

# PORT OF NEWCASTLE

## MODERN SLAVERY STATEMENT 2022





“

**As an ethical business, we are committed to managing and mitigating modern slavery and other human rights risks and protecting local and global communities.**

**Craig Carmody**  
*Port of Newcastle CEO*

**Roy Green**  
*Port of Newcastle Chair*





**CRAIG  
CARMODY** CEO



**ROY  
GREEN** CHAIR

The Port of Newcastle is fully committed to ensuring that we have an effective and measurable approach to preventing and combatting Modern Slavery and Human Trafficking in our business and supply chains.

As an ethical business, we are committed to managing and mitigating modern slavery and other human rights risks and protecting local and global communities.

We know as a major purchaser of goods and services that the action we take, together with our suppliers, can significantly help mitigate the risk of modern slavery and help protect fundamental human rights.

Port of Newcastle is committed to having an effective and measurable approach to preventing and avoiding modern slavery and human trafficking in our business and supply chains.

Our Board of Directors and Executive Leadership Team has established and maintained a Modern Slavery Task Force in the business that is empowered to address modern slavery risks in our supply chains and is resourced and supported to undertake projects and initiatives to effect positive change. I would like to personally thank each member of our Modern Slavery Task Force for their contribution to the initiatives outlined in this statement.

We are committed to creating continuous improvement across all aspects of our business. We are proud to share the progress that the Port of Newcastle has made throughout 2021, in this statement. We also look forward to continuing to strengthen our systems and processes over the coming year, so that we can better identify and eliminate modern slavery practices in our supply chains and business activities.

# 1.2 OUR VALUES

**At the Port of Newcastle, our key values are Community, Wellbeing, Integrity and Curiosity. We bring these values into our approach to managing Modern Slavery risks across our business, by:**

- 1.** Engaging our employees, contractors, the community and our supply chain on the risks of modern slavery;
- 2.** Supporting and investing in the wellbeing of our people, port users and seafarers;
- 3.** 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
- 4.** Encouraging our people to be curious, challenge the status quo, ask questions and seek better and safer ways to do business.



**COMMUNITY**



**WELLBEING**



**INTEGRITY**



**CURIOSITY**





# 1.3 OUR STATEMENT

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

**This statement sets out:**

- 1.** Our commitment to positively contributing towards the elimination of Modern Slavery;
- 2.** Details about our operations and supply chains in 2021;
- 3.** Actions taken to address modern slavery and human trafficking risks in our operations and supply chains in 2021;
- 4.** How we are monitoring the effectiveness of our actions; and
- 5.** Our strategy to further improve our performance in this area, in 2022 and beyond.







PORT OF NEWCASTLE

PORT of  
NEWCASTLE

# 2 REPORTING ENTITIES

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 2021 – 31 December 2021:

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

In this Statement these three reporting entities will be referred to collectively as the Port of Newcastle or PON.





# 3 STRUCTURE, OPERATIONS AND SUPPLY CHAINS

## 3.1 ABOUT US

Newcastle is home to the largest port on the East Coast of Australia.

The Port of Newcastle handles 4,697 ship movements, and 166 million tonnes of cargo annually, seen through a diversity of international trade, including coal, wheat and other grains, fertiliser, steel, cement, bulk liquids, containers, machinery and alumina.

The Port of Newcastle is more than just a port. We exist to build Australia's prosperity with responsible, integrated and innovative supply chain solutions. 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 future.

## 3.2 OUR 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.

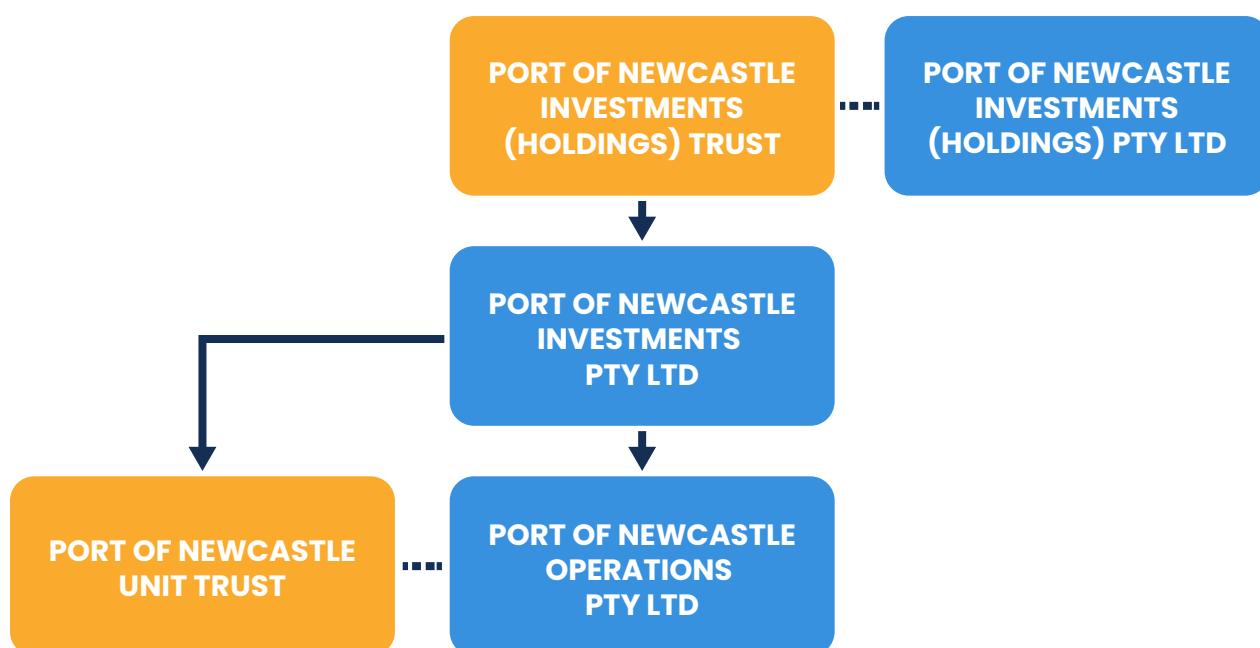
Port of Newcastle Operations Pty Limited is a 100% owned subsidiary of Port of Newcastle Investments Pty Limited, and is the trustee for the Port of Newcastle Unit Trust.

Port of Newcastle Investments Pty Limited does not have any other subsidiaries.

Port of Newcastle Operations Pty Limited Pty Limited employed 125 number of employees in Australia (as at 31 December 2021).

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

These reporting entities are part of a larger corporate group as detailed in the diagram below.



## 3.3 OUR OPERATIONS



**Trade and Port Development**



**Shipping and Operations**



**Wharf and Berth Services**



**Maintenance of Major Port Assets**



**Vessel Scheduling**



**Dredging and Survey Services**



**Managing 792 hectares of Port Land, including Trade & Port Development and Community & Stakeholder relations**



**Functions supporting port operations including Legal, Finance, Planning & Environment teams**



## 3.4 OUR SUPPLY CHAINS

PON engages suppliers, contractors and key partners to assist delivering of its business operations and strategies. Our suppliers are key participants in the ongoing operations of our critical global trade gateway at the Port of Newcastle.

PON has invested internal and external time and resources to enhancing its understanding of and analysing risks in its supply chains. The results of our 2021 supply chain audit are set out in Part 4 of this statement.



# 4 KEY RISKS IN OUR SUPPLY CHAINS

## 4.1 RISK ASSESSMENT METHODOLOGY

PON has engaged Informed 365 to facilitate the analysis of our supply chains an assessment of the associated modern slavery risks.

Informed 365 provides overall risk ratings for PON's suppliers. These ratings are generated from a weighted combination of geographic and industry-based risks. These ratings are known as Informed365 Slavery Risk Index ratings or ISRIs.

Informed 365 uses an index methodology that adheres to with the United Nations Environment Programme guidelines for Social Life Cycle Assessment. This is an ISO standardised framework for the assessment of the social and environmental impacts of goods, services and organisations.

Informed 365 uses ISO 3166 country codes to determine geographic risks and the Global Industry Classification Standard or GICS, to determine industry risks. If those standards do not provide adequate data about a particular country or industry, Informed 365 will allocate a 'high' risk rating by default.

Informed 365's industry risk assessment process also draws on data from the Social Hotspot database, literature reviews and information on the performance of different industries with respect to:



labour rights and decent work (child labour, forced labour, excessive working times, poverty);



Health and safety (injuries and fatalities, toxics and hazards);



Human rights (e.g. indigenous rights, high conflicts, gender equality, human health issues);



Governance issues (legal system and corruption); and



Community infrastructure (hospital beds, drinking water, sanitation).





Informed 365 assigns higher industry risk ratings to industries which have the following risk factors:



Labour forces with a high proportion of low-skilled workers, and low barriers to entry;



Reliance on low-tier suppliers operating in high-risk regions (especially for the supply of raw materials);



Deep and complex supply chains, where end-users have with limited information about the source of materials;



Workforces consisting of groups who are vulnerable to exploitation, including low-skilled and low-paid workers, migrant workers, women, workers who are isolated from support networks (such as seafarers) and workers displaced by conflict; and



Human rights (e.g. indigenous rights, high conflicts, gender equality, human health issues).

## 4.2 2021 SUPPLIER AUDIT

In 2021, PON implemented enhanced supplier pre-screening procedures.

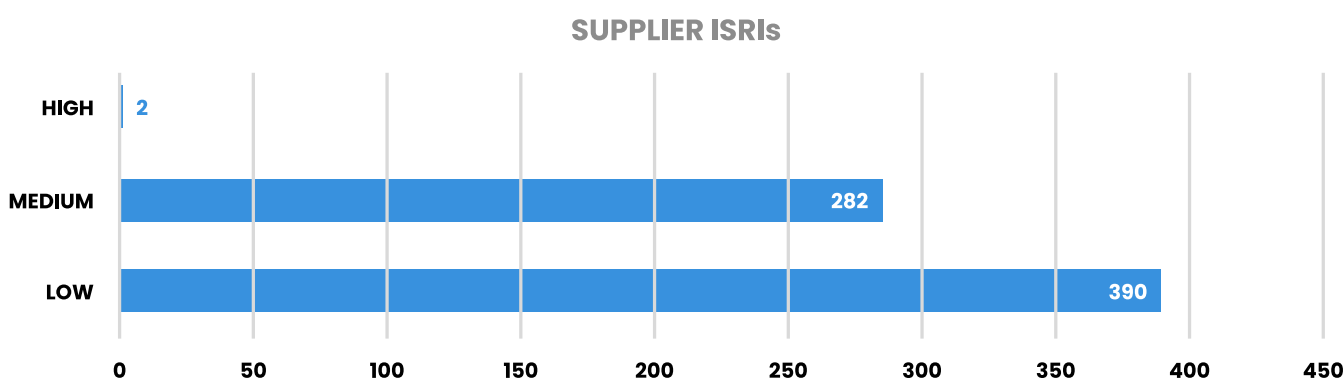
These procedures allowed PON to identify the geographic risks, industry risks and overall modern slavery risks, associated with its suppliers.

### 4.2.1 OVERALL RISK RATINGS

PON screened 674 of its suppliers in 2021 using the Informed 365 platform.

PON found that:

1. The majority of PON suppliers (approx. 58%) returned a low ISRI;
2. 42% returned a medium ISRI; and
3. Less than 1% returned a high ISRI.

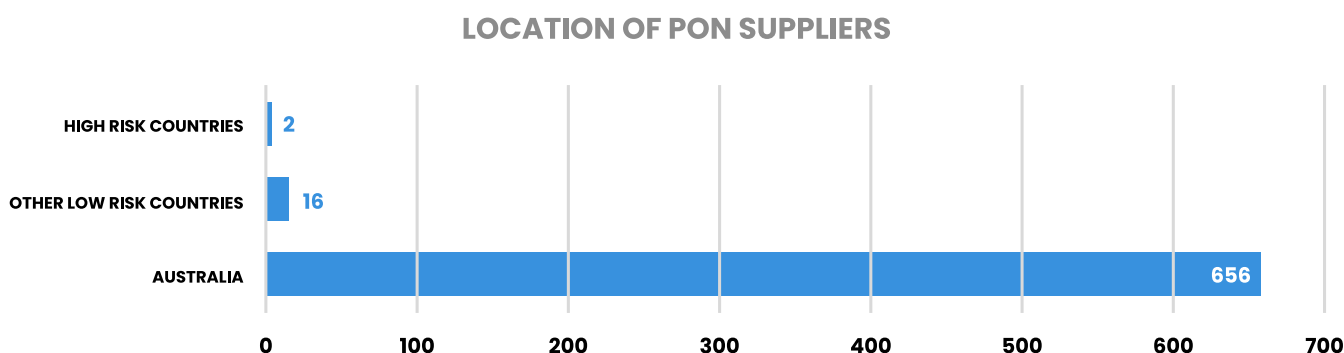


### 4.2.2 GEOGRAPHIC RISKS

97% of PON's suppliers are companies incorporated in Australia. Informed 365 assigns a 'very low' geographic risk to Australian companies.

The remaining 3% of suppliers reviewed, were headquartered across 11 countries including USA, Singapore, France, Ireland and New Zealand. These majority of these suppliers had a 'low' geographic risk rating.

Two suppliers were categorised as having a 'high' geographic risk. Those suppliers were headquartered in Samoa and China.



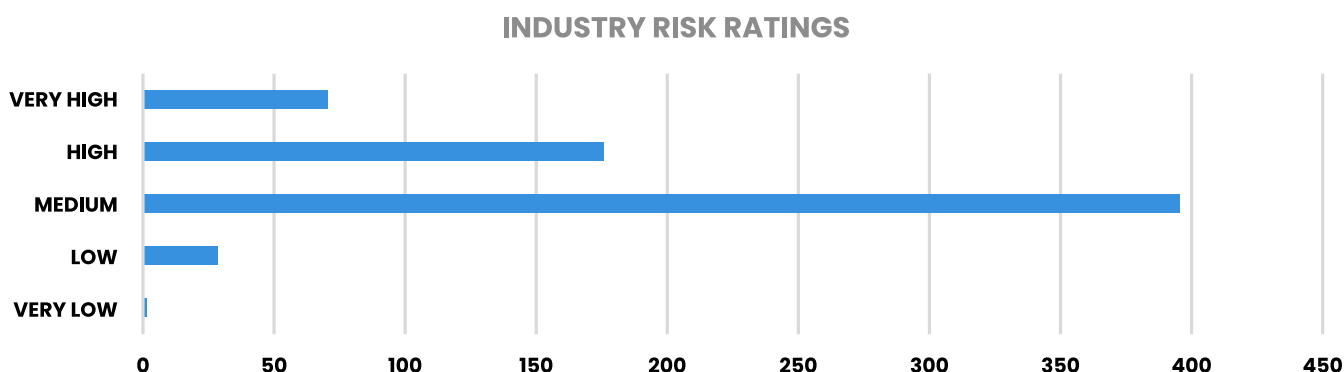


### 4.2.3 INDUSTRY RISKS

4% of suppliers screened operate in low or very low risk industries.

The majority of suppliers (59%) operated in medium risk industries.

26% of suppliers operated in high risk industries, and 11% operated in very high risk industries.



Suppliers with a high industry risk rating operated in:



**Marine &  
Port Services**



**Health Care  
Supplies**



**Trucking**



**Electrical Components  
& Equipment**

Suppliers with very high industry risk ratings operated in:



**Office Services  
& Supplies**



**Industrial  
Machinery**



**Building  
Products**



**Construction &  
Engineering**



**Hotels, Resorts  
& Cruise Lines**



**Automotive  
Retail**

Most of these high and very high risk industries are linked to marine transport, construction and transportation activities. These areas are all intrinsic to PON's business as the operator of a port. PON's procurement strategies seek to mitigate the known risks within these sectors.

## 4.3 MARINE AND MARITIME INDUSTRY RISKS

PON is aware of significant risks and challenges in the marine and maritime industries:

1. *It is common for shipping lines to register vessels in countries like Panama and Liberia, where efforts to enforce labour rights and prevent modern slavery practices are less concerted than the nations where the shipping lines are headquartered. These are known as 'flag of convenience' ships;*
2. *Outsourcing the operation of vessels to third parties at the lowest possible price is common practice. Cost-cutting measures often result in poorer working conditions for seafarers. The risk of human rights abuses also increases as the chain of authority and responsibility becomes more complex;*
3. *Seafarers are a highly vulnerable workforce, comprised of workers who:*
  - a. *Work in remote locations, where they are isolated from friends, family, support networks and potential legal supports;*
  - b. *Are often citizens of nations with complex human rights, labour rights and corruption challenges; and*
  - c. *Are generally reliant on their employers to provide a suitable means of communication while at sea.*

The COVID-19 pandemic and associated travel restrictions exacerbated many of these risks. The International Maritime Organisation noted that during the pandemic, seafarers:

1. *Often worked beyond their initial contract terms;*
2. *Were unable to disembark from vessels for periods exceeding the 11-month limit set by the International Labour Organisation's Maritime Labour Convention 2006; and*
3. *Were stranded onshore with little or no pay and limited opportunities for secure work.*

Actions taken by PON to support seafarers are set out at part 5.3 of this statement.



# 5 OUR ACTIONS

The key actions undertaken by PON during the reporting period to address modern slavery risks associated with our operations and supply chains include:

1. *Supporting the ongoing operations of a multi-disciplinary modern slavery task force;*
2. *Actively engaging with our suppliers on modern slavery issues;*
3. *Providing direct support to seafarers and organisations supporting seafarers, who have been identified as a workforce that is particularly vulnerable to modern slavery practices;*
4. *Updating our contracts, policies and procedures to ensure that modern slavery risks are adequately addressed;*
5. *Developing a new ESG training module for staff, with modern slavery elements and engaging with our local community; and*
6. *Entering into sustainability linked loan arrangements, with modern slavery KPIs.*

## 5.1 MODERN SLAVERY TASKFORCE

PON established multi-functional Modern Slavery Task Force in 2019. This task force was expanded in 2021 to include representatives from the following PON business units:



Our Modern Slavery Task Force is recognised within our business as a leadership group that is established and resourced to address the important issue of Modern Slavery Risks in supply chains.

Throughout the reporting period, this Task Force:

- 1. Met regularly to allocate responsibility of tasks and actions and prioritise tasks and actions and make recommendations to the Executive Leadership Team with respect to the development and implementation of PON's 2021 Modern Slavery Action Plan;*
- 2. Communicated with PON staff about new Modern Slavery processes and researched future training options;*
- 3. Advocated for strong action on modern slavery with internal staff and external stakeholders;*
- 4. Regularly briefed PON's board members on PON's progress in relation to modern slavery issue;*
- 5. Assisted in the preparation of this modern slavery statement;*
- 6. Sought support from professional services providers to update PON's internal policies, contract terms and public-facing codes of conduct, to better address modern slavery risks;*
- 7. Supported PON staff to screen suppliers for modern slavery risks; and*
- 8. Worked to gather data and improve PON's readiness to respond to modern slavery information requests received from contractual counterparties, media and potential financiers.*

## 5.2 ENGAGEMENT WITH SUPPLIERS

Community and Curiosity are two of our key values at the Port of Newcastle. As a result, we are engaged with our communities and proud of the Port's role in the region and we challenge the status quo by questioning if there is a better or safer way to do things.

These values have led us to actively engage with our suppliers, not only to better understand our own supply chains, but also to empower our valued business partners to improve their own practices in relation to modern slavery.

During the reporting period PON:

- 1. Developed and issued supplier questionnaires to new suppliers;*
- 2. Updated our standard form contracts, to include obligations on our suppliers to train their staff in relation to modern slavery laws, risks and procedures;*
- 3. Communicated with suppliers about their responsibilities under our updated Port of Newcastle Code of Conduct (after making revisions to this in 2020 to include a renewed commitment to uphold human rights and comply with modern slavery principals);*
- 4. Issued letters to our suppliers providing guidance on modern slavery issues, requesting information about their supply chains and inviting them to collaborate with us in combatting modern slavery; and*



5. *Gathered data on our own operations and supply chains, to ensure that we can respond promptly to requests for information about our operations and supply chains, made by Port Users and other stakeholders.*

## 5.3 SEAFARER SUPPORT

The modern slavery audits described above confirmed that seafarers are a group that is particularly vulnerable to modern slavery practices.

Prior to the covid-19 pandemic, it was typical for seafarers to work on ships for 9 months at a time. During the pandemic, many seafarers were unable to disembark due to quarantine restrictions, they are stuck onboard vessels for years at a time. This limited their ability to access appropriate means of communication, and left them isolated from family, friends, and other supports.

Providing practical supports to this vulnerable group within PON's supply chains is a practical way to minimise the risks of modern slavery practices in those industries.

### 5.3.1 MISSION TO SEAFARERS

The Mission to Seafarers Newcastle is part of a global mission founded in 1856 operating in more than 230 ports world-wide. It operates through a network of chaplains, honorary chaplains, lay staff and helpers and provides psychological, emotional, practical and spiritual support for Seafarers and their families.

PON provides financial and in-kind support to the Mission to Seafarers Newcastle. During the reporting period PON:

1. *Worked closely with the Mission to Seafarer's Newcastle to supply care packs to vessels on their arrival, and facilitate access for MTS on common user berths;*
2. *Made a \$25,000 financial contribution, which was used to support a range of operations, including seafarer transportation services and pastoral support; and*
3. *Provided funds, facilities and logistical support for covid-19 vaccination efforts.*

### 5.3.2 SEAFARER VACCINATIONS

During the reporting period, PON collaborated with both Hunter New England and the Mission to Seafarers Newcastle, to offer over 600 critical COVID-19 vaccinations to seafarers arriving in the Port of Newcastle.

### 5.3.3 WIFI KITS

In June 2021, PON collaborated with the Newcastle Coal Infrastructure Group and Seafarer Connect to facilitate the distribution of Wi-Fi units to vessels while they are using PON's common user berths. PON has committed to continuing this arrangement for the next three years.

Due to public health restrictions in place during the reporting period, seafarers had limited opportunities to disembark from vessels. This left them with limited opportunities to access affordable onshore communication equipment. There is no connectivity onboard most ships visiting the Port of Newcastle apart from satellite communications which is prohibitively expensive for crew to use. Geographic isolation and lack of access to communications equipment can exacerbate modern slavery risks.

### 5.3.4 CASE STUDY: DIRECT SUPPORT

PON's incident reporting systems recorded one incident during the reporting period. PON staff assisted at least one seafarer facing unsafe work conditions. PON wharf officers were able to provide immediate support and connect the seafarer with Mission to Seafarers for further pastoral support. PON engaged with the relevant authorities including Australian Border Force, NSW Police and NSW Ambulance. The assistance provided by PON, Mission to Seafarers and combat agencies resulted in an individual being safely repatriated to their home country.





## 5.4 UPDATING CONTRACTS, POLICIES & PROCEDURES

PON delivered on its plan to review and update our contracts, policies and procedures to better address modern slavery risks. Updates were made to PON's:

1. *Standard contract suite;*
2. *Procurement policy and supplier onboarding process;*
3. *Credit card reconciliation procedures; and*
4. *Incident reporting procedures.*

## 5.5 TRAINING & COMMUNICATIONS

### 5.5.1 STAFF TRAINING & COMMUNICATIONS

During the reporting period, PON developed an ESG training program for staff which included modules on modern slavery. PON staff also have access to internal materials explaining new policies and procedures that have been adopted during the reporting period.

PON regularly provides information to staff on its intranet page, via email and during scheduled all staff meetings, in relation to:

1. *PON's commitment to combatting modern slavery risks;*
2. *The development of new policies and procedures to identify and address modern slavery risks;*
3. *How-to guides to help staff navigate new procedures;*
4. *Online resources and training materials, which can be used to increase their knowledge and awareness about modern slavery;*
5. *Actual or suspected incidents of modern slavery that occur in PON's supply chains, PON's operations, or amongst Port users; and*
6. *Upcoming seminars and training opportunities provided by third parties.*



### **5.5.2 COMMUNITY ENGAGEMENT**

PON encourages members of our local community to assist with our goals of identifying and combatting modern slavery risks. PON staff discuss Modern Slavery risks and PON initiatives at customer engagement meetings, Community Liaison Group, Port User Group meetings and other relevant community forums. PON also publishes news stories about modern slavery risk management initiatives on its website and social media platforms.

### **5.5.3 BOARD ENGAGEMENT**

The PON Boards undertake targeted director development training sessions. In April 2021, all the members of PON's board attended a director development session on modern slavery issues.

The Board have oversight of the development and implementation of PON's Environmental, Sustainability & Governance Strategy and PON's public Sustainability Report, each of which target measures to address modern slavery in PON's supply chains.

## **5.6 SUSTAINABILITY LINKED LOANS**

In May 2021, PON entered into landmark loan arrangements with the National Australia Bank. Under these arrangements, the financing of the Port of Newcastle is aligned with long-term environmentally and socially responsible outcomes. This is the first sustainability-linked financing by an Australian seaport and the first such loan in Australia to include a modern slavery assessment metric addressing all of the borrower's suppliers.



# 6 ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

## 6.1 PROGRESS IN 2021

In our previous modern slavery statement, we provided details of our action plan, for addressing modern slavery risks over a 3-year period.

That plan set out nine key areas in which PON intended to take action, in order to improve its systems for identifying and addressing modern slavery risks in our operations and supply chains.



We are pleased to report that progress has been made in all nine areas during 2021 as detailed in this statement.

## 6.2 SUSTAINABILITY LINKED LOANS

Port of Newcastle will continue assessing the effectiveness of the actions it is taking to identify and address the risks of modern slavery practices in its operations and supply chains in the following ways:

1. *Developing a modern slavery action plan for each new calendar year, with KPIs and action lists;*
2. *Reviewing actual performance against each year's modern slavery action plan at the end of each calendar year;*
3. *Improving our ability to monitor and ensure compliance with modern slavery KPIs in our sustainability linked loans;*
4. *Comparing results of annual supplier audits;*
5. *Implementing an internal review mechanism of any notified known or suspected instances of modern slavery in its supply chain;*
6. *Developing internal systems to collect and track data on:*
  - a. *the number of modern slavery training and awareness-raising programs delivered*
  - b. *the proportion or number of complaints resolved by our grievance mechanism*
  - c. *the number of contracts that include modern slavery clauses*
  - d. *the number of tender documents that include supplier on-boarding questionnaires in relation to modern slavery and labour hire practices; and*
  - e. *the number of actions taken to work with suppliers to improve their capacity to respond to modern slavery risks.*



# 7 CONSULTATION PROCESS

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 Unit Trust (ABN 97 539 122 070); and*
3. *Port of Newcastle Investments Pty Limited (ACN 169 132 441).*

The Statement was prepared with input by members of our Modern Slavery Task Force. The Boards of each reporting entity have been regularly briefed on the progress and outcome of the activities in this Statement.

# 8 OUR GOALS FOR 2022

PON has developed a modern slavery action plan for the 2022 calendar year. Key goals in that plan include:

1. *Continually improving and automating our supplier auditing procedures and ensuring staff are trained in the new procedures;*
2. *Improving the Modern Slavery Task Force's governance procedures, and our ability to assess the effectiveness of our efforts to combat modern slavery;*
3. *Developing stakeholder engagement plans to target modern slavery in the high-risk shipping and stevedoring supply chains;*
4. *Reviewing responses to supplier questionnaires and consider updating our templates to tailor the questionnaires to our business needs and procedures;*
5. *Improving our ability to map staff and supplier training; and*
6. *Continuing to provide direct support to seafarers throughout 2022 .*



# STATEMENT ANNEXURE

This Modern Slavery Statement was approved by the principal governing body of the Port of Newcastle, as defined by the Modern Slavery Act 2018 (Cth) (the Act), on 23 June 2022.

This modern slavery statement is signed by a responsible member of the Port of Newcastle, as defined by the Act:



**Craig Carmody, CEO**



**Roy Green, Board Chairperson**

This statement addresses each of the mandatory criteria in section 16 of the Act as set out in the table below:

MANDATORY CRITERIA	SECTION NUMBER	PAGE NUMBERS
Identify the reporting entity.	2	3
Describe the reporting entity's structure, operations and supply chains.	3	4 to 5
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	4	5 to 7
Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation actions.	5	7 to 13
Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement)	6	13
Any other information that the reporting entity, or the entity giving the statement, considers relevant.	7	13





**Headquarters:** Level 4 251 Wharf Road Newcastle NSW 2300