

ENVIRONMENTAL, SOCIAL AND GOVERNANCE Strategy





Our commitment to the Port of Newcastle



View this publication online
portofnewcastle.com.au/esg

CONTENTS

Chief Executive Officer's Message	4
Strategy Overview	6
1. Our People	8
2. Our Planet	13
3. Our Prosperity	22
4. Our Partnerships	26

Acknowledgement

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

Chief Executive Officer's Message



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

As the global trade environment shifts and evolves, we look to embrace new opportunities and new ways to grow. Port of Newcastle is embarking on an ambitious diversification strategy that will utilise the full capacity of our assets to grow our existing trade and go where we are not through establishing new, efficient and cost-effective supply chains.

In driving long term value creation for the Port, sustainability will remain at the core of Port of Newcastle's business strategy and culture. I am therefore pleased to present Port of Newcastle's Environmental, Social and Governance Strategy, which provides a 20-year roadmap outlining our commitment to embedding the principles of sustainability across our business.

We are the port that is ready to host the latest technologies, industry innovation and a provide a step-change in the way freight is handled in Australia.

Growing demand for clean, alternative energy sources will provide diversification opportunities that could

see Newcastle become a hub for the production and distribution of energy streams including hydrogen, LNG and solar.

Our vision to become Australia's leading Energy Port is key to our diversification agenda and will support the region's development of alternative energy solutions.

Through our commitment to the global EcoPorts initiative, the NSW Government's Sustainability Advantage Program, United Nations SD Goals and the GRESB Assessment process, we will set a new benchmark for sustainability within the Australian ports sector.

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

My team is taking a partnership approach to realising our vision for the Port of Newcastle. We are uniting our shareholders, employees, customers

and surrounding community around shared values that create positive change and ensure the Port of Newcastle continues to operate a safe, sustainable and environmentally and socially responsible business for generations to come.

I hope you enjoy reading the Strategy.

Craig Carmody
Chief Executive Officer

A major
Australian
trade
gateway...

4,600
SHIP 
MOVEMENTS

 166
MILLION TONNES
OF CARGO

\$29 BILLION
OF ANNUAL
TRADE 

SUPPORTS
9,000
JOBS 

Environmental, Social and Governance at Port of Newcastle

Port of Newcastle is a major Australian trade gateway handling 4,600 ship movements and 166 million tonnes of cargo each year.

Its annual trade is worth more than \$29 billion to the New South Wales economy, enabling businesses across the state to successfully compete in international markets.

With a deepwater shipping channel operating at 50% of its capacity, significant port land available and enviable access to national rail and road infrastructure, Port of Newcastle will continue to underpin the prosperity of the Hunter, NSW and Australia.

As custodians of the region’s critical asset, Port of Newcastle is diversifying its trade as it strives to create a safe, sustainable and environmentally and socially responsible Port for the future.

Environmental, Social and Governance Strategy

Port of Newcastle’s **Environmental, Social and Governance (ESG) Strategy** outlines its commitment to being a good corporate citizen and provides a 20-year road map that support the organisation’s Strategic Initiatives. ESG risks and opportunities are incorporated into the overarching business strategy and culture in order to drive long-term value creation.

By embedding positive ESG practices across our business, we seek to mitigate against environmental, legal and reputational risks whilst also increasing Board oversight, enhancing employee engagement and positively influencing customer behaviour.

A number of ESG aspects have been also identified as of strategic importance for our business. These form the basis of the Strategy and are defined as having a clear link to current operations and our vision for the future.

The ESG aspects fall broadly under four themes that align with the principles of the **UN Sustainability Goals** to promote prosperity whilst protecting the planet:



Through our commitment to the global **EcoPorts Sustainable Logistics Chain (SLC)** initiative, the **NSW Government Sustainability Advantage Program** and recent completion of the **GRESB Assessment**, we have benchmarked ourselves against other ports globally. The information has been used to set a baseline to determine where we have existing ESG opportunities and risks that can be integrated into our business strategy.

In defining our ESG Strategy we have considered internal and external stakeholder views on the aspects that are most important to them.

We will position ourselves to enable our customers to select in favour of sustainability.

Knowing that ESG risks and opportunities may shift over time, this Strategy and the associated Action Plans seek to be dynamic to accommodate for change.

To ensure that we continue to meaningfully convey the importance of the ESG aspects viewed by our stakeholders and to provide further insight and focus into our work, Port of Newcastle is committed to undertaking regular materiality assessments in line with the **Global Reporting Initiative**.

ESG THEMES



Our People



Our Planet



Our Prosperity



Our Partnerships



Top 3 Priorities



Decarbonisation of our operations



Increased social acceptance and license to operate



Support and protect local biodiversity

PORT OF NEWCASTLE'S STRATEGIC INITIATIVES



PROTECT
what we have



GROW
what we already have



GO
to where we are not



ENABLE
our business to deliver

ESG STRATEGY

Realising the Port's potential Diversifying our business

Port of Newcastle is diversifying its trade to provide new business opportunities and ensure it continues to underpin the prosperity of the Hunter, NSW and Australia.

As Australia's premier energy port, the Port is establishing new trades that will meet future transport and energy demands, whilst also seeking to ensure that the Port itself is a self-sustaining energy hub for its users.

To achieve our goal of diversifying trade in our pursuit to become a leading energy port, four key diversification opportunities have been identified:

- Newcastle Deep-water Container Terminal
- Liquid Natural Gas (EPIK Newcastle GasDock Project)
- Electric Vehicles
- Hydrogen

To support these opportunities, Port of Newcastle will leverage its natural advantage, which include:

- A deep-water shipping channel
- Existing capacity to double current current ship volume
- Excellent landside connectivity and access to national road and rail infrastructure
- A significant developable land portfolio.

Strong relationships with our key stakeholders will ensure that we are at the forefront of technology and innovation in the future energy space to ensure that Port of Newcastle continues to support the transition of our region and local economy.

We will:

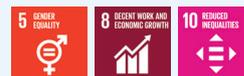
- Listen to our customers and ensure that we provide optionality in the shipping methods that we facilitate.
- Develop a **Strategic Land Use Plan** that optimises our growth and development in line with the sustainability commitments identified in this ESG Strategy
- Provide innovative infrastructure solutions that provide greater efficiencies and support reduced emissions.
- Support the decarbonisation and increased sustainability of the Port environment through the reduction of our carbon footprint.
- Provide options for renewables for our customers and port users through the upgrades to our existing utilities infrastructure
- Lead the facilitation of an engagement and knowledge sharing hub across our stakeholders.
- Add value to our local community by operating a world-class port in a future-looking, socially responsible way.



01

OUR PEOPLE

SDG GOAL ALIGNMENT



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

Leadership & Accountability

As a leading global trading gateway, we recognise the importance of accountability. At the Port of Newcastle, we will maintain transparency regarding ESG issues by making an annual Sustainability Report publicly available. A senior decision maker

will be nominated from the Board of Directors to oversee and monitor our Strategy and comment on the implementation of ongoing and new initiatives. A dedicated team responsible for implementing ESG objectives will report on progress to the Board of Directors quarterly.

Safety & Wellbeing

Port of Newcastle is committed to building a strong safety and performance culture across all aspects of the business.

Our Workplace, Health & Safety function plays a key role in driving and delivering the corporate safety strategy. We work across the business to ensure a safe workplace by providing advice and assistance to implement a best practice safety management framework. Our safety processes and practises prioritise the wellbeing of employees, contractors, customers and the community.

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

- interior landscaping design;
- the use of natural materials and light;
- encouraging collaboration through the allocation of informal spaces; and
- sit-stand desks and ergonomic chairs for all our people.

Our employees are also encouraged and supported in choosing to walk and cycle to work by having adequate end-of-trip facilities available and information on local active transport networks.



We are committed to...

- cultivating a positive and productive environment for our team; and
- working towards the development of a Corporate Health & Wellbeing Strategy that will integrate existing programs with new opportunities.



Equality, Diversity & Inclusion

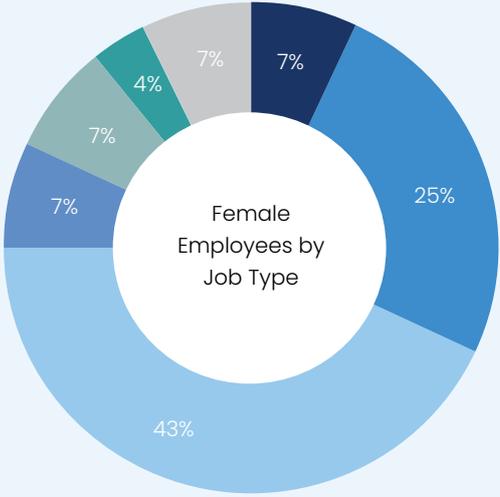
At the Port of Newcastle, we challenge what has traditionally been a male-dominated port industry by promoting the empowerment of women and providing equal opportunities for leadership.

We are committed to achieving greater equality and diversity in the workplace. We will achieve this through policies that empower social inclusion – irrespective of age, sex, disability, race, ethnicity, origin, religion or other status.

We will ensure equal pay for work of equal value and operate in full compliance with gender pay reporting requirements including the Workplace Gender Equality Act 2012.

Employee breakdown by gender

	Male	Female
CEO	1	0
● Executives	4	2
● Managers	11	7
● Professionals	16	12
● Administration & Clerical	0	2
Wharf	10	0
● Dredge Manager (onboard)	10	2
● Dredge Crew	12	1
● Vessel Scheduling	4	2
TOTAL	68	28 (28.5%)





CASE STUDY

Women in Maritime

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

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

More online...
portofnewcastle.com.au

Listening & Developing

Port of Newcastle aims to maintain a positive work culture that makes our people proud.

We provide our employees with a voice through our Workplace Engagement Program and survey our organisation annually in order to closely examine, understand and improve our work culture. Our Workforce Engagement Strategy flows from the priorities established by the Employee Engagement Forum. Success of the Workforce Engagement Strategy is measured through regular surveys to strive for continual improvement.



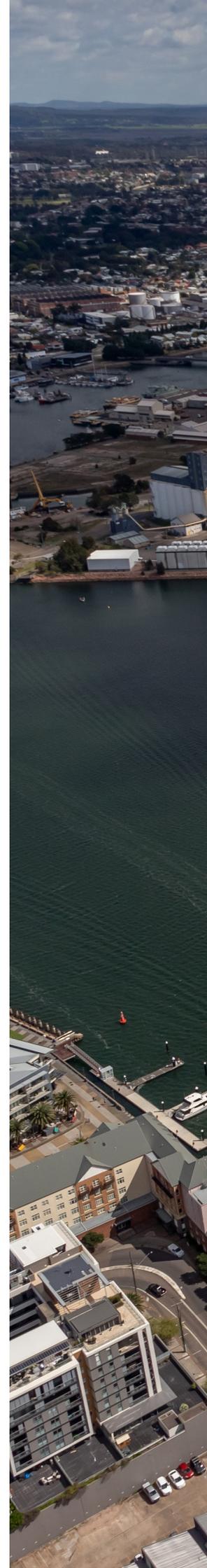
Many of our people are represented by three major unions. We welcome freedom of association for our people should they choose to be a member of a trade union.

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

- the provision of formal training on key ESG aspects; and
- incorporation of ESG factors into the annual performance targets for all our people.

Ethical & Accountable

Policies and procedures that apply to our people are in place to ensure high standards of ethical and accountable conduct. This includes a zero-tolerance approach to fraud, bribery and corruption. The Port’s Audit & Risk committee, as appointed by the Board of Directors, oversees our Fraud, Bribery & Corruption Prevention System (FBCPS). The Audit & Risk Committee monitors compliance, is independent from management, and has broad powers to investigate activities, obtain independent professional advice and make recommendations to the Board.



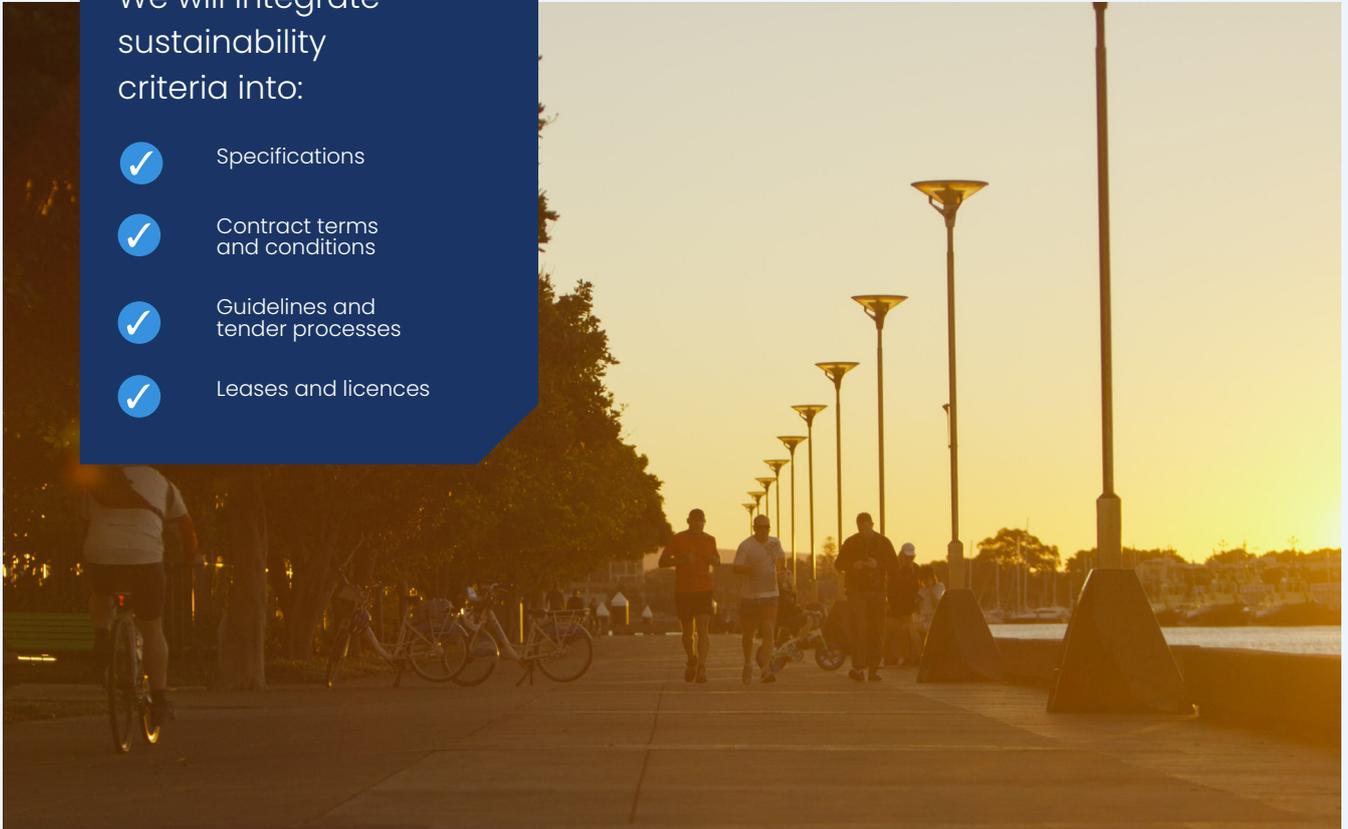


Beyond Our People

At Port of Newcastle, we expect our suppliers and customers to recognise and commit to similar principles of corporate responsibility. Our Procurement Policy is aligned to the requirements under the Modern Slavery Act 2018, which promotes the provision of safe, fair and equitable work conditions for employees and suppliers.

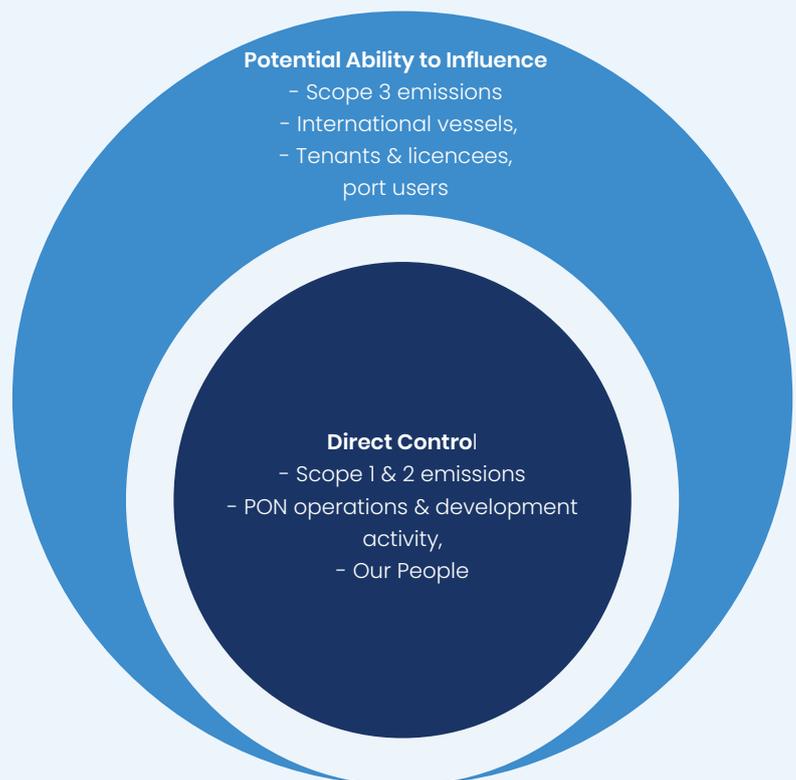
We will integrate sustainability criteria into:

- ✓ Specifications
- ✓ Contract terms and conditions
- ✓ Guidelines and tender processes
- ✓ Leases and licences



Our vision to decouple economic growth from environmental degradation extends beyond our own employees, embracing our customers through the development of designated Port User Groups. These Groups provide for a collaborative platform that will increase ESG awareness and adoption and promote knowledge sharing.

Port of Newcastle is committed to working collaboratively with other organisations to drive positive change within our region and nationally. As the first port in Australia or New Zealand to become a member of the International EcoPorts network, we have been working across the Pacific region to advocate for the benefits of the EcoPorts initiative. EcoPorts provides a consistent and globally-recognised approach to environmental management in the Port sector.



02

CASE STUDY

Port of Newcastle leads the region in committing to global environmental standards

Newcastle has become the first port in Australia or New Zealand to commit to meeting global environmental and sustainability standards as set by EcoPorts.

More online... portofnewcastle.com.au

OUR PLANET

SDG GOAL ALIGNMENT



Emissions Reduction Commitments

We are committed to supporting multilateral efforts to limit the global temperature rise this century to well below two degrees Celsius above pre-industrial levels.

PON has undertaken comprehensive studies to understand its Scope 1 and Scope 2 emissions baseline and those Scope 3 emissions that it is able to strongly influence to set ambitious stretch targets.

Our commitment is to maintain a Science Based well below 2 degrees target up to 2030 and achieve Net Zero emissions by 2040.

In working towards an SBTi well below 2 degree and Net Zero target, we will benefit from cost savings resulting from energy efficiency measures. Additionally, we will build our capacity for emissions management and our responsiveness to demand

for businesses to minimise their impacts on the climate. In working towards a Science Based well below 2 degree target for port operations, Port of Newcastle is committed to aligning with the Science Based Target Initiative (SBTi). In early 2021, PON formalised this by submitting our commitment to the SBTi for validation and approval.

In developing its Net Zero 2040 commitment, PON participated in the NSW Department of Planning, Industry and Environment's (DPIE) Net Zero Pilot Program. This pilot project utilises Energetics' proprietary net zero tool to aid organisations in developing a Net Zero trajectory towards 2050 or earlier.

In establishing our commitments to maintain a **Science Based well below 2 degrees target up to 2030** and achieve **Net Zero emissions by 2040**

PON has undertaken comprehensive studies to understand its Scope 1 and Scope 2 emissions baseline and those Scope 3 emissions that it is able to strongly influence

WELL BELOW 2°
SBTi TARGET
 **2030**

NET ZERO
ENERGY BY
 **2040**

Participation in DPIE Net Zero Pilot Program and implementation of the defined Net Zero pathway establishes PON as a decarbonisation leader in the port operations and marine shipping sector. The defined pathway resulting from our participation supports both PON and DPIE objectives including:

- Achieve net zero carbon emissions (Scope 1, 2 and selected Scope 3) by 2040, including 100% renewable electricity by the end of 2021 for PON's operations (baseline year CY2018), to build and support climate resilient operations and communities
- Support the PON's medium-term science-based emissions reduction target of 30% below 2018 levels by 2030 for Scope 1 and Scope 2 emissions
- Aligning with the Port's Net Zero by 2040 target
- Achieving the NSW Government target of state-wide Net Zero emissions by 2050
- Aligning with the PON's ESG Strategy, ESG Implementation Action Plan and the PON's values of Curiosity and Integrity
- Aligning with targets of the Sustainability Linked Loan Metrics under the Port's 2021 \$515million financing transaction
- Meeting stakeholders' rising expectations for corporate decarbonisation.

The Net Zero Pilot Program has enabled PON to set an ambitious but feasible Net Zero roadmap with a responsible approach to emissions reduction.

Scope 3 boundary

PON is committed to demonstrating climate leadership and selected Scope 3 emission sources have been included in our 2040 Net Zero target. Emission sources were selected with consideration to principles of relevance, consistency, transparency and accuracy in line with guidance from frameworks such as the Greenhouse Gas Protocol and Climate Active.

In our Net Zero 2040 roadmap, Energetics has identified and included the following Scope 3 Greenhouse Gas Protocol Categories where the Port could strongly influence emissions reductions:

- Purchased fuel and electricity (not included in scope 1 or 2)
- Waste generated in operations
- Business travel
- Employee commuting
- Selected downstream leased assets (The breakdown of selected downstream leased assets is explained in more detail below.)



Selected downstream leased assets

At PON we manage an extensive portfolio of strategic sites and port-side property. Selected emissions from downstream leased assets were added to the Net Zero boundary where the Port of Newcastle has strong operational and/or financial influence, i.e. the emissions from tenants' electricity usage on the Port's sites that are part of its embedded networks. This includes the Carrington, Mayfield and Newcastle Bulk Terminal network.

The total footprint of all downstream leased assets across tenants that are both part of and not part of the Port's three embedded networks makes up the majority of the Port's Scope 3 emissions.

We will actively engage our tenants to assess their energy usage needs. Through an increased understanding of their existing services, networks and capacity, opportunities to integrate increased renewables for existing and future port users can be identified. Greater uptake of renewables will take our commitment towards achieving Net Zero beyond the boundaries of our own operations and encourage a greater sustainability mindset for our customers and port users.



Ambition to measure and understand other Scope 3 Emissions

Port of Newcastle will complete an assessment of vessel emissions that will provide a baseline for future improvements. Gathering knowledge of the vessels that currently visit the port and those that will in the future will be key to working towards a reduction in emissions.

Port of Newcastle will implement smart technology to measure the volume of trucks moving in and out of the port. To increase our understanding of the types of trucks visiting the Port, a survey will be completed to provide an emissions estimate. Once a baseline has been prepared, we will seek to collaborate with truck owners and users to identify alternative solutions to support emissions reduction. This initiative will have positive impacts that go beyond the boundary of the Port and will contribute to reducing emissions along the supply chain.

HOW?

- ✓ Transition our vehicle fleet over to electric vehicles, reducing our Scope 1 emissions by 48 tCO₂e per annum
- ✓ Increase the efficiency of our maintenance dredging operations through the introduction of a sweeper vessel
- ✓ Upgrade the existing port lighting portfolio with LED equivalent light fittings.
- ✓ Procure 100% renewable electricity for our operational needs, including for our three embedded networks.
- ✓ Use the SBTi and Net Zero 2040 tools that have been developed to assess the impacts of new developments and understand options for these developments that will enable PON to continue to meet its target commitments.
- ✓ Appoint an internal Corporate Flight Emissions Champion and in partnership with GreenFleet offset all of our corporate flight emissions.
- ✓ Actively promote meetings that use smart technology and minimise the need for travel.
- ✓ Provide end-of-trip facilities that support and encourage staff to walk/ride to work.
- ✓ Encourage staff to use public transport.
- ✓ Development a carbon abatement strategy for residual emissions associated with our Net Zero 2040 target.



Climate Change and Resilience

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

Climate change is a strategically significant issue for the Port of Newcastle. To understand both the physical and transitional risks and opportunities associated with climate change, PON has undertaken climate scenario analysis in line with the Taskforce on Climate-Related Financial Disclosures (TCFD) recommendations and the Climate Measurement Standards Initiative (CMSI).

In undertaking its scenario analysis, PON used a range of Representative Concentration Pathway (RCP) trajectories as adopted by the Intergovernmental Panel on Climate Change (IPCC).

For physical risks climate scenarios ranging between an RCP2.6 and RCP8.5, in line with the CMSI, have been used to assess the physical and transition risks.

For transition risk we drew on three published sources: the International Energy Association's (IEA) *World Energy Outlook 2020* (global scale), Jotzo et al.'s (2018) *Coal Transition in Australia* (national scale), and Perry and Hewitson's (2019) *Weathering the storm* (regional scale).

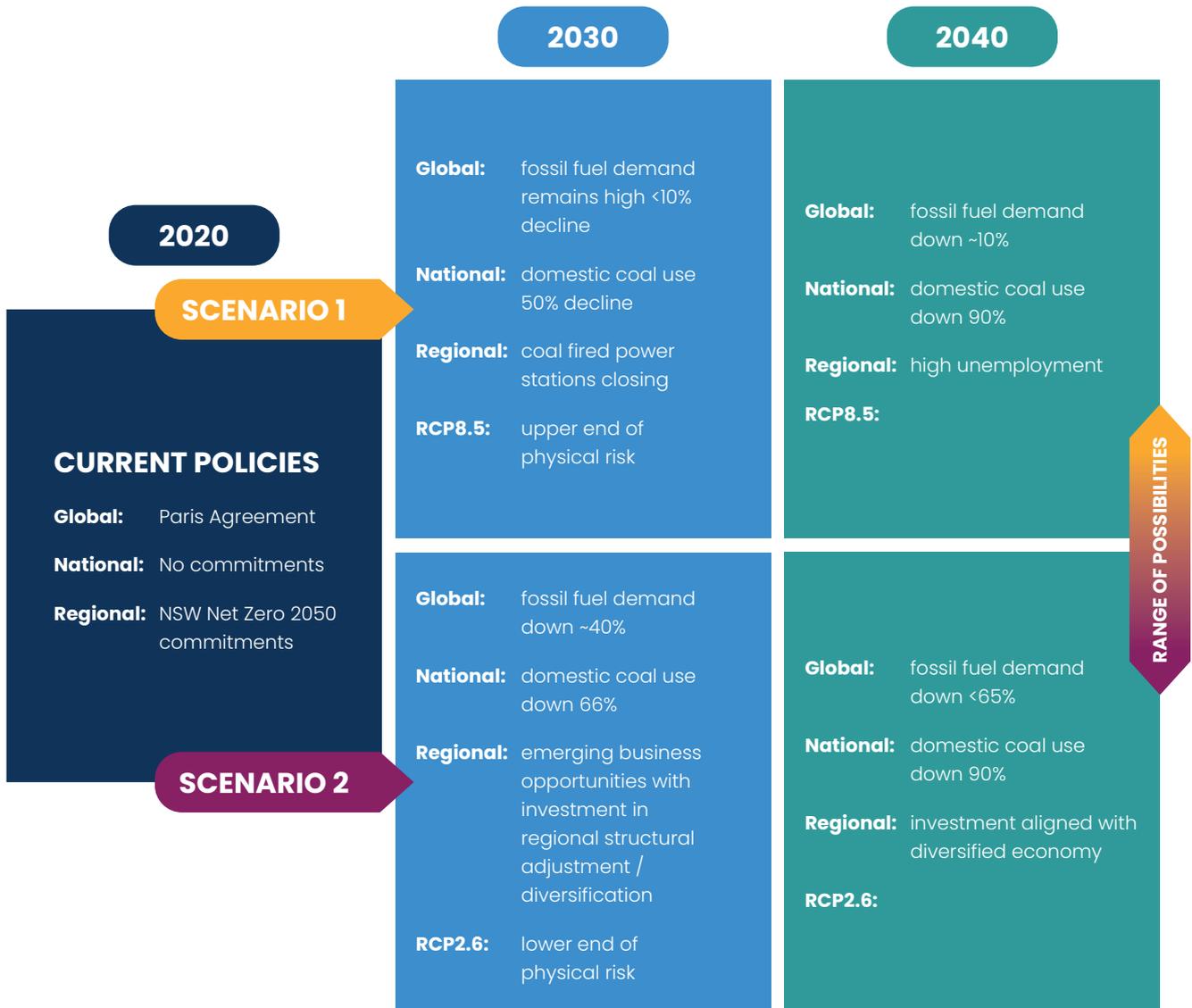
This resulted in two distinct scenarios being used to assess PON risks and opportunities against both a 2030 and 2040 timeline.

Most Significant Physical Climate Hazards for PON

ASPECT	2030	2040
 Average annual temperatures	↗	↗
 Heatwave days (>35°C)	↗	↗
 Fire weather	↗	↗
 Time in drought	↗	↗
 East coast low frequency	↘	↘
 Extreme rainfall	↗	↗



Transition Risk Scenario for PON



- Scenario 1:** Continuation of announced policies, change driven by market forces only, no regional adjustment policies
- Scenario 2:** Surge in policy and investment enhances market forces (may include trade barriers for emitters), regional adjustment policies developed and implemented.
- Based on:** IEA World Energy Outlook 2020 (Global); Jotzo et al 2018 Coal transition in Australia Crawford ANU (National); Perry & Hewitson 2019 Weathering the storm RDA-WSU (Regional)

Climate Resilience Governance

- Climate Risk and Opportunity Working Group established
- Integration of climate related risks into PON risk management processes
- Dedicated Risk Officer with climate risk and opportunity responsibilities
- Executive Leadership Team oversight of climate risks and opportunities
- Key transition risks and opportunities identified for PON are currently assessed, monitored and managed as part of the Ports Business Diversification Strategy.
- Climate related risks and opportunities reported to PON Audit and Risk Committee
- Appointment of PON Board Member for climate related responsibilities
- Disclosure of actual and potential impacts of climate related risks and opportunities in PONs annual Sustainability Report

Port of Newcastle's contribution to the broader global response to the management of climate change is aligned to our strategic initiatives:



PROTECT
what we have



GROW
what we already have



GO
to where we are not



ENABLE
our business to deliver

Future Development and Climate Change Resilience

Port of Newcastle aims to grow our business and provide a platform to GO where we are not. We will accomplish this through the optimisation of our services and a strategic approach to future development of the Port. Our team will look to the EcoPorts network and World Ports Sustainability Platform to identify best practice, global projects focused on alternative energy and renewables.

Port of Newcastle will be responsive to changes in global demand and national economic policy. Our diversification agenda positions Newcastle as Australia's leading Energy Port, supporting the region's diversification towards alternative energy solutions.

All new buildings developed by Port of Newcastle will have a green star rating. Future infrastructure developments will seek to align and be certified under the Infrastructure Sustainability Council of Australia (ISCA) standards and ratings framework. Where there is opportunity, we will commit to and invest in automated and electric plant and equipment solutions. Port of Newcastle will also seek to encourage port tenants and users to commit to similar initiatives.

To guide consistent future development that ensures reliable, sustainable and resilient infrastructure, Port of Newcastle will develop Sustainable Development Guidelines that will guide our customers seeking to develop on Port land.

The objectives of the Sustainable Development Guidelines are to:

- > promote development that supports the principles of sustainable development;
- > improve and enhance the visual appearance of development within the port;
- > protect and enhance the environmental value of land surrounding the port; and
- > create a strong and positive image of the Port through quality and innovative design and landscape surrounds.



Resource Management & Efficiency

Appropriate resource management and efficiency will enable us to minimise our environmental impacts and reduce cost.

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

We actively support sustainable materials management through considering whole-of-lifecycle and applying the principles of avoid, reduce, reuse and recycle. Our Head Office has implemented seven streams of waste management to minimise volumes going to landfill. These include:



Green Waste



Co-mingled



Soft Plastics



Mobile Phones



e-Waste



Toner Cartridges



Batteries

Port of Newcastle encourages a paperless environment, including a Clean Desk Policy, use of a shared hard copy library and an electronic records management systems.

Where there is opportunity, we will seek to support the principles of circular economy. Having in place a soft plastic recycling program and using road base material made with recycled soft plastics in the construction of our internal road networks is one of the ways we can achieve this.

As an estuary port, to ensure the safe passage of vessels, 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 local regulators to assist local beach renourishment efforts in response to erosion caused by severe weather events. Currently, suitable material required to be removed from the channel is relocated to an offshore site that supports the renourishment of nearby Stockton Beach.



More than 25,500 m³ of suitable sand material was placed off Stockton Beach in 2018 for beach renourishment

To further support efficient resource and waste management for our region, we will actively encourage and support developments that provide innovative solutions to address this issue. Port of Newcastle's strategic land use planning tools are key to identifying opportunities and synergies for developments occurring within the Port's footprint.

Furthermore, we will actively pursue partnerships and collaborative opportunities that support alternative energy, water shortage solutions and waste management.



CASE
STUDY

Managing Our Environmental Footprint

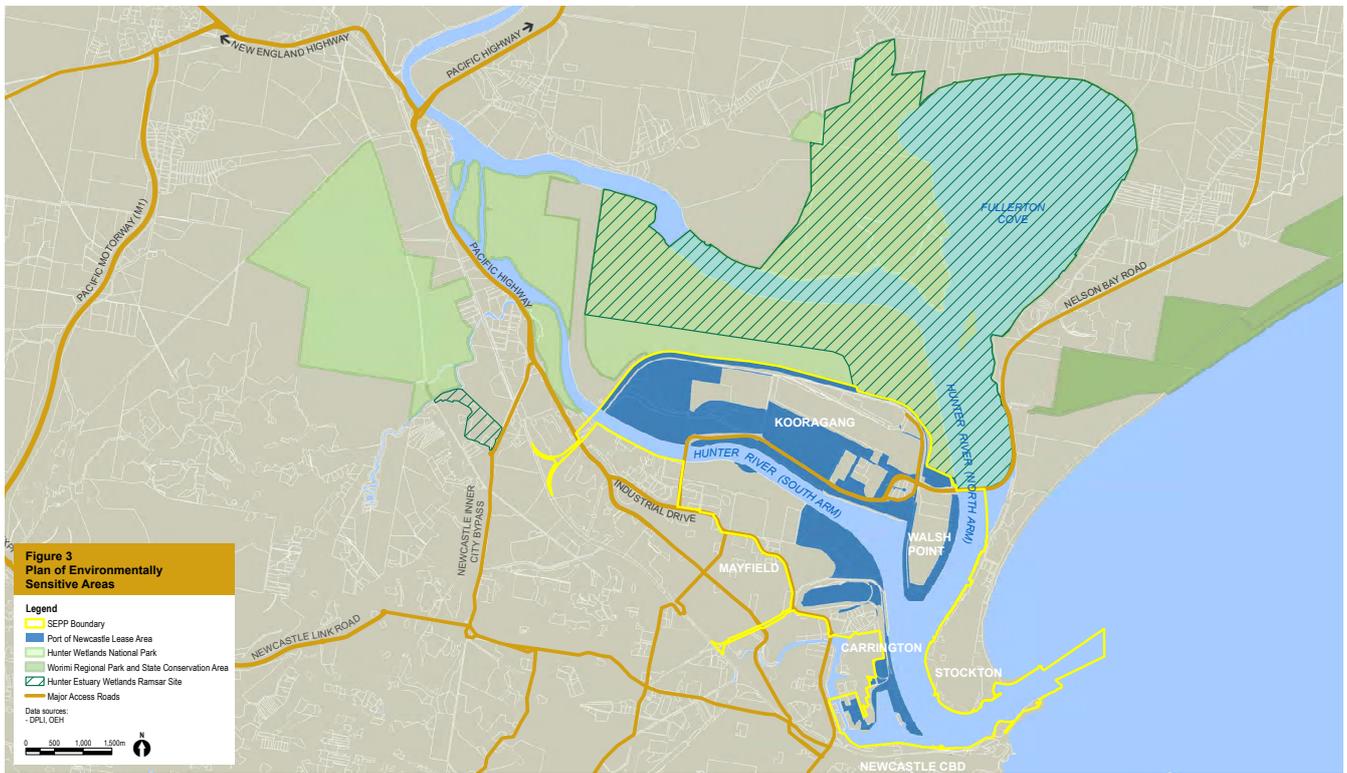
Installation of smart meters across
Port of Newcastle's private networks

26 
SMART
ELECTRICITY
METERS

29 
SMART
WATER
METERS



More online...
portofnewcastle.com.au



Biodiversity

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 water catchments providing water that sustains the region.

Saltmarshes play a huge role in the aquatic food web, the delivery of nutrients to coastal waters as well as support for

terrestrial animals, such as shore birds. In NSW, saltmarsh is listed as an endangered ecological community under the Threatened Species Conservation Act 1995. Port of Newcastle conducts annual monitoring that provides valuable data on the status and health of coastal salt marsh in the Hunter region.



CASE STUDY

NCIG Shorebird Rehabilitation Project

Port tenant, Newcastle Coal Infrastructure Group (NCIG) was recently awarded a PIANC Working With Nature Certificate for their Shorebird Rehabilitation project on Ash Island. The Certificate was awarded at the recent PIANC 2018 Congress in Panama and is one of only two Australian projects to ever receive this prestigious award.



More online...
portofnewcastle.com.au

Our strategic land use planning highlights the location and extent of areas with environmental value. In developing the Port, we aim to have minimal impact on biodiversity and habitat connectivity by considering our own impacts and the impacts of others to be considered.

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



Water Quality

Port of Newcastle maintains excellent water quality, reflecting a widespread commitment to respecting the marine environment.

We actively monitor the physical-chemical composition of water quality in the port area to inform positive management decisions. We are also committed to significantly reducing the ability for marine debris to enter the waterways. We accomplish this through ensuring that we have infrastructure and systems in place to minimise the risk of marine debris coming from our operational sites.

We will incorporate water sensitive urban design principles into our Port Development Guidelines and continue to work with key stakeholders to drive improvement of water quality and reduce the marine debris risk.

Additionally, we have in place scheduled maintenance to remove litter and encourage our other port users to play their part in keeping the port free of debris through a regular port-wide litter pick.



Biosecurity

As a first point-of-entry determined Port, in accordance with the Biosecurity Act 2015, the Port also shares responsibility for facilitating international trade, which brings with it a biosecurity risk.

Biosecurity incident response and prevention processes are in place to help prevent the introduction of, and reduce the impact from, invasive alien species on land and water ecosystems. These have been developed in consultation with the Australian Department of Agriculture Biosecurity division.

We are committed to going beyond our compliance commitments through collaborating with the University of Newcastle to support innovation in biosecurity risk management technology and establish marine pest surveillance programs..



CASE STUDY

Port Wide Litter Pick

Newcastle businesses cleaned-up more than 1.64 tonnes of litter from around the port.

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



More online...
portofnewcastle.com.au



03

OUR PROSPERITY

SDG GOAL ALIGNMENT



Social & Economic

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



\$900 Million in household income generated by the port in the Lower Hunter*



In 2016/17 each ship visit contributed nearly \$700k to the local economy, \$800k to the NSW economy, \$900 to the National economy*



9,000 jobs created in the Lower Hunter via port activity*

* Economic Impact Report 2016/17

We are committed to diversifying and growing our trade by positioning ourselves to support the region's long-term transition away from a reliance on coal mining. Our commitment to automation and electrification will support a safe, efficient and low-carbon future.

Our Corporate Social Responsibility program will support students interested in the jobs of the future and Science, Technology, Engineering and Mathematics (STEM) related career pathways by providing work placement and scholarship opportunities.



CASE STUDY

Future jobs in STEM

"It is encouraging to see bipartisan recognition of the need for clear education and skills development pathways if we are to manage regional employment shifts over the coming decades."

Craig Carmody
CEO



More online...
portofnewcastle.com.au

Supply chain improvement

Supply chains are highly dependent on a diversity of material flows, making efficiency improvements inherent to their sustainability. The efficiency of these flows impacts the environmental performance of the supply chain.

Port of Newcastle is committed to ensuring the efficiency and effectiveness of the part that it plays in the freight supply chain - from the quay line to the loading of trucks and trains.

Our Port is well positioned to accommodate larger vessels to enable the consolidation of cargo. Automation will also increase productivity and improving vessel turnaround times, in turn reducing the emissions associated with vessel times at berth. With on dock rail and an existing capacity to accommodate 1,500m trains, we will actively promote our ability to reduce multi-handling and congestion on the road network.

Port of Newcastle will actively work towards the future development of a port intermodal hub that will support major regional hubs, accommodating distribution centres, empty containers, container maintenance and repair, and a customs bonded area. This innovative intermodal hub will limit travel distances and the need for multiple freight handling activities - all of which will increase efficiency, lower costs and reduce cycle times and emissions for our major regional customers.

Asset lifecycle management

Through our **Strategic Asset Management initiative (SAM)**, Port of Newcastle will implement a framework that ensures future investments align to sustainable and efficient port growth. This is achieved through optimised use of existing assets or investing for increased capacity as demand requires. This initiative will be underpinned by leadership, workplace culture and behaviour. These principles tie the Ports investment strategies with our customers, income avenues, asset lifecycle costs, risks and ultimately provide efficiency and performance.

SAM ensures asset intervention and investment decision-making is transparently derived from the capture of reliable data sources. The SAM initiative binds business goals with roles and responsibilities, EBITDA targets and our business processes. With SAM and ESG, Port of Newcastle can actively seek new technologies that are clean and environmentally sound to further enhance our productivity and efficiency. SAM will also support our Strategic Land Use Plan in coordinating port activities and development that extracts more value from our assets.

Local sourcing

We know that if we source locally, we are supporting local businesses, employment and local economic growth.

Our recently revised approach to procurement aims to drive our people to actively seek out competitive, local suppliers and contractors where they are available.

This approach supports the local economy and reduces the environmental impact of transporting goods over a longer distance.

Where it is not possible to source locally and it is viable, we will encourage the use of smart communications to minimise the need for travel.



CASE STUDY

Buy local, support local

Local Crop provides Port of Newcastle's weekly delivery of fresh local fruit and milk for staff to enjoy.

With its 'Local Crop, Local Community' ethos, all of Local Crop's produce is sourced from the local area.



More online...
portofnewcastle.com.au



Our Customers

Our customers are critical to our success. We will continue to engage with customers to communicate the importance of our ESG commitments to our business and operation.

To support this, Port of Newcastle will develop a Customer Engagement Strategy that will involve mapping our customers and providing a clearer understanding of their concerns, issues, needs and expectations.

Understanding that the likelihood and magnitude of ESG aspects may shift over time, we are committed to undertaking regular materiality surveys with our customers to ensure our business strategy continues to identify and prioritise those aspects that are strategically significant.



CASE
STUDY

NEWCASTLE BULK TERMINAL

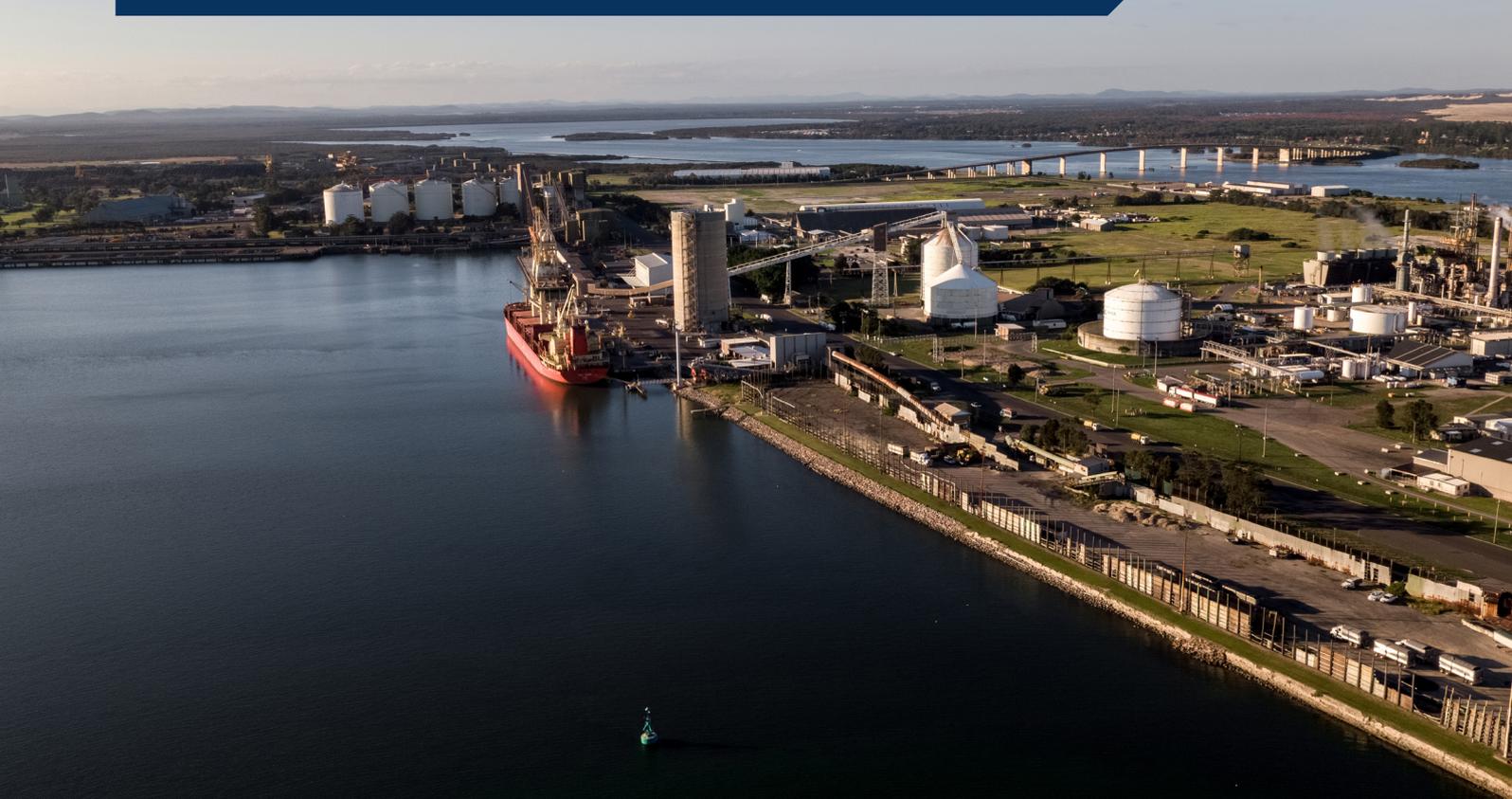
The **Newcastle Bulk Terminal** development at Walsh Point will increase efficiency and incorporate the latest in safety and environmental features.

We are making a long term investment to support our customer's ongoing commitment to the port and the region.

By partnering with our customers we will ensure best practice in safety and environmental management, driving efficiency and maximising trade growth.



More online...
portofnewcastle.com.au



04

OUR PARTNERSHIPS

SDG GOAL ALIGNMENT



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

These partnerships unite our Board, management, employees, customers and community around shared values that create positive change and ensure the Port continues to support thriving, prosperous communities for generations to come.

At the Port of Newcastle, we are committed to maintaining strong relations with our local education and training providers. We are proud to be supporting the development of our next generation of professionals and building the capacity of our local region to support the jobs of the future.

Recognising the need for STEM-based skills, our student engagement program will focus on supporting students interested in working in STEM-related disciplines. As part of our development of the next generation of professionals, we will partner with University of Newcastle's Wollotuka Institute to develop a STEM-based scholarship program for Indigenous students.

Additionally, we are committed to partnering with the University to support and enhance research, innovation and development of new technologies that will enable its operations to be technologically smart while simultaneously reducing its environmental impact.

We will continue to be an active contributor to local and regional initiatives through our Corporate Social Responsibility program, with sponsorships and investment supporting four target areas:

- > Supporting our staff and the causes they are involved in outside of work
- > Projects that specifically support the community in directly engaging, learning about and connecting with the Port, its history, current role and future plans.
- > Initiatives that support improving our planet through energy or biodiversity projects
- > Projects that provide a platform for publicity and positive engagement within the shipping industry and other key markets.



CASE STUDY

EDUCATION & TRAINING

In 2018, the Port received the 'Most Valued Partner' award from the University of Newcastle in recognition of its successful internship program.

By offering opportunities to students through its internship program, Port of Newcastle is proud to be supporting the development of our next generation of professionals.

To date, Port of Newcastle has provided internships across a wide range of disciplines, including environmental management, finance, legal services and survey



More online...
portofnewcastle.com.au



Larissa Banney Graduate Accountant

Larissa joined Port of Newcastle in 2018 and was recently awarded a University of Newcastle Global Scholarship where she took part in an industry-focused study tour of China.



The Awabakal clan of Muloobinba (Newcastle) lived around the harbour and foreshores of Newcastle where there was an abundance of fish and wildlife.

Shellfish was harvested for thousands of years and their discarded shells piled into enormous middens along the shores, which were later burned by Europeans to produce lime for building purposes.

Communities

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

The fortunes of the Hunter region and the Port of Newcastle will remain inextricably linked for generations to come.

To this end, we will ensure the Port continues to support thriving, prosperous communities for generations to come by operating a world-class port 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.

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

The establishment of **Reconciliation Action Plan (RAP)** is a key initiative in support of the national **Closing the Gap** movement. It reflects the Port's commitment to engaging with our local Aboriginal communities and helping to improve economic, health and social outcomes. The establishment of Port of Newcastle's RAP will provide the plan and framework to commence our journey and contribute to the national reconciliation movement.

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

We will:

-
- > Begin a journey that will seek to develop our relationship and explore of sphere of influence with Aboriginal and Torres Strait Island communities.

 - > Acknowledge and respect Aboriginal and Torres Strait Island communities and their strong and ongoing connection to the land and waterways within the footprint of Port of Newcastle's operations, and more broadly, the wider Hunter region.

 - > Commence a dialogue within Port of Newcastle through the establishment of a RAP Working Group to provide a range of perspectives from across the business in developng Port of Newcastle's RAP.

 - > Develop a RAP outlining how Port of Newcastle will contribute to reconciliation with Aboriginal and Torres Strait Islanders within our organisation and surrounding community.



CASE STUDY

Industry partnership supports Soul Cafe

A unique collaboration between Newcastle Coal Infrastructure Group, Port of Newcastle and Orica has enabled the local Soul Café to upgrade its fridge and freezers to future proof the invaluable service it provides.

Soul Cafe is a local organisation, supporting local people in need. The team provides meals and services to our City's homeless and disadvantaged.

Port of Newcastle staff are also avid supporters of the Soul Cafe and have volunteered their time to the invaluable service.

 More online... portofnewcastle.com.au

Community Support and Sponsorships Program

Our Community Support and Sponsorships Program will be a key activity as part of our commitment to supporting sustainable communities and ensuring the Port continues to be recognised as a good corporate citizen. Our corporate sponsorship funding is allocated across the following target areas:

Our People	Our Community	Our Planet	Our Industry
Target 5%	Target 35%	Target 35%	Target 25%

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

The establishment of a Port User Sustainability Knowledge Hub will facilitate coaching, mentoring and networking for sustainability knowledge sharing amongst our customers. By working collaboratively across the Port, we will improve environmental and sustainability standards and performance within our sector and beyond.

Where there are opportunities, we will seek to partner with City of Newcastle to connect our Port to the Smart City Program. By supporting investment in infrastructure to encourage take up of electric vehicles will work towards generating a regional market for electric vehicle imports through our port. We will also pursue the use of smart sensors to provide accurate and real time data that will identify opportunities for improvement and efficiencies.

