The Croatian Wickham Sports Club has made the switch to solar thanks to

a partnership with Port of Newcastle and Climate Action Newcastle. A crowdfunding campaign and additional support from Port of Newcastle enabled the Club to install the new panels, which we launched following the Club's temporary Covid-19 closure in 2020"

Climate Action Newcastle Convenor, Ian Wilcox

SPONSORSHIP PROGRAM CONT.



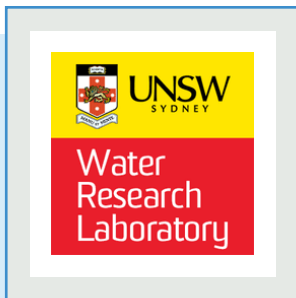
PLASTIC POLICE

Production of a series of waste education videos



STOCKTON SURF LIFESAVING CLUB

Purpose-built trailer



UNIVERSITY OF NSW

Water Research Centre
Ongoing support for the migratory shorebird habitat project



ZARA'S HOUSE Refugee Women and Children's Centre

Flourish in Newcastle program

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

Two PON employee initiatives were also supported for causes about which they are passionate.

MISSION TO SEAFARERS

One of our most important Industry sponsorships is to **Mission to Seafarers** – a global charity providing much welcome support to seafarers.

This was particularly important during Covid in 2020, enabling the team at the Mission to Seafarers to provide care packages and support for ship's crew during their time in port at Newcastle.

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

In 2020, we supported ongoing efforts to address the effects of erosion at one of our local beaches through providing 12.15 tonnes of clean sand from our maintenance dredging activities.

- **Darren Stocker** in our Survey team chose to support the McGrath Foundation
- **Nikki Ashworth** from the Finance team chose to support Hunter Homeless Connect



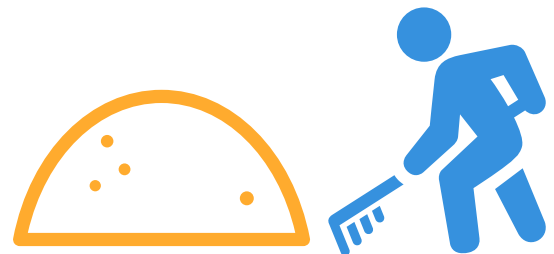
PARTNERSHIP APPROACH TO EFFECTS OF EROSION

In 2020, through a partnership with City of Newcastle and Office of Environment & Heritage, Port of Newcastle supported ongoing efforts to address the effects of erosion at one of our local beaches through providing 12.15 tonnes of clean sand from our maintenance dredging activities.

12.15 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 |
| 2020 | 12,146 |





CASE STUDY

SMOKING CEREMONY

Port of Newcastle's staff came together in November 2020 to catch up and reconnect after an extended period of working remotely.

To mark the transition back into the office, Aboriginal Elder Uncle Bill facilitated a traditional smoking ceremony. This ancient Aboriginal custom is believed to have healing and cleansing properties, making way for a brighter future, which was fitting as we moved into the New Year.



More online...

portofnewcastle.com.au



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 PON's RAP will provide the plan and framework to commence our journey and contribute to the national reconciliation movement.

Whilst PON had previously committed to delivering our first Reflect RAP in 2020, it was decided to undertake a more holistic approach and include this project as part of our Inclusion and Diversity Strategy project that will be delivered in 2021.

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.

Despite not having formalised our RAP, in 2020 we retained our commitment to take further action to acknowledge and engage with a number of initiatives in place.

Newcastle's biggest and most prominent harbour-fronting billboard was given a new look thanks to local Aboriginal artist Saretta Fielding.

Visitors to Port of Newcastle will be greeted by a new welcome sign featuring Ms Fielding's original artwork depicting the harbour and river landscapes.

The new design, which acknowledges the Awabakal and Worimi peoples as the traditional owners of the land, was installed on the iconic blue shed at Dyke Point in Carrington to welcome seafarers as they enter the channel.

The sign can also be seen from the Newcastle Harbour foreshore and as far away as Nobbys Lighthouse.

Ms Fielding said the commissioned piece tells a story of the traditional owners of the land.

"The yellow lines to the left of the artwork reflect the shape of country at the harbour mouth and Newcastle's coastline on Awabakal land to the south side of the entrance," Ms Fielding said.

"The long, yellow sandy strip depicts the Worimi sand dunes on the north side of the harbour entrance, while the earthy tones within the waterhole and gathering circles highlight the people of Newcastle and is a welcome to visitors."

Port of Newcastle's logo emphasises its diverse operations. Produced by Cordial in collaboration with local production company Eluminate in 2019, the logo graphics highlight the port's deepwater channel, the berthing of ships and the network of distribution channels that are unique to PON.

Cultural capacity building at Port of Newcastle

Port of Newcastle is proud to partner with local Aboriginal-owned cultural education provider Speaking in Colour to roll out a cultural awareness training program for all our employees.

As the port seeks to increase its Aboriginal engagement and ensure an inclusive workplace, cultural awareness training will enable it to better understand the unique context and experiences of local Aboriginal communities and staff members identifying as Aboriginal.

PON has made a commitment to fostering an inclusive workplace that values diversity.

Speaking in Colour is a leading local provider of cultural capacity training and was founded by Aboriginal arts and education consultant Cherie Johnson.

Training commenced in 2020 with our operational employees and will continue to be rolled out to all other employees into 2021. All new recruits will also be required to complete the training.

Speaking in Colour was thrilled to be partnering with the Port of Newcastle supporting it on its cultural education journey. Our content takes a deep dive into local history to help staff develop an Aboriginal lens of the local area.

Cherie Johnson,
founder of Speaking in Colour



RECOGNITION AND ACHIEVEMENTS



DCN AUSTRALIAN SHIPPING & MARITIME INDUSTRY AWARDS

Finalist Port or Terminal of the Year
Finalist Environment Award



HUNTER BUSINESS AWARDS

Finalist Freight Forwarder of the Year
Winner Sustainability Award



For further information
info@portofnewcastle.com.au