



WE PROACTIVELY MANAGE OUR IMPACTS

Sustainability is embedded in our day-to-day operations

This year marks the fifth year of our Licence To Operate (LTO) Framework, which defines our overarching approach to managing our potential social, economic and environmental impacts. The Framework has been the driver of openness and transparency with our stakeholders, particularly with our local community. It also provides a platform for ongoing collaboration with our people, empowering them to understand and mitigate social and environmental risks in their day-to-day activities.

Portfolio of projects

Reflecting on the performance of the LTO Framework over the past five years, we have delivered 171 improvement projects to proactively manage risks and advance our social licence to operate. Accountability for the delivery of LTO Projects is business-wide and has been key to driving shared responsibility for our LTO performance across all teams.

In 2020, the LTO Project Portfolio consisted of 51 projects, of which 42 were completed by year end. Six projects are still active and will be carried over to 2021, including additional low-noise drive installations. Three projects were removed from the portfolio or put on hold due to changes in priorities.

Understanding and managing stakeholder expectations

Our stakeholders expect us to measure, evaluate and communicate our performance beyond compliance requirements. To meet this expectation, in 2016 we developed our LTO Model, a tool that drives improvements, measures and evaluates performance, and also provides comprehensive and easy to understand information.

Understanding how the community sees our business and addressing areas of concern is a key component of our LTO. Our Local Voices Community Survey is a tool that enables us to explore the key drivers of trust between our business and our local community. Using the survey results we can identify where we need to better focus our efforts, and thereby improve our environmental, social and operational management and performance. In 2020, we completed the first two years of Local Voices, which forms a baseline and enables us to compare results over time. We committed to another two years of Local Voices, which commenced with an Anchor Survey in September. Local Voices Community Anchor Survey feedback is presented throughout this report and detailed in a case study on page 33.



LICENCE TO OPERATE FRAMEWORK

Regulatory Compliance – Proactive Management & Industry Leadership
– Understanding & Meeting Stakeholder Expectations

ENVIRONMENT



OUR APPROACH:
To continuously improve our baseline performance over the long-term while eliminating one-off incidents.

RELATIONSHIPS & REPUTATION



OUR APPROACH:
To be an active and valued member of the Newcastle region and known for our actions and words aligning with our values.

GOVERNANCE



OUR APPROACH:
To have an interdependent culture which achieves beyond regulatory compliance outcomes, in line with our values and stakeholder expectations.

SOCIAL IMPACTS & CONTRIBUTIONS



OUR APPROACH:
To leverage our resources and knowledge to contribute to a sustainable and vibrant Newcastle while minimising impacts on the community.

CATEGORY

GOVERNANCE



7

AIR QUALITY



8

NOISE



24

WATER



ENVIRONMENTAL FOOTPRINT

RELATIONSHIPS & REPUTATION

SOCIAL IMPACTS & CONTRIBUTIONS



3



2



WE ARE COMMITTED TO CONTINUALLY IMPROVING OUR PERFORMANCE

*We respond to
changing conditions
and new challenges*

Environment is one of the four themes under our LTO Framework and our approach to environmental management is to continuously improve our performance over the long term.

The focus areas for our environmental management and performance are air quality, noise, water and environmental footprint (energy efficiency and emissions, land use and biodiversity, potable water consumption and waste).

We have implemented an Environmental Management System (EMS), certified to ISO 14001, which provides a systematic approach to managing our potential environmental impacts and responds to changing environmental conditions in line with stakeholder expectations. This systematic approach contributes to our sustainability by managing our key areas of operational risk – air quality and dust emissions, potential noise impacts, and the management of site water systems to avoid pollution incidents. We regularly review our environmental performance by analysing our objectives, targets and the LTO Model.

Each environmental focus area has a range of management strategies, including investment into LTO projects to maintain and improve the environmental performance of our terminals and to ensure we continue to meet stakeholder expectations. We have identified 46 improvement projects for 2021 including six projects that were carried over from 2020, mainly due to COVID-19 impacts. Water management remains a key focus, comprising more than 40% of total projects. Air quality, noise and community-related projects also feature significantly in the LTO Project portfolio.

Performance

In December 2020, our Carrington Terminal reached a notable milestone by achieving two years with no reportable environmental incidents. A testimony to the substantial amount of resources and upgrades implemented at the terminal in recent years and the commitment to improvement from the team. At our Kooragang Terminal, however, there were 10 reportable environmental incidents during the year, exceeding our goal of less than four annually.

All incidents were managed with prompt action to minimise environmental impacts, with thorough investigations conducted, and additional measures implemented to avoid any potential reoccurrence of a similar nature.

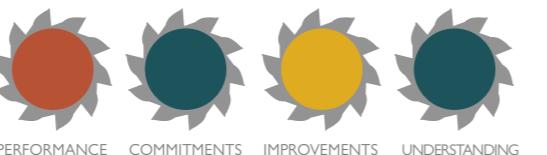
Our performance target for 2021 is to again have no more than four reportable environmental incidents, a goal that is supported by targeted risk-based management strategies and implementation of improvement projects. In 2021 we also plan to review our internal auditing programme to identify early indicators that could lead to improvements in environmental management practices.

Community feedback

We aim to improve the understanding of our environmental practices among our community stakeholders. Through the two Local Voices Community Surveys conducted in 2020, we asked community members about a range of potential environmental impacts including dust, water quality and noise.

Responses show a generally positive improvement in sentiment towards key environmental measures. Dust and water impacts were viewed less negatively in the September Community Anchor Survey than the March Pulse Survey, and ratings of Port Waratah's work to protect the local environment sharply improved in the same time period. The clear exception to this was perceptions of noise impacts created by Port Waratah's operations, and community members felt that there was room for improvement in managing this impact. We are aware that our potential impacts are of greater concern for residents in neighbouring portside communities compared with those living in the broader Newcastle area and we actively engage with them as a priority. Overall, the 2020 Local Voices Community Survey results were similar to those of 2019.





Port Waratah understands that if not managed appropriately, the nature and scale of our operations has the potential to generate dust and negatively impact our community. We therefore recognise that dust is a material issue for our portside stakeholders.

How we manage air quality

Our Intelligent Dust Management System (IDMS) utilises data from onsite weather stations, as well as forecast weather data from the Bureau of Meteorology, to continuously assess stockpile moisture levels and the potential for dust lift-off. A network of Real-Time Dust Monitors (RTDM) within the site boundary is also used to report onsite dust concentration measurements.

The stockyard water sprays are automatically activated to proactively manage stockpile moisture and/or respond to RTDM levels as required. Water sprays are also utilised as required throughout all conveyor transfer operations, from train unloading to shiploading.

Dust mitigation measures have been considered throughout our infrastructure design, incorporating soft-flow chutes, conveyor belt cleaning systems, real-time dust monitoring and enclosed facilities wherever possible. Operational management practices, such as the use of mobile spray systems and water carts, manual hosing or spraying of coal, routine site cleaning and sealing open areas, wherever possible, also assist in reducing the potential for dust generation. Port Waratah is committed to delaying or, if required, ceasing operations in adverse conditions.

Regulatory compliance

We routinely review the data collected by the Newcastle Local Air Quality Monitoring Network to understand Newcastle's seasonal air quality performance. This information is shared throughout the business and is taken into consideration during operational planning.

Seasonal air quality monitoring reports for 2020, which are collated by the Department of Planning, Industry and Environment, showed that air quality results remained within national benchmarks and were recorded in the good to fair categories for the majority of the year, despite extensive bushfires greatly impacting on air quality in the Newcastle region during the 2019/20 summer.

Other factors that can impact air quality in the Newcastle area include natural aspects, such as below average rainfall, sea salt and pollen, domestic activities (such as wood fires, heaters, motor vehicles and internal combustion engines) and industrial activities.

MANAGING DUST IS A KEY FOCUS

Our control techniques, processes and systems are world class

We recorded one licence non-compliance attributed to excessive dust generation during shiploading operations at the Kooragang Terminal in 2020. In response, we suspended shiploading activities and the conveyor and chute sprays were inspected. Repairs were subsequently undertaken, and the remainder of the vessel's cargo was loaded at a reduced load rate to manage risk of further dust generation. No further issues were observed.

Continuous improvement

We are committed to the continuous improvement of our dust management systems and capabilities, evaluating IDMS performance on an annual basis and introducing refinements, wherever possible.

During 2020, a detailed review of the dust management infrastructure and operational processes within the coal transfer and stockyard was undertaken and led to improvements in operational and maintenance regimes. A review of the coal-flow process was also undertaken to streamline the movement of coal and minimise the potential for coal spillage. Updates have been incorporated into the process, resulting in a reduction in coal spillage volumes. This will continue to be a focus in 2021.

We also undertook a project to replace the series of real-time dust monitors located around the perimeter of Kooragang Terminal. This investment will ensure the ongoing operation and improved reliability and performance for the IDMS. Similar capital investment is scheduled for Carrington Terminal in early 2021.

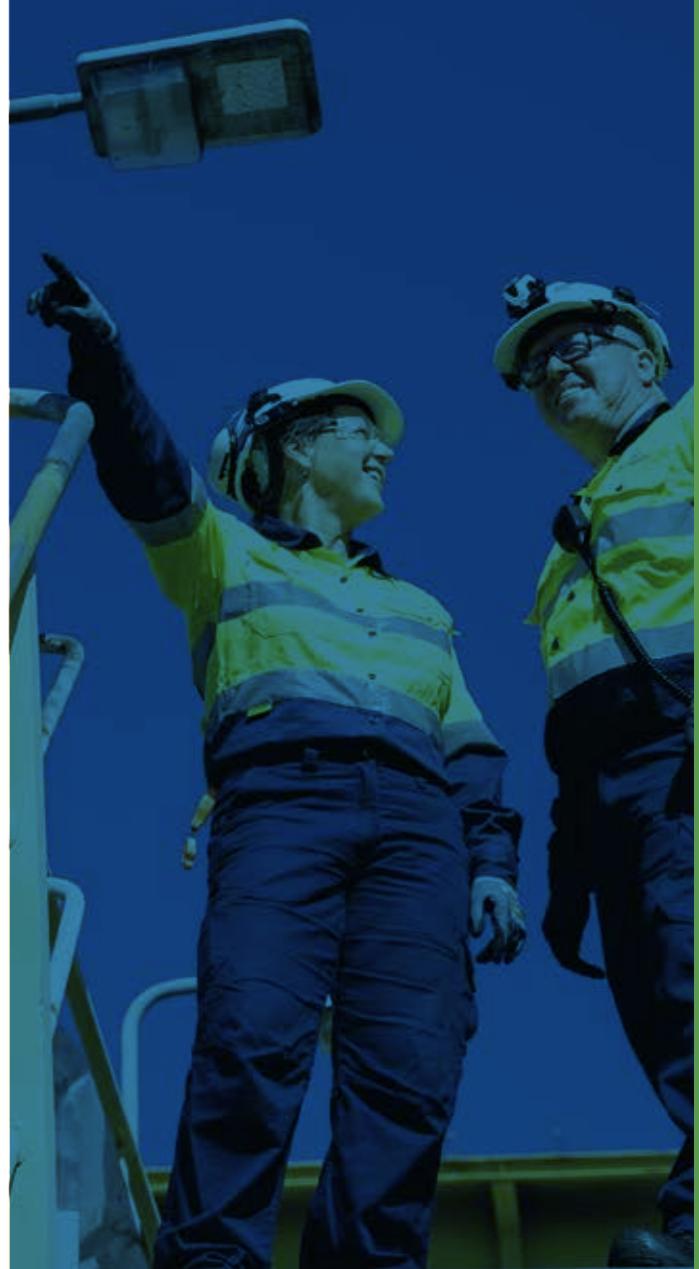
Community feedback

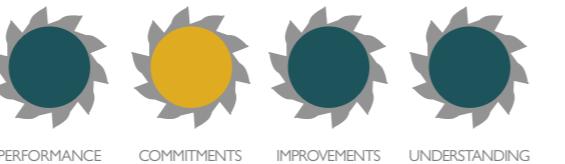
Air quality and dust are key environmental concerns for our local community, particularly for those living in portside suburbs. The 2020 Local Voices Community Anchor Survey results indicated a positive shift in community perceptions regarding management of dust impacts and overall satisfaction with our dust management practices.



New Dust Management Technology

Following completion of a successful trial in 2020, our Intelligent Dust Management System (IDMS) will be further enhanced with upgraded Real-Time Dust Monitors (RTDMs) and extended to within the train unloading stations. The RTDMs will provide improved early detection capability by measuring dust concentrations at the moment coal arrives. In the event that elevated dust concentrations are experienced, this new technology will enable a quick response to manage the specific cargo as it is transferred to the stockpile.





KEEPING THINGS QUIET

Proactive strategies to ensure effective noise management outcomes

Port Waratah takes a long-term strategic view to ensure we continually improve our noise emissions over time. Focussing on areas of our site that have the best noise reduction opportunities for our neighbouring communities, we have developed a plan that delivers sustainable long-term noise improvements for the community and complements operational performance outcomes.

How we manage noise

An operating coal terminal is a noisy environment, therefore understanding how and where we generate noise is key to ensuring that we have effective controls in place to minimise potential impacts. These controls are incorporated into the design and operation of our equipment, as well as the scheduling of work, the systems and procedures that direct our daily operations and long-term noise improvement strategies.

Where it is commercially viable, the installation of low-noise specification equipment (i.e. conveyor drives, rollers, and coal transfer chutes), is standard practice at Port Waratah. We have incorporated best practice design principles to reduce offsite noise, such as the enclosure of transfer points, re-orientation of alarms and adjustment of alarms to minimise noise in offsite areas.

Our employees and contractors play a critical role in managing noise, therefore ongoing education and awareness training play an important part ensuring noise-related issues remain a focus area for our business and that our terminals are being operated and maintained effectively.

Regulatory compliance

Ongoing compliance is demonstrated through our noise monitoring programme which regularly assesses our performance against our noise criteria and long-term goals. Throughout 2020, we maintained full regulatory compliance with noise-related conditions specified in development consents. In the absence of regulatory criteria, we have developed internal noise goals to measure and monitor our performance. Our performance against set goals demonstrates improvement, with just two instances of night-time noise levels exceeding the relevant goal.

Continuous improvement

Good progress was achieved with the Carrington Terminal's multi-year Conveyor Drive Strategy. The strategy aims to reduce our noise impact in neighbouring communities by upgrading more than 30 drives over several years with lower noise replacements. In 2020, another set of primary and secondary stockyard conveyor drives were upgraded

in June, and the Reclaimer 1 boom drive was replaced in October. Since commencement in 2017, 17 drives have been upgraded, with a capital expenditure of more than \$4.5 million. In 2021, we plan to upgrade a further five drives with a budget of \$1.7 million.

The Kooragang Terminal continued implementation of its noise reduction strategy, focussing on a programme of 'hot-spot' monitoring of conveyor systems and the targeted replacement of higher noise-generating locations. Five conveyors with a total length exceeding 4.7km were assessed and segments with noise generating hot spots will be targeted for replacement in 2021.

Community feedback

Overall, the results from the Local Voices Community Anchor Survey show the management of noise at Port Waratah has improved. However, responses did indicate that perceived noise impacts were slightly higher than previous surveys. This trend will be closely assessed in future surveys in conjunction to the implementation of planned noise improvement initiatives throughout 2021.



Carrington Real-time Noise Monitoring Technology

Since the Real-time Noise Monitoring Trial commenced at Carrington Terminal in 2019, we have successfully demonstrated the ability to identify 10 separate noise sources using the technology.

We also identified that noise from our Carrington Terminal operations does not dominate the local noise profile, and therefore it has been an ongoing challenge to develop a reliable method of identifying onsite noise issues impacting adjacent residential areas. The trial identified that while background noise does increase and decrease in line with the Terminal's operating status, the overall change in background noise is unlikely to be noticeable in residential areas in combination with other non-Port Waratah noise sources.

Throughout 2020, we focussed on trying to identify noises that may concern nearby neighbours, such as faulty idlers or alarms, as these noises typically have a higher pitch than normal operational noise. However, the practicality of this method proved to be challenging due to the variability in these types of noise.

In 2021, we will review the trial outcomes, looking at how we can consolidate learnings and drive improvement.

CASE STUDY

CARRINGTON CONVEYOR DRIVE STRATEGY



2020

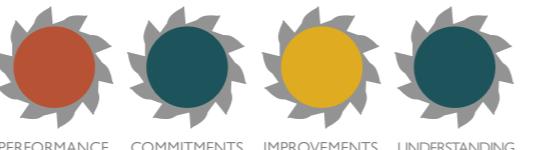
3 TOTAL
SC8 Primary and Secondary Drives
Reclaimer 1 Boom Drive

SPEND \$976,000

2021 PLANNED

5 TOTAL
SC2 Primary and Secondary Drives
Stacker 3 Boom Drive
SC3 Primary and Secondary Drives

SPEND \$1,700,000



The responsible management of water at Port Waratah is critical to our operations and its sustainable use a key focus of continuous improvement programmes.

Performance

The Site Water Balance Model and water management systems at our terminals operated effectively throughout the year. During 2020, a number of rainfall events occurred that exceeded the storage capacity of our water management systems and resulted in localised overflows, as provided in our Environment Protection Licences and development consents.

Unfortunately, we did not achieve our target, experiencing six incidents at our Kooragang Terminal. The incidents were largely caused by limitations of controls or infrastructure, which has led to extensive investigations to review and improve controls through planned corrective actions. While the incidents were minor in nature, they were recorded and notified in accordance with our legislative requirements. In order of occurrence, the incidents were:

- In March, a hydraulic hose failed on a shiploader at Kooragang resulting in the discharge of approximately five litres of hydraulic oil into Newcastle Harbour. A floating oil-absorbent boom and absorbent mats were used to contain some of the oil in the harbour, the hose was replaced, and the failure mode was investigated to eliminate the potential recurrence of the incident.
- In May, washdown water was blown by extreme wind conditions from an onsite washdown activity onto a nearby public roadway. Spill response equipment was deployed to prevent further water entering a nearby public roadway drain. Residual water in the roadway gutter and drain pit were removed with a vacuum tanker and returned to site. A review of the pre-task hazard assessment has been undertaken to highlight potential weather impacts on tasks.
- Two incidents in July and September involved drainage systems on our shiploaders at Kooragang Terminal. These incidents were the result of blockages and leaks in the launders directing washdown water to the collection system. Small amounts of coal laden water discharged from the launders into Newcastle Harbour during these events. The blockages and leaks were repaired, and the machine returned to service. An inspection of the launders is undertaken following all shiploader washdowns to identify any potential issues with the launders prior to operation.

WATER IS ESSENTIAL TO OUR OPERATIONS

We understand the important role of water in our local environment and how we can use this resource sustainably

- In October an underground fire main ruptured resulting in approximately 108kL of process water discharging into Newcastle Harbour at Kooragang Terminal wharf. The water supply system was shut down and the pipeline repaired.

- The final incident occurred in late December, when the conveyor drive fluid coupling fusible plug located on a shiploader, discharged oil due to reaching its temperature limit. This resulted in the release of the entire capacity of the fluid system (22.5 litres). Approximately seven litres of oil landed on the deck of the machine, and approximately 15 litres of hydraulic oil entered Newcastle Harbour below. A review of the type of fusible plugs in use on the shiploaders to an enclosed system type is in progress.

All incidents were investigated with corrective actions developed to minimise the potential for reoccurrence. We continue to invest significant time, effort and resources to eliminate water related non-compliances.



Kooragang Water Management System Automated

The water management systems at Port Waratah comprise substantial infrastructure of storages and connecting pipework, drains and pumping systems. The control of water onsite uses Programmable Logic Control systems that utilise field sensors and transmitters to monitor and control the storage and transfer of water.

During 2020, the last major storage at the Kooragang Terminal was integrated with the automated water management system, removing the need for personnel to manually operate transfer pumps, which often took place during the night and/or rain. The project involved a \$2.5 million investment to install new pumps, pipework and level telemetry that now automates the transfer of water to and from the storage. This major improvement to the water infrastructure enables the refinement of efficient system operation and maximises available storage.



CASE STUDY

Water Management Improvement Projects in 2020

16 CAPITAL PROJECTS

OVER \$4.3 M SPENT

IMPROVEMENTS

Carrington:

- Commencement of works on a third stormwater storage tank.
- Connection of a filtration system to the main water supply storage tank (reducing potable water consumption).
- Bank stability improvements to main storage dam.
- Installation of a pollutant trap to capture debris and vegetation.

Kooragang:

- Additional washdown controls on all shiploaders, including redesign of a trimmer flap and launder enhancements.
- The automation of water transfers to and from water storage facilities.
- Surface water drainage improvements.
- Assessed infrastructure to identify process water improvements for further investigation.



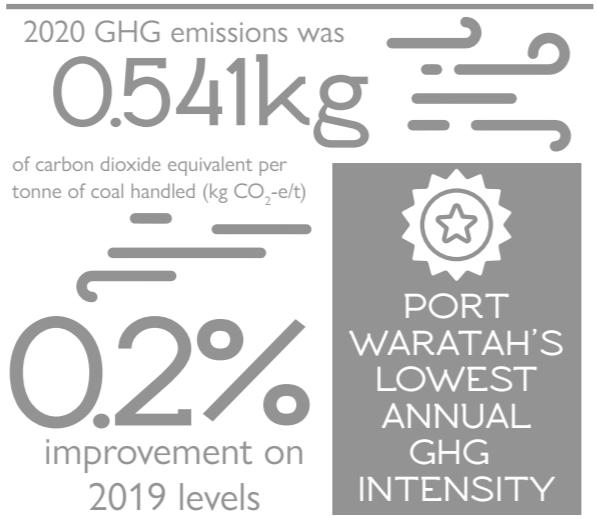
Community feedback

Water management remains one of the environmental concerns for our local community. The 2020 Local Voices Community Anchor Survey results showed that most participants view Port Waratah as a responsible water user, which is consistent with previous survey results. Survey responses also showed increased satisfaction in our management of potential water quality impacts to Newcastle Harbour.



REDUCING OUR ENVIRONMENTAL FOOTPRINT

*We're committed
to reducing our demand
on the environment in
which we operate*



Our environmental footprint describes the demand on the capacity of the natural resources and environment in which we operate. We reduce this demand through identifying and implementing improvements to use electricity and potable water more efficiently, generating less waste and diverting more from landfill, as well as enhancing onsite biodiversity and improving land use practices.

Energy and emissions

Almost 99% of the total energy consumed at Port Waratah is from grid purchased electricity, which is required to operate our plant and equipment. In 2020, we made the switch to an electricity provider that generates 95% of their energy from renewable sources. Improving our energy and emissions performance requires us to reduce the amount of electricity required to move each tonne of coal handled at our terminals. Our target for 2020 was to improve upon our 2019 electricity efficiency (our best year recorded). Unfortunately, our electricity efficiency was 0.4% behind our 2019 performance. Pleasingly however, our all-time top four months for electricity efficiency were recorded in 2020.

Our energy consumption and greenhouse gas (GHG) emissions are reported each financial year to the Australian Federal Government through the National Greenhouse and Energy Reporting (NGER) Scheme.

Our overall Scope 2 emissions reduced by more than 8,900 tonnes of Carbon Dioxide equivalent (CO₂-e) an improvement of 4.3% compared to 2019. Adjusted for total coal handled, we saw an improvement of 0.2% to 0.541kg CO₂-e per tonne handled, which is our lowest annual GHG intensity. GHG emissions calculations are based on our Scope 2 GHG emissions resulting from the electricity consumed, which includes carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). Our data is publicly available via the Clean Energy Regulator's website and is used to meet international reporting obligations, inform government policy and provide information for government programmes and activities.

Land use and biodiversity

Both of our terminals are situated in areas of rich industrial history and adjacent to areas of significant ecological importance. Immediately adjacent to the 2.1km² Kooragang Terminal is the Hunter Wetlands National Park and the internationally recognised Hunter Estuary Wetlands Ramsar site. The wetland supports 45 species of migratory birds listed under international agreements and more than 110 species of waterbirds.

Our Land Management Strategy encompasses all managed sites, with a focus on enhancing areas of biodiversity value within our property boundaries. Weed management is a primary focus, targeting regional strategic weed species, such as Pampas grass, Groundsel bush and Lantana.

Throughout 2020, it was pleasing to note that several work activities at the Kooragang Terminal successfully implemented our Green and Golden Bell Frog (GGBF) Management Plan ensuring our activities do not impact upon the welfare of the local GGBF population. One of these projects managed to relocate more than 30 GGBF in a single pre-clearance survey, with the assistance of a specialist ecologist.

Potable water consumption

The use of water at Port Waratah is a key component in nearly all aspects of our operations. Stored water is used preferentially for operational activities, such as dust suppression, with potable water, purchased from Hunter Water, used for amenities and to top up supplies when there is insufficient water available onsite. We aim to improve our potable water efficiency and reduce the overall volume of potable water used for operational purposes.

At the start of 2020, severe dry conditions continued across the Region, with Level 1 escalating to Level 2 water restrictions in January. We worked with Hunter Water in refining and implementing Water Efficiency Management Plans for our terminals. Thankfully for the Region, regular rainfall returned from February, replenishing supplies and easing demand pressures for households and industry.

Our target was to reduce our potable water consumption compared to the previous three-year average (2017-2019). With the return of regular rainfall, this target was easily achieved with potable consumption reducing 40% to 1.96ML per day, or by 476ML for the year. For the Kooragang Terminal, potable consumption in 2020 was the lowest recorded with its fully expanded capacity (since 2013), and the Carrington Terminal recorded its second lowest annual consumption in 12 years.

In 2020, we reviewed several aspects of our water management system operating philosophies and adjusted how and when water is stored and transferred in the system. This has significantly increased the efficient reuse of water at the Carrington Terminal.

ENERGY



CONSUMED
0.6686
KILOWATT HOURS
per tonne of coal handled (kWh/t)

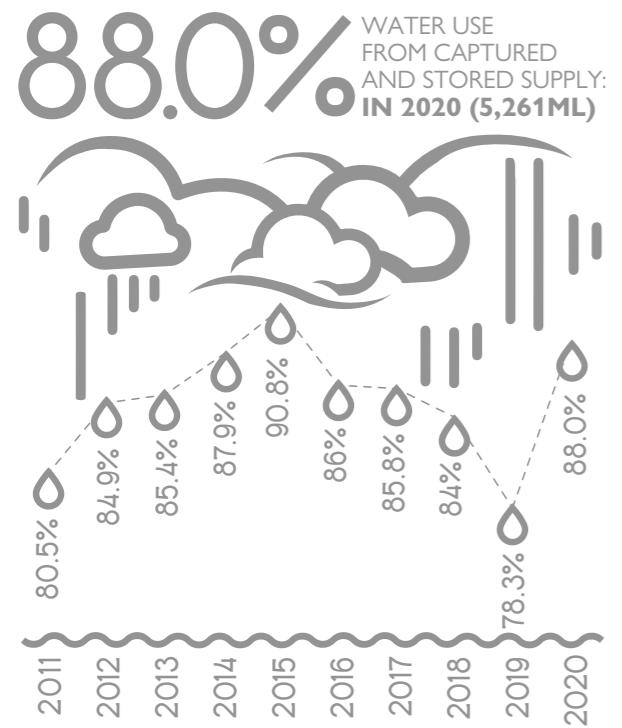
**2nd best annual performance
for electricity efficiency**

 **141,716 MWh
consumed in 2020 is our
lowest annual
consumption
since 2011**

**ELECTRICITY
EFFICIENCY**  **7.3%
IMPROVEMENT
over the past 10 years**

**Equivalent to Saving
9,984,896 kWh
compared to 2010. That's
enough electricity to power
more than 1900 Newcastle
households for a year*** 

*Based on Ausgrid average electricity use 2018/2019
<https://www.ausgrid.com.au/Common/About-us/Corporate-information/Data-to-share/Average-electricity-use.aspx>



Effluents and waste

Our objectives of improved resource efficiency through waste segregation, waste minimisation, landfill diversion and recycling opportunities are core to improving our environmental footprint.

Our target to reduce the amount of waste sent to landfill compared to the previous year was achieved, with a 3.5% reduction against 2019 totals. We also managed to improve our landfill diversion and recycling rate by 0.8%.

We managed to secure a sustainable solution to a problematic waste item, steel cord conveyor belts. Through a locally based agent, we found a sustainable end use for used conveyor belts in regional agriculture markets and in small quarry operations in India.

Waste effluent pumped from the Carrington Terminal Sewage Treatment Plant generates the largest proportion of waste at our sites. In 2020 it totalled 2,434t, or 54.6% of the total waste generated by Port Waratah. Effluent collected is transported to and treated at local Hunter Water treatment plants. Following the treatment process, water is re-used for irrigation and industrial use, with the remaining volume returned to the environment. The biosolids produced from the treatment process are reused for mine site rehabilitation.

During 2020, no waste materials were received at our terminals or licenced waste facilities. We did record two hydrocarbon related spills of oil from our Shiploaders at the Kooragang Terminal in March and December (see pages 26 and 27).

Material tracking

We recorded three events where sediment material from our site was tracked onto public roads from vehicles leaving site. On each occasion we endeavoured to remove as much material as possible from the events, using appropriate tools or street sweepers. We have undertaken employee and contractor education to highlight the need for personnel to check their vehicles for material prior to leaving site and are in the process of establishing more wash bays around site to increase vehicle cleaning opportunities.



Plastic Police Programme

Our War on Waste Team introduced the Plastic Police programme across the organisation in June 2020, encouraging an active waste culture at work and home. Soft plastic waste is collected throughout the business, with employees investigating ways to reduce soft plastic packaging and other sources in the workplace.

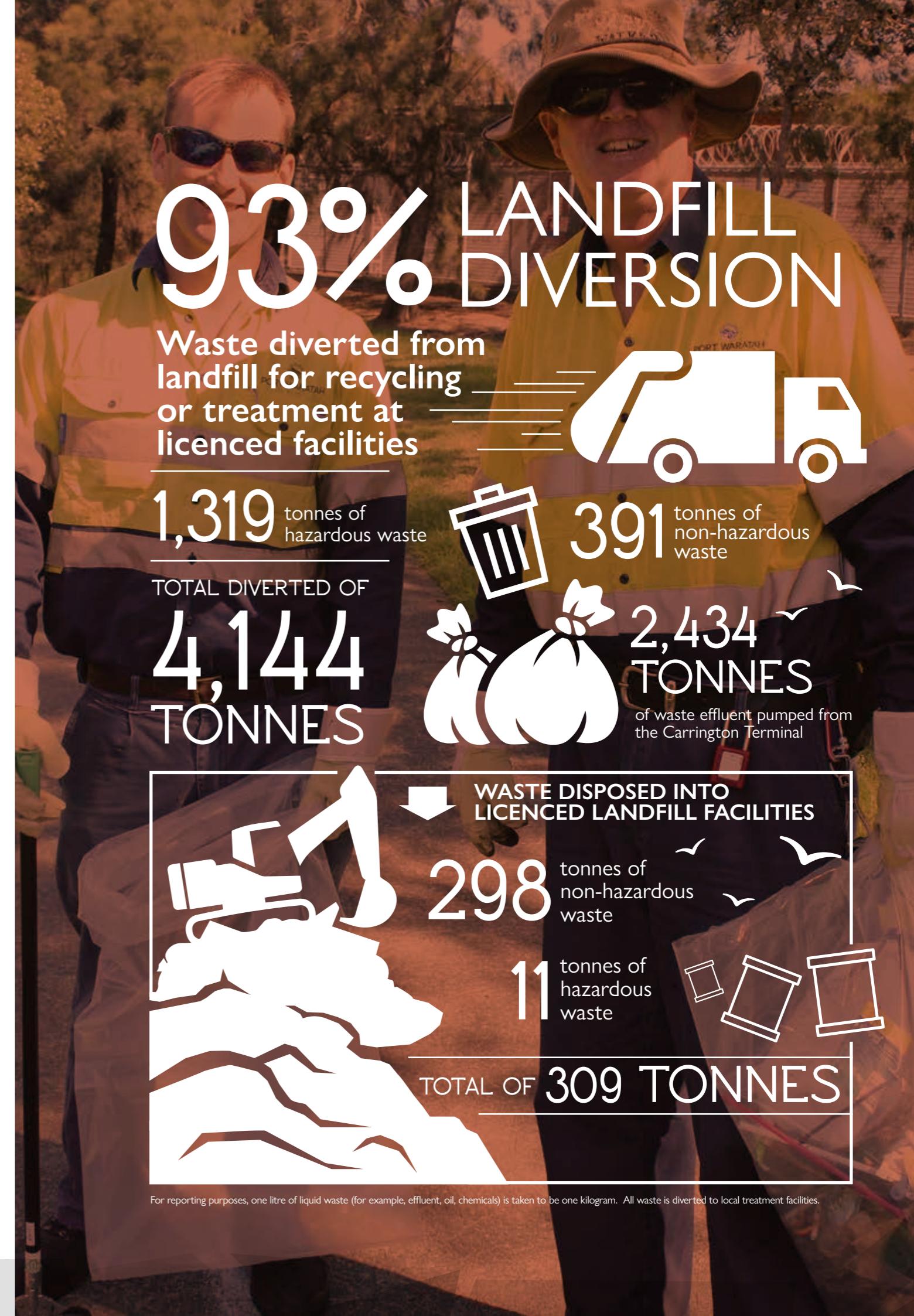
Since that time, 157 kilograms of soft plastics has been collected and diverted from landfill. This is equivalent to 39,175 plastic shopping bags and if you lined them up, they would stretch more than 12 kilometres.

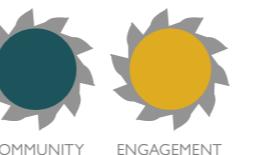
The next stage of the process is to buy back some items that have been made from our plastic waste. This could include a park bench, wheel stops for our car parks, bollards, signs or road base.

Our actions are helping to stem the tide of plastic pollution and unnecessary use of soft plastics.



CASE STUDY





WE'RE AN ACTIVE MEMBER OF NEWCASTLE & THE HUNTER REGION

We care about our community and build genuine, reliable relationships to achieve shared outcomes

Port Waratah has a proud history of actively engaging with our stakeholders, including our employees, our customers, the community and the environment. We take a proactive approach to open and timely engagement and strive to build strong relationships.

Understanding our stakeholders and their interests

Understanding our stakeholders' expectations and delivering value back to the community is a key business priority for Port Waratah. A materiality assessment review process, conducted in August identified and validated the issues that are important to our stakeholders. Our strategy guides our engagement approach to effectively understand and address stakeholder issues, interests and concerns. The strategy emphasises the importance of recording outcomes and evaluating our performance in order to influence the context of future engagement.

Being part of the community involves advocating for Newcastle and the Hunter Region. One of the ways we do this is actively participating in regional advocacy. Our CEO, Hennie du Plooy, completed a second year as President of the Hunter Business Chamber and was re-elected for a further term as a Director. The Committee for the Hunter welcomed its first elected board of nine directors during the year, with Hennie maintaining his Director role. We look forward to progressing ongoing Regional conversations and participating in civic leadership in 2021.

How we engage

We continue to use a variety of engagement methods to connect with and seek feedback from our stakeholders. Communicating openly and responding quickly to community concerns underpins our strategy. We appreciate that different engagement methods appeal to different stakeholders, and we continue to tailor our communication and engagement efforts to suit their needs, while at the same time meeting safety requirements in response to the COVID-19 pandemic.

Our Community Meeting Group met four times in 2020 and we continued to run a 24-hour community enquiry phone line and online enquiry form on our website. During this year, we received eight community enquiries, none of which Port Waratah was deemed accountable.

Our site tours programme continued in early 2020 until COVID-19 restrictions were implemented in March. A total of 32 tours were conducted, with 202 people visiting our operations. The programme recommenced in December. Tours provide a platform for us to engage with customers, industry delegations, social clubs, schools, educational groups and other interested members of the public.

We share information using a quarterly digital community dashboard and a quarterly community newsletter delivered to portside households, both are published on our

website. We also utilise local print and digital media, radio and television broadcasts, and news website updates. This multi-channel approach enables us to maintain a strong presence in traditional media while simultaneously enhancing information available via digital channels.

Our reach on social media remains steady, however, numbers are down on 2019 figures largely due to fewer posts and mentions during the COVID-19-impacted year. Social media platforms, including Facebook, Instagram and Twitter remained key channels for information sharing between Port Waratah and the community.

 **1,951**
SOCIAL MEDIA FOLLOWERS
(12.5% INCREASE)

 **60,000**
COMMUNITY NEWSLETTERS

 **8**
COMMUNITY ENQUIRIES
3 2 3
DUST NOISE OTHER


CASE STUDY

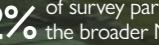
Local Voices
Since the two-year Local Voices Community Survey engagement programme commenced in 2018, it has been a valuable tool for gathering information and listening to feedback from our community.

In 2020, a Pulse Survey was conducted in March, and a more in-depth Anchor Survey in September. Participation in the surveys increased to a total of 1,009, an increase of 31% compared to 2019. Respondents in 2020 comprised of 47% portside residents (38% in September Anchor Survey).

Survey responses highlight community views on local environmental and social issues, as well as factors most important for building trust and improving the community's acceptance of Port Waratah. This is an important way for us to identify where we need to focus our efforts to maintain and improve our relationships and reputation in the community.

Pleasingly, the community's trust in and acceptance of Port Waratah has remained steady and strong since 2018. The results of each survey are shared publicly on the Local Voices website to ensure transparency for survey participants and interested stakeholders.

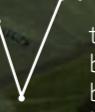
LOCAL VOICES COMMUNITY SURVEYS

	SEPTEMBER 2019 PULSE	MARCH 2020 PULSE	SEPTEMBER 2020 ANCHOR
PARTICIPANTS	545	618	391
 38% of survey participants were within Portside suburbs (Sept 2020 Anchor)			
 62% of survey participants were from the broader Newcastle area (Sept 2020 Anchor)			

TRUST AND ACCEPTANCE OF PORT WARATAH REMAINS STRONG AND STEADY

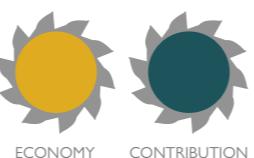
A SNAPSHOT OF HOW THE COMMUNITY FEELS ABOUT PORT WARATAH



 The community's confidence in regulation to ensure businesses do the right thing, and businesses addressing community concerns both dipped in the March Pulse Survey but improved in the September Anchor.

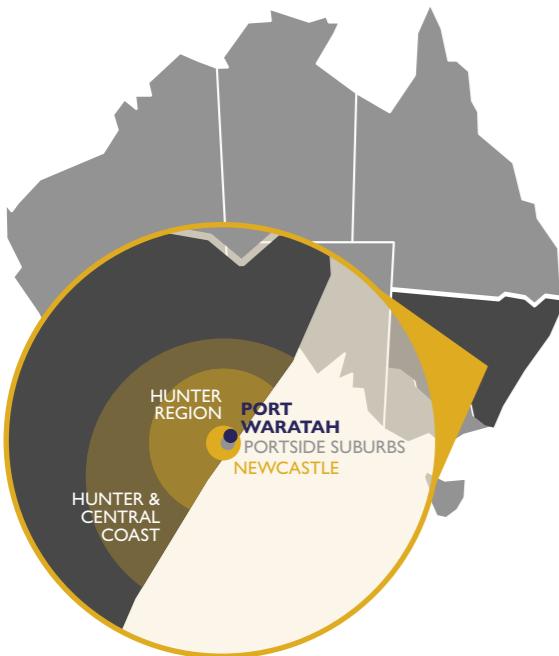






WE CONTRIBUTE TO A SMART, SUSTAINABLE AND VIBRANT NEWCASTLE

We support our local economy and community where it's needed most



Port Waratah is committed to contributing to the prosperity of Newcastle and the Hunter Region. We contribute to the local economy by buying and employing locally and support the sustainability and resilience of the local community through our Community Investment and Partnership Programme.

Support for our local economy

We are committed to promoting employment, stimulating local economic growth by purchasing from businesses that are located in the Hunter and Central Coast regions, and by taking an active approach to sourcing local materials, contractors and professional services. We give preference to local suppliers in our decision making process, while also taking competitiveness, reliability, reputation, previous experience, commercial considerations and legal obligations into account. In 2020, we spent \$86 million in the Hunter and Central Coast regions, representing 78% of our total spend.

Sustainable procurement

Our Procurement Strategy is built on having an environmentally and socially sustainable supply chain. All of our contractors are required to undergo an accreditation process, including an assessment of their policies and procedures to ensure adequate health and safety and environmental management systems are in place. A review of our contractors, based on performance expectations, including safety, environmental and other agreed performance targets, is conducted every 12 months. When procuring goods and services from suppliers we refer to our Purchasing Policy and Procedure which considers social and environmental impacts in purchasing decisions with a focus on maintaining safety and quality, protecting the environment and human health, saving energy, minimising waste, conserving resources and complying with the modern slavery legislation. Our contractors and suppliers are also expected to abide by our Code of Conduct, which is available on our website.

Addressing and eliminating modern slavery risks

We acknowledge our responsibility to identify risks of modern slavery in our supply chain and, if required, initiate remediation processes accordingly. In 2020, we continued our review of the sustainability of our purchasing practices and the compliance of our suppliers and contractors with Australia's new Modern Slavery Legislation. Our Modern Slavery Statement is available on our website.

2020 SUMMARY OF SPEND (% OF SPEND)

MATERIALS/PURCHASES*

\$23.453 MILLION	<input type="checkbox"/> \$11.267M HUNTER & CENTRAL COAST <input type="checkbox"/> \$7.170M NEW SOUTH WALES <input type="checkbox"/> \$3.294M AUSTRALIA <input type="checkbox"/> \$1.722M OVERSEAS
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CONTRACTORS/CONSULTANTS

\$76.738 MILLION	<input type="checkbox"/> \$68.213M HUNTER & CENTRAL COAST <input type="checkbox"/> \$4.717M NEW SOUTH WALES <input type="checkbox"/> \$3.776M AUSTRALIA <input type="checkbox"/> \$0.032M OVERSEAS
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PROFESSIONAL SERVICES**

\$10.688 MILLION	<input type="checkbox"/> \$6.581M HUNTER & CENTRAL COAST <input type="checkbox"/> \$0.144M NEW SOUTH WALES <input type="checkbox"/> \$3.955M AUSTRALIA* <input type="checkbox"/> \$0.008M OVERSEAS
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*Excludes electricity \$18.133 million. **Includes insurance. Due to rounding, numbers may not add up precisely to the totals and percentages provided.



78% HUNTER & CENTRAL COAST

57%
OF SPEND IN
NEWCASTLE
LGA (\$62.825M)

COMMUNITY SUPPORT

2020 Investment:
\$750,000



86% of projects directly benefit Newcastle and portside suburbs

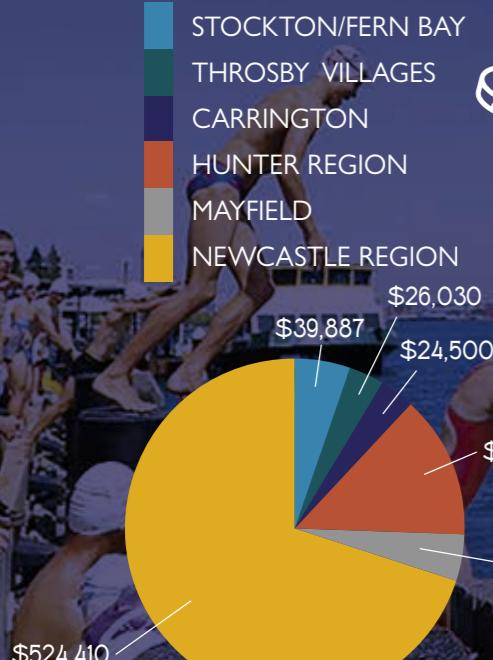
21% OF FUNDING FOR EDUCATION FOCUSED PROJECTS



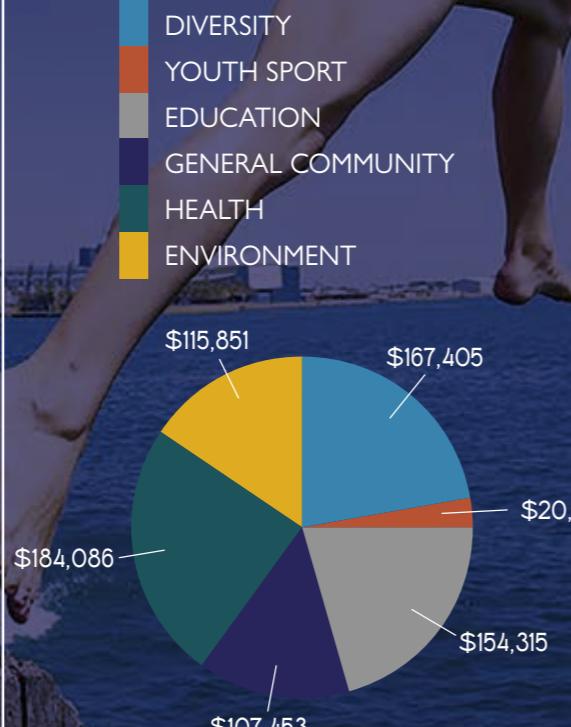
\$40,000
for eight Portside schools to support students learning from home
INCLUDING

107 INITIATIVES SUPPORTED

BREAKDOWN BY LOCATION



BREAKDOWN BY PRIORITY AREA



Support for our community

Our Community Investment and Partnership Programme (CIPP) invested \$750,000 with local community groups and organisations in support of building capacity, skills and knowledge. Port Waratah delivers value to the Newcastle community by funding projects and initiatives that address specific needs and contribute to the overall sustainability of the Hunter Region. Priority areas of our support include education, health, diversity, general community wellbeing, youth sport and the environment. Information on our programme's criteria and application process is available on our website.

The delivery approach of our CIPP was refreshed in 2020, implementing new elements and reinvigorating others. Our support contributed to the success of 107 projects, initiatives and events.

Youth Sport in Portside Suburbs was introduced for the first time, aiming to deliver benefits directly to the families of children and teenagers who participate in sporting activities in portside suburbs. It has deepened the connection between Port Waratah and the suburbs neighbouring our operations and we look forward to seeing this element of our programme grow.

Employee-led community participation

Most of our workforce live locally and are passionate about various community groups and charitable causes that support the people of our Region. In 2020, employees participated in a number of physical fundraising challenges through our community programme to support charities, such as The May 50K for Multiple Sclerosis and Steptember for the Cerebral Palsy Alliance. Employees also organised and participated in Clean-Up Days in our local area.

This year we also introduced 'Vote on a Good Cause', a new employee engagement opportunity. Employees were asked to nominate a charity or organisation close to their heart, which aligns with our values and objectives. These nominations were shortlisted to three and all employees were encouraged to vote on a \$30,000 donation pool. Pleasingly, 92% of all employees voted in the event and Camp Quality, Calvary Mater Oncology Unit and Hopestreet Mayfield received a boost to help them continue their great work.

We also expanded our workplace giving programme as part of the CIPP refresh, with feedback from our employees to include the John Hunter Children's Hospital, Lifeline Hunter Central Coast, Salvation Army and Share The Dignity, in addition to the Westpac Rescue Helicopter, which has been a recipient of our programme for many years. All of these organisations receive payroll donations that are matched by our CIPP dollar-for-dollar.

Christmas Donation Drive for Seafarers

Seafarers are an often-forgotten part of our community and in 2020 many had been at sea for long periods without leaving their vessels at port due to COVID-19 restrictions.

Port Waratah decided that with the support of our employees and the wider school community, we could help to share the joy of Christmas with seafarers.

Our employees partnered with Mission to Seafarers Newcastle to help create more than 1,200 Christmas gift bags. We encouraged all employees to get involved and donate a small amount of goods, which would mean so much to our seafaring community. Our employees provided much sought-after items to make up the gift bags, including personal care items, woollen beanies and socks, DVDs, board games and sweet treats, such as chocolates, Christmas lollies and snack foods.

With so many seafarers far from home throughout the festive season, we also asked our school community to create Christmas cards, messages and decorations to include in the gift bags. The response was overwhelmingly positive with more than 900 handmade crafts created for the seafarers from 20 local and regional schools.

CASE STUDY

