



MODERN SLAVERY STATEMENT

2021

The Port of Newcastle is committed to being proactive in managing our business safely, sustainably and responsibly. **We are taking action to ensure we have effective systems and processes that are focussed on preventing and eliminating modern slavery and human trafficking risks in our business and supply chains.**

A MESSAGE FROM OUR CEO

As Chief Executive Officer, I am fully committed to ensuring that the Port of Newcastle has an effective and measurable approach to preventing and avoiding Modern Slavery and Human Trafficking in our business and supply chains.

I am committed to creating continuous improvement across all aspects of our business, and I am delighted to release this statement that illustrates the Port of Newcastle's early progress in 2020, as well as outlining the next steps we will take to further strengthen our systems and processes to ensure we eliminate modern slavery in our business activities.



Craig Carmody
CHIEF EXECUTIVE OFFICER

7 June 2021

INTRODUCTION

This is the first Modern Slavery Statement produced by the Port of Newcastle in compliance with the Modern Slavery Act 2018 (Cth).

This statement sets out our commitment to positively contributing towards the elimination of Modern Slavery, it details the actions we have taken to address modern slavery and human trafficking risks internally within our organisation, and more broadly in our supply chain for the year ending 31 December 2020.

In addition, the statement also sets out the next steps in our strategy to further improve our performance in 2021 and beyond.



OUR STATEMENT

To demonstrate our commitment, at the Port of Newcastle we are:

- ✓ ensuring we have a holistic approach which is systematic, proactive, responsive, and visible across our business and supply chains;
- ✓ raising awareness and providing support to our employees and suppliers by providing training and resources;
- ✓ incorporating our values of **Community, Wellbeing, Integrity** and **Curiosity** into our approach to managing Modern Slavery risks across our business, by:
 - | **Engaging** our employees, contractors, the community and our supply chain on the risks of modern slavery;
 - | **Supporting** and **investing** in the wellbeing of our people, port users and seafarers;
 - | Being **genuine** and **open** about our processes and expectations, and clear that we do not tolerate any form of slavery and human trafficking in our business and supply chain; and
 - | **Challenging** our people to be curious and challenge the status quo, to ask questions and seek better and safer ways to do business.
- ✓ creating sound management and governance structures that underpin decision making and continuous improvement in our processes;
- ✓ developing meaningful measures of performance, and demonstrating transparency by providing accurate and readily available information about our efforts to address modern slavery risk;
- ✓ take actions to control risks or pursue opportunities that are designed to an acceptable standard and demonstrably support Port results and priorities; and
- ✓ ensuring our approach complies with the Modern Slavery Act 2018 (Cth) and aligns to public and community expectations.

PORT OF NEWCASTLE MODERN SLAVERY STATEMENT

1. PORT OF NEWCASTLE'S STRUCTURE AS A REPORTING ENTITY

This statement is a joint Modern Slavery Statement made by and on behalf of the following entities under the Modern Slavery Act 2018 (Cth) for the reporting period of 1 January 2020 – 31 December 2020:

1. The Port of Newcastle Investments (Holding) Trust (ABN 84 685 817 245)
2. Port of Newcastle Investments Pty Limited (ACN 169 132 441)
3. Port of Newcastle Unit Trust (ABN 97 539 122 070),

together, **Port of Newcastle** or PON.

2. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

The Port of Newcastle is the largest port on the East Coast of Australia. As a global trade gateway for more than 220 years, we deliver safe, sustainable and efficient logistics solutions for our customers. As custodians of our region's most critical asset, we are striving every day to create a safe, sustainable and environmentally and socially responsible Port for the future.

2.1 STRUCTURE

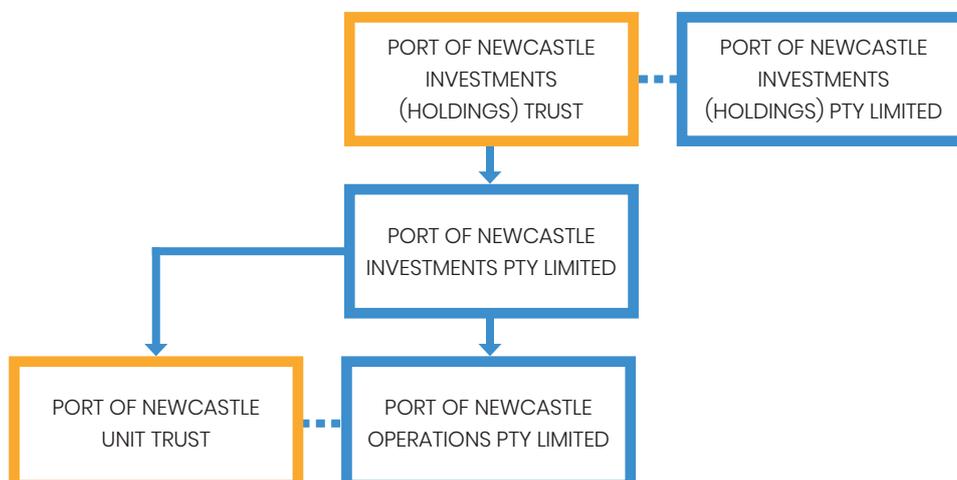
Port of Newcastle Investments (Holdings) Pty Limited is a proprietary limited company and is trustee for the Port of Newcastle Investments (Holdings) Trust, with two shareholders being The Infrastructure Fund and China Merchant Ports.

Port of Newcastle Investments Pty Limited is 100% wholly owned subsidiary of Port of Newcastle Investments (Holdings) Pty Ltd and headquarters in Newcastle, New South Wales.

Port of Newcastle Operations Pty Limited is a 100% owned subsidiary of Port of Newcastle Investments Pty Limited, and is the trustee for the Port of Newcastle Unit Trust. Port of Newcastle Investments Pty Limited does not have any other subsidiaries. Port of Newcastle Operations Pty Limited employs (as at 31 December 2020) 116 number of employees in Australia.

The Port of Newcastle Investments (Holding) Trust and the Port of Newcastle Unit Trust are trusts.

The above entities are part of a larger corporate group of entities, as detailed in the below corporate structure.



2.2 OPERATIONS

The principal continuing activities of Port of Newcastle consist of:

- A.** trade and port development;
- B.** shipping and operations;
- C.** wharf and berth services;
- D.** maintenance of major port assets;
- E.** vessel scheduling;
- F.** dredging and survey services;
- G.** management of 792 hectares of port land, including responsibility for trade and port development, maintenance of major port assets, and community / stakeholder relations; and
- H.** all functions related to the above items through legal, finance, and planning and environment teams.

Port of Newcastle has a total of:



116 EMPLOYEES
AS AT 31 DECEMBER 2020



1 LOCATION

2.3 SUPPLY CHAINS

Our suppliers and contractors are key partners for our business and the ongoing operation of our critical global trade gateway, the Port of Newcastle.

Port of Newcastle have engaged Informed 365 to undertake the supply chain analysis using their targeted platform to identify and assess modern slavery risks in our supply chains. Informed 365 uses an index methodology that adheres to with the United Nations Environment Programme guidelines for Social Life Cycle Assessment. Life Cycle Assessment is an ISO standardised framework for the assessment of social and environmental impacts of goods, services and organisations. ISO 3166 country codes have been used to classify countries and the Global Industry Classification Standards is applied to classify industry categories.

Where there is no information available on a country of industry listed on the ISO3166 standard, that rating is defaulted to a high risk rating.

The industry risk assessment draws on data from the Social Hotspot database and is complemented by a literature review of risks in Australia. It screens each procurement category for five social risks, being:

- 1.** labour rights and decent work (child labour, forced labour, excessive working times, poverty);
- 2.** health and safety (injuries and fatalities, toxics and hazards);
- 3.** human rights (e.g. indigenous rights, high conflicts, gender equality, human health issues);
- 4.** governance (legal system and corruption); and
- 5.** community infrastructure (hospital beds, drinking water, sanitation).

The platform uses the industry and country risk ratings to produce an informed 365 Slavery Risk Index (ISRI).

PON has initially undertaken his deep analysis of its supplier data base, being the parties which PON directly engages in its supply chains. PON will seek to further develop systems and processes to further understand, influence and mitigate modern slavery risk in the broader and indirect customer relationships it has within its supply chains.

PON has analysed its supplier base and has identified that:



Almost half of PON's supply chain is classified as either a very low or low ISRI risk. The remaining suppliers fall into the medium risk category, with just one supplier classified as high risk;



97% of PON's suppliers are incorporated in Australia. The remaining **3%** is split up against 11 countries including Singapore, France, Ireland and New Zealand;



40% of PON's supply chain are in an industry that is classified as very low risk or low risk. Just over half are classified as either high risk or very high risk. High and very high risk industries PON engages with include Diversified Support Services, Marine Ports & Services, Office Services & Supplies, Electrical Components & Equipment and Construction & Engineering.

3. MODERN SLAVERY RISKS IN PON OPERATIONS AND SUPPLY CHAINS

Based on the supply chain analysis performed using Informed 365, the suppliers that appeared on PON's supplier list which returned an industry risk rating of 'very high risk' came from the following industries:



Construction & Engineering, Construction Materials, Building Products



Trucking



Food Retail, Food Distributors



Marine, Marine Ports & Services



Hotels, Resorts & Cruise Lines



Health Care Facilities



Auto Parts & Equipment



Construction Machinery & Heavy Trucks, Industrial Machinery, Tires & Rubber



Speciality Chemicals



Security & Alarm Services

These industries returned a result of **'very high risk'** as they have been identified, using the index methodology adopted by Informed 365, as having some of the following characteristics:

- | high proportion of low-skilled labour force;
- | low-tier suppliers (especially raw materials) operating in high-risk countries and regions;
- | deep and complex supply chains with low visibility;
- | workforces often consist of those vulnerable to exploitation, including low-skilled and low-paid workers, migrant workers, and women;
- | typically, low-skilled labour with low barriers to entry which are more vulnerable and subject to exploitation;
- | with respect to the marine and maritime industry, there are significant challenges and risks in this sector, including:
 - | flag of convenience ships that are registered in countries like Panama and Liberia, where any enforcement efforts are minimal;
 - | seafarers are highly vulnerable as they work in isolated conditions, away from friends, family and support networks, and are dependent on their employers to provide any means of communication with the outside world;
 - | high rates of outsourcing by shipowners and charterers for day-to-day management, increasing the risk of human rights abuses;
 - | many workers are from nations with human rights, labour rights and corruption challenges.

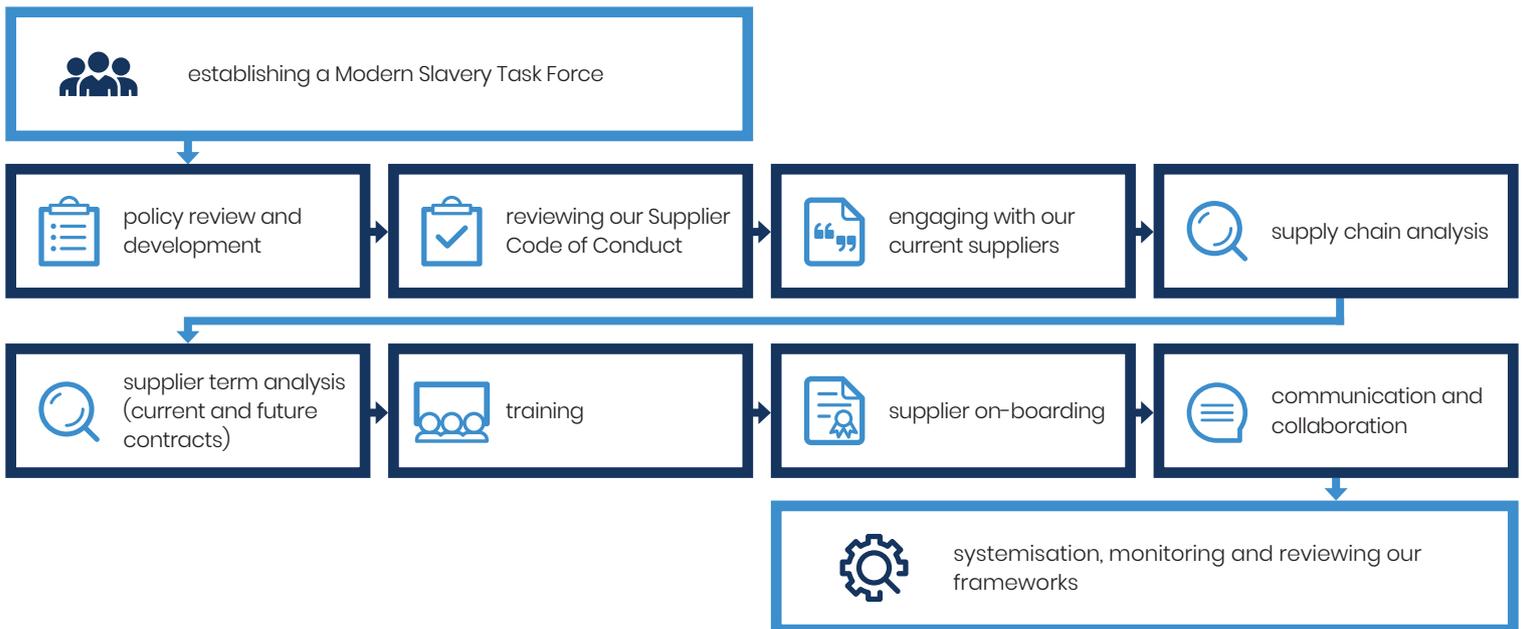
The information obtained by the Port of Newcastle using this industry screen and risk rating process will be used to inform how PON will assess and address these risks, as outlined further below.

4. WHAT STEPS ARE WE TAKING

4.1 ACTION PLAN

Port of Newcastle has developed a Modern Slavery Action Plan which sets out Port of Newcastle's actions and priorities for addressing modern slavery risks in our supply chains and operations over the next three years, including:

The Action Plan has been circulated to key areas of our business, via our Modern Slavery Task Force, and has been presented to the Boards of Port of Newcastle.



4.2 TASK FORCE

A key action of our Modern Slavery Action Plan was to establish a multi-functional Modern Slavery Task Force comprising representatives from all departments, including Legal Services; Marine & Operations; Project Management and Engineering Office; People & Culture; Finance; Risk; Marine & Operations; Business Development; Security; Corporate Affairs & Strategy; and Property, Environment, & Planning.

This Task Force meets regularly to allocate and prioritise responsibility of tasks and actions and make recommendations to the Executive Leadership Team with respect to implementation of PON's Modern Slavery Action Plan and enhancing its systems and processes.

4.3 DUE DILIGENCE

We have undertaken a supply chain risk assessment via a third party e-platform to identify and assess modern slavery risks in our supply chains and operations. The findings of this supply chain risk assessment is detailed above in Criteria

3. This due diligence will also assist us to target screening of suppliers that have been identified as operating in high modern slavery risk industries or geographical areas.

PON will integrate the platform into PON's procurement practices for new suppliers, as well as management of existing suppliers. PON will in the future seek to leverage the capability of this platform to understand risk profile of groups wider than its suppliers, including other port users where relevant.

4.4 SUPPLIERS

We reviewed our Supplier Code of Conduct to ensure it is in line with international norms and regulations in relation to human rights and modern slavery. We updated our Supplier Code of Conduct with specific provisions on human rights and modern slavery. This amended Code of Conduct will be provided to all suppliers and is available on PON's website .

We have prepared a notification letter for all of our suppliers to notify them of our obligations under the Modern Slavery Act (Cth). We will be providing this letter to our suppliers in 2021.

We have also undertaken a review of our standard contracts to determine if they have the appropriate contractual rights for us to conduct audits of our suppliers. We have prepared modern slavery clauses and have updated all PON precedent contracts to include modern slavery

clauses in order to address modern slavery risks. PON will also consider amending select existing contracts, or seek inclusion of modern slavery clauses at the time of renewal or renegotiation of supplier terms.

We are also currently reviewing our template tender documents and supplier on-boarding documents to improve our ability to readily assess supplier's human rights policies and labour practices.

4.5 CUSTOMERS & PORT USERS

We have and will continue to engage with all port stakeholders working to address modern slavery risk in our supply chains. We have and will continue to meet with PON's Community Liaison Group, Newcastle Port User Group, Mission to Seafarers and other relevant forums to raise awareness and collaborate on this issue. We recognise the complexity of this issue and the depth of collaboration required to address and influence enhanced modern slavery risk management outcomes.

In 2020, a 'Port Covid-19 Working Group' was established with Port of Newcastle, coal terminals, Port Authority of New South Wales, NSW Police, NSW Health & Australian Border Force representatives. This forum was established to share information and identify actions to improve the impacts of covid-19 public health orders and restrictions on PON's supply chains, in particular seafarers. The group discussed particulars such as the length of crew service, lack of ability for crews to disembark, general health and welfare of seafarers and how they were impacted by Covid and implemented measures to deliver better communication methods and enhanced medical attention to crew. The group continues to meet regularly.

Although some of the stakeholders listed above may not be considered within the scope of PON's direct operations, PON has demonstrated its commitment to proactively working with key stakeholders, regulators and authorities to enhance modern slavery risk management and outcomes for supply chain participants.

4.6 EMPLOYEES

Our employees are required to comply with our codes and policies which requires them to act lawfully, ethically and with integrity and encourages them to raise compliance and ethics concerns. Any Port of Newcastle employee who violates our standards may be subject to disciplinary action up to and including termination of employment.

We have an Equal Employment Opportunity policy and Recruitment policy in place that ensures all of our staff are employed in accordance with employment laws and standards.

We ensure that we are provided with all relevant details for employees engaged through third party labour agencies including immigration status.

We have a Whistleblowing policy in place which ensures that our staff have a safe way of raising concerns confidentially

including when this concerns suspicion of modern slavery.

4.7 POLICIES

We undertook a comprehensive review of our suite of policies to determine if we had sufficient policies in place to address human rights and modern slavery.

Following this review, we have identified and are currently developing a Human Rights and Modern Slavery Policy which will set out Port of Newcastle's commitment to human rights and the use of ethical suppliers. This policy will outline:

1. the fundamental elements of Port of Newcastle's approach to human rights; and
2. how Port of Newcastle demonstrates its commitment to respect human rights in line with the Universal Declaration of Human Rights and other international frameworks.

This Human Rights and Modern Slavery Policy will also include our remediation policy to the adverse impacts of modern slavery (detailed further below).

We also amended a number of other policies following our comprehensive review of our policy suite. The policies have been reviewed to ensure that our suite of policies as a whole appropriately deals with modern slavery in our operations and supply chains. Port of Newcastle implemented a comprehensive Whistleblowing policy in 2019.

4.8 REMEDIATION

Our proposed Human Rights and Modern Slavery Policy will seek to include a remediation policy to the adverse impacts of modern slavery.

Where modern slavery is found in any of our supply chains or operations, we proposed that policy outlines PON's commitment to:

1. ensuring its actions are not adverse to the interests of the suspected victim or victims
2. promptly involving law enforcement so the situation is properly investigated, any victims are identified and protected and that the perpetrators are held to account
3. if Port of Newcastle has caused or contributed to the exploitation, address the harm caused including issuing formal apologies and use its leverage to work with the entity that caused the harm to prevent or mitigate its recurrence
4. taking steps to ensure the harm should not recur, including engaging with suppliers to improve their response to modern slavery, training and awareness-raising
5. urging suppliers to respond to modern slavery risks

in a way that is appropriate to their circumstances, including their size, capacity, structure, risk profile and leverage with their sub-suppliers

6. ensuring a 'zero tolerance' approach for inaction following engagement with suppliers where there is a suspected or found instance of modern slavery
7. considering ending the relationship with a supplier that has caused or contributed to modern slavery if that supplier refuses to address the issue and there is no real prospect of change in their behaviour following engagement.

We have also reviewed our Whistleblower policy to ensure it is an appropriate grievance mechanism to give our staff and suppliers a way to safely raise concerns about any wrongdoing in our operations and supply chains, including suspected instances of modern slavery.

Given the shipping operations undertaken at the Port of Newcastle, it is prudent for PON to consider the access to remedy for seafarers, noting PON's limited ability to respond to seafarer's grievances given PON's indirect relationship with them. All vessels that visit the Port of Newcastle are subject to the jurisdiction of the Australian Maritime Safety Authority (AMSA), which has powers to respond to seafarers grievances including inspecting and detaining vessels. We understand that AMSA has received 180 complaints nationally in 2020 relating to repatriation and time on board as a result of the impacts of the global covid-19 pandemic. AMSA reported that 179 had been investigated and resolved to AMSA's satisfaction, with one under investigation awaiting ship arrival with inspections scheduled.

Port of Newcastle works proactively with the AMSA, International Transport Federation, shipping agents, terminals and NSW Police and Australian Border Force on crew welfare issues that present across the Port. In particular, issues such as lack of adequate water or nutrition, bullying & harassment, restricted shore leave, lack of or underpayment of wages to seafarers. While as above we have an indirect relationship with crew, we can and do ensure the relevant agencies are notified, access to the ship is facilitated and crew are provided with access to Mission to Seafarers support.

4.9 TRAINING

We are committed to undertaking formal training on modern slavery for all of our staff and board members in the coming years. We are also committed to and have provided our staff with links to online resources and training materials to increase their knowledge and awareness about modern slavery.

We will in 2021 deliver additional training sessions to all staff and the Board of directors.

We are committed to a continuous improvement approach to the assessment of modern slavery in our supply chains and operations and we will be seeking to enhance our assessment and actions year on year.

5. ASSESSING OUR EFFECTIVENESS

Port of Newcastle intends to assess the effectiveness of the actions it is taking to assess and address the risks of modern slavery practices in its operations and supply chains in the coming years in the following ways:

- A.** developing monitoring and reviewing frameworks within our business practices, including identifying accountabilities & responsibilities;
- B.** implementing an internal review mechanism of any notified known or suspected instances of modern slavery in its supply chain;
- C.** internal development of relevant Key Performance Indicators on:
 - i.** the number of modern slavery training and awareness-raising programs delivered;
 - ii.** the proportion or number of complaints resolved by our grievance mechanism;
 - iii.** the number of contracts that include modern slavery clauses;
 - iv.** the number of tender documents that include supplier on-boarding questionnaires in relation to modern slavery and labour hire practices; and
 - v.** the number of actions taken to work with suppliers to improve their capacity to respond to modern slavery risks.
- D.** undertaking audits of suppliers.

6. CONSULTATION

This Statement has been prepared in a collaborative manner and in consultation with the following reporting entities covered by the joint Statement:

1. The Port of Newcastle Investments (Holding) Trust (ABN 84 685 817 245)
2. Port of Newcastle Investments Pty Limited (ACN 169 132 441)
3. Port of Newcastle Unit Trust (ABN 97 539 122 070),

The Statement was prepared with input by members of our Modern Slavery Task Force.

The Boards of each entity have been regularly briefed on the progress and outcome of the activities in this Statement.

7. ANY OTHER RELEVANT INFORMATION

We engaged a third party legal consultant to assist us in our modern slavery compliance journey.

7.1 APPROVAL AND SIGNATURE

The Boards of the following entities has resolved to approve this statement:

1. The Port of Newcastle Investments (Holding) Trust
2. Port of Newcastle Investments Pty Limited
3. Port of Newcastle Unit Trust.

Signed



Professor Roy Green, Chairperson

7 June 2021



Mr Craig Carmody, Chief Executive Officer

7 June 2021



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