

WE PROACTIVELY MANAGE OUR IMPACTS

We maximise the sustainability of our day-to-day operations

The Licence To Operate (LTO) Framework is now in its sixth year, delivering an overarching approach to maximising sustainable business practices and 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

Each 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. During 2021, Port Waratah identified 46 improvement projects including six projects that were carried over from 2020, mainly due to COVID-19 impacts. Port Waratah completed 36 of the projects, with four assessed as no longer required and a further six delayed to early 2022.

Port Waratah have identified 44 projects to be undertaken in 2022 inclusive of the six projects that have been carried over from 2021.

Understanding and managing stakeholder expectations

Our stakeholders expect us to measure, evaluate and communicate our performance beyond compliance requirements, so understanding their interests and concerns is important to us.

Understanding how the community see our business and addressing areas of importance is a key component of our LTO. Our six-monthly Local Voices Community Survey is a tool that enables us to explore the key drivers of trust between our business and our local community. Deeper analysis of survey results found that community faith in regulation was a strong driver of trust in Port Waratah, along with our sound environmental performance and the extent to which community members feel we respond to their concerns.

Using the survey results we identify areas where we need to focus our efforts, and thereby improve our environmental, social and operational management and performance. In 2021, we achieved our greatest response to date with 1,169 surveys completed during the year. Of the two surveys conducted, responses showed an improvement in water management and protection of the local environment remained steady, however the perceived impacts of noise and dust increased slightly. Summaries of the survey results are available on our website. [READ MORE](#)



LICENCE TO OPERATE PORTFOLIO OF PROJECTS

TOTAL # OF PROJECTS	46
COMPLETED TO DATE	36
ONGOING	6
REMOVED FROM PORTFOLIO	4

# OF PROJECTS	CATEGORY
10	GOVERNANCE
4	AIR QUALITY
5	NOISE
19	WATER
2	ENVIRONMENTAL FOOTPRINT
6	RELATIONSHIPS, SOCIAL IMPACTS & CONTRIBUTIONS

WE GO BEYOND ENVIRONMENTAL COMPLIANCE

Our approach is systematic and based on continuous improvement

The focus areas for our environmental management and performance are air quality, noise, water and environmental footprint (potable water consumption, energy and greenhouse gas emissions, land use, biodiversity 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, the management of site water systems to avoid pollution incidents and reducing our environmental footprint. We regularly review our environmental performance by analysing our objectives and targets.

Port Waratah undertake an annual programme of internal audits to review the various elements of the EMS and verify how the requirements of the EMS are implemented within operational activities. During 2021, Port Waratah undertook a review of the audit programme and identified various improvements to be adopted. These improvements include increasing the audit focus on preventative and corrective maintenance tasks, reviewing training and competency records, completing more in-field verification of controls identified in our procedures and having each audit led by small cross-functional teams.

Environmental performance

Port Waratah had a significant improvement in the environmental performance during 2021, recording zero reportable environmental incidents for the year and achieving the goal of no more than four reportable environmental incidents. We achieved compliance with all environmental regulatory requirements including development consents and environmental protection licences.

In December 2021, our Terminals reached some notable milestones with the Carrington Terminal achieving three years with no reportable environmental incidents and our Kooragang Terminal achieving one year with no reportable environmental incidents. A testimony to the substantial effort across a number of years and the commitment to improvement from all teams.

Trudie Larnach, Manager Sustainability and Corporate Affairs, said, *“This significant achievement for the business represents a first for us and reflects a step up in LTO awareness, commitment and willingness to influence change in the interests of the environment and community from all of our people.”*

Our performance targets for 2022 remain the same and specify no more than four reportable environmental incidents, a goal that is supported by targeted risk-based management strategies and implementation of improvement projects.

Air quality

At Port Waratah, managing dust is a key focus and our control techniques are world-class. We understand 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.

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 the potential for dust lift-off from the coal stockpiles. The IDMS automatically activates stockyard water sprays on a continual process to proactively manage optimal stockpile moisture levels. Water sprays are also utilised as required throughout all conveyor transfer operations, from train unloading through to shiploading.

A network of Real-Time Dust Monitors (RTDM) within the site boundary is used by our onsite personnel to respond to any potential elevated dust concentration measurements. Port Waratah also 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 2021, 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.

Port Waratah's dust management performance was strong in 2021, recording no air quality related issues.

Dust management improvements

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 identifying improvements in operational and maintenance regimes.



Comparative review continued in 2021 leading to additional enhancements in operational performance across the dust management infrastructure, in particular yard spray and transfer point spray reliability. As a result, Port Waratah have completed a significant overhaul of our stockpile spray system to ensure the system continues to meet the requirements of the IDMS.

Port Waratah continues to identify improvements to reduce coal spillage from our transfer systems to reduce potential air quality and other LTO related impacts. Some significant achievements occurred during 2021 with improvements to the Carrington Terminal rail receival station and some transfer belt improvements across both sites all achieving significant coal spillage reductions. A programme to identify and reduce coal spillage from the transfer process will continue to be a focus area for 2022.

In 2021, we completed the final stage of the upgrade to the real time dust monitors located around the perimeter of the Carrington Terminal. Both terminals now have an upgraded air quality monitoring network that ensures any issues related to dust emissions from Port Waratah are identified in a timely manner with corrective actions implemented as soon as possible.

CASE STUDY

Dust monitoring now at rail unloading facilities

The introduction of Real Time Dust Monitors (RTDMs) into the rail unloading facilities in 2021 has enhanced our Intelligent Dust Management System (IDMS), improving dust detection capabilities from the moment coal arrives. The baseline data captured over the year has improved our understanding of coal characteristics and the potential circumstances in which dust may be generated. In the event that elevated dust concentrations are experienced, the IDMS is able to provide immediate notification to allow additional water sprays to be initiated to manage the coal transfer to the stockpile. Port Waratah will continue to refine and fully incorporate the dust detection system in the dump stations into the IDMS in early 2022.

Noise

Port Waratah takes a long-term strategic view to ensure we improve our noise emissions over time through implementation of effective noise control processes and technology. We identify and focus on opportunities and areas on site that offer the best noise reduction outcomes for our neighbouring communities and develop an effective plan that delivers sustainable long-term noise improvements.

Central to managing noise are our employees and contractors, therefore ongoing awareness training and education remain an important focus to ensure addressing noise-related issues remain at the forefront. Ongoing regulatory compliance is demonstrated through our routine noise monitoring programme, which regularly assesses our performance against our noise criteria and long-term goals. Throughout 2021, we maintained full regulatory compliance with noise-related conditions specified in our development consents.

Where regulatory criteria are absent, Port Waratah has developed stringent internal noise goals to measure and monitor our performance. In 2021, the increase in operations due to coal chain demand was challenging for our internal noise goals and placed sustained pressure on our noise performance. As a result, modelled noise levels, particularly at night were calculated to be above these goals at our closest residential monitoring location at our Carrington Terminal. Port Waratah have set targets to reduce noise at residential locations and identified strategies to reduce noise at these locations. We are on track to improve our performance over the long term.

Noise management improvements

Despite some supply disruptions due to COVID-19, we achieved the full completion of the 2021 programme for the Carrington Terminal's multi-year low-noise conveyor drive upgrade strategy. This strategy has focused on reducing noise-related impacts on our neighbouring communities through upgrades to over 30 conveyor drives with lower noise replacements in a sustainable programme over several years. In 2021, the primary and secondary conveyor drives of two stockyard conveyors, and a stacker boom conveyor drive were upgraded. Since commencement in 2017, 22 drives have been upgraded, with a capital expenditure of more than \$6 million. In 2022, a further six drives will be upgraded with a budget of \$1.7 million.

The Kooragang Terminal continued implementation of its noise reduction strategy, focusing on a programme of noise hotspot monitoring for conveyor systems that is followed up with targeted replacement of rollers in higher noise-generating segments. More than 2.2km of conveyor were assessed with the noisiest sections to be prioritised for targeted roller replacements in 2022.

CASE STUDY

Carrington Terminal additional noise reduction strategies

In late 2020 and throughout 2021, increased demand for the Carrington Terminal's services placed pressure on the site's noise performance, where regular noise modelling identified noise levels above internal noise goals at our closest residential monitoring location. A review of operational and meteorological factors identified the noise generated by our stockyard conveyors to be the largest contributor to the noise levels at the affected location, however it also identified the ongoing success of the Carrington Terminal conveyor low-noise drive upgrade strategy.

In response to these findings and in addition to the drive upgrade strategy, the Carrington Terminal commenced a low noise conveyor roller trial in August 2021 of which results should be known in 2022. In addition, all yard conveyor systems have had a baseline monitoring assessment completed as part of a hotspot monitoring programme, which has identified the conveyor segments with the greatest noise reduction potential. This will allow our Maintenance Team to target these segments for roller replacements.

Water management

Water is used for operational purposes at Port Waratah and managed to maintain quality standards for onsite reuse. Managing water is a careful balance between capturing it for operational uses and allocating storage capacity in anticipation of storm events for compliance with statutory requirements.

The water management systems operate by capturing surface water runoff from rain events together with water used for terminal operations, and channelling the water into drains and sumps which feed into a series of ponds and lagoons for settling and clarification prior to recirculation back to the plant for reuse. We use water for operational purposes, such as dust suppression, wash downs, firefighting systems and irrigation.

The water management systems across both terminals performed very well during 2021 with no water related reportable non-compliances at either terminal. This has been a significant improvement on previous years and is testimony to the investment in improvements to the water management systems that have occurred. Port Waratah set the target to reduce sediment load to the Hunter River and that target was not achieved this year. In the wetter than average year, the sites discharged excess water more often than



CARRINGTON CONVEYOR DRIVE STRATEGY



2021	5 TOTAL SC2 and SC3 Primary and Secondary Drives Stacker Boom 3 Drive
	SPEND \$1,600,000
2022 PLANNED	6 TOTAL SC1, SC4 and SC5 Primary and Secondary conveyor drives
	SPEND \$1,700,000

during preceding years. Review of recorded results show that Carrington Terminal performed consistently with high utilisation of the controlled discharge filtration system (CDFFS) commissioned in 2017 and that the Kooragang terminal discharges contributed to exceeding our targeted weighted Total Suspended Solids (TSS) levels compared to our 2016/2017 baseline.

Water management improvements

With the increased rainfall experienced in 2021, the operational performance of our water management systems were reviewed with several upgrades such as changes to dam operating levels and pumping priorities undertaken to improve the system. We also identified improvement opportunities at Kooragang terminal to reduce the TSS in water discharged from the site in large rain events and will progress projects and flocculant trials in 2022 to reduce our potential for impact.

Other upgrades that occurred in 2021 include the completion of the first of a three-stage upgrade to replace pipelines located between the Kooragang wharf and the main terminal, the construction of the third stormwater storage tank at the Carrington Terminal and an upgrade to the coal fines recovery system of the CDFFS. Each of these upgrades are anticipated to improve the operational effectiveness of our water management systems.

CASE STUDY

Carrington Terminal tank 3 construction

As part of the significant upgrades to the Carrington Terminal water management system, Port Waratah completed construction of the third stormwater storage tank. The third tank will provide the site with an additional 8ML of stormwater storage capacity, increasing the existing capacity of the Carrington site to a total of 21ML to assist in effectively managing large rainfall events. The tank has a diameter of 31.5m, is 11.5m tall and holds more than three times the volume of an Olympic swimming pool. It will be commissioned and operational in early 2022.



Environmental footprint

We describe our environmental footprint as our demand on the capacity of natural resources and the environment in which we operate. We reduce this demand through identifying and implementing opportunities 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.

Potable water consumption

Water use at Port Waratah is a critical aspect in nearly all areas 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 availability onsite. Our aim is to continually reduce the amount of potable water used for operational purposes and improve our potable water efficiency.

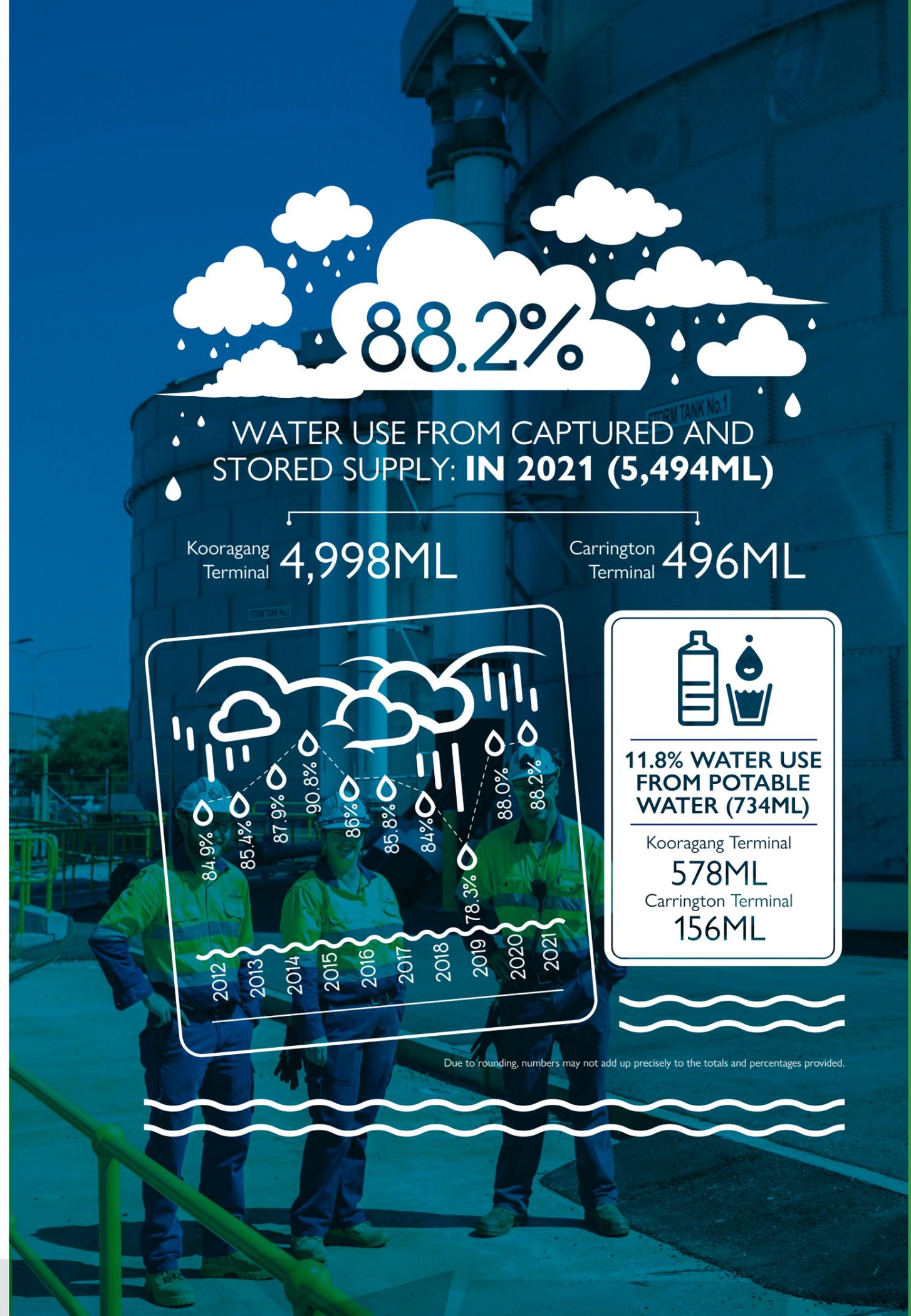
In 2021, there were no water restrictions in place across the Hunter Region and no areas of 'water stress' on local supply of potable water.

Onsite water storage capacity remained the same throughout 2021 as the previous year. Hunter Water catchment storage capacity did not change throughout 2021, however stored volumes increased from 90 to 97 per cent.

Despite water restrictions easing in 2020, and regular rainfall returning, Port Waratah continued to work with Hunter Water conducting a water efficiency audit of our Kooragang Terminal. The audit recommendations have been reviewed and where applicable, will commence implementation from 2022.

Also in consultation with Hunter Water, Port Waratah have developed site specific Water Efficiency Management Plans that were implemented during recent drought conditions across the region. These plans identify opportunities to minimise potable water intake, as well as improve the efficient consumption of all water resources onsite.

Our water harvesting capabilities have been significantly bolstered at our Carrington Terminal through a project that allows us to re-use water processed through our site filtration plant that would otherwise have been released to the Hunter River. All process water is self-sourced from onsite catchments fed by recaptured run-off water from operations and rainfall.



In 2021, our target was to reduce our potable water consumption compared to the previous three-year average (2018-2020). With favourable weather and harvesting capabilities improved at the Carrington Terminal, we were able to achieve a 34 per cent reduction in potable water consumption, equalling 371 Megalitres (ML) across the business.

CASE STUDY

Potable water savings

In early 2021, Port Waratah connected our discharge water filtration plant to our onsite 1ML process water storage tank to enable the Carrington Terminal to utilise our limited site water capacity more effectively. Water from our filtration plant is used to top up supply preferentially over potable supplies.

Water re-use initiatives implemented at the Carrington Terminal have enabled us to operate our water management system more flexibly during dry weather, as well as utilising recently installed stormwater tanks to hold water for re-use rather than remain empty. We utilise rainfall forecasting to ensure the tanks are emptied prior to approaching storm events.

These initiatives have been overwhelmingly successful for the Carrington Terminal to reduce potable water consumption in 2021 and into the future, with key achievements including:

- A 50 per cent reduction in the potable consumption compared to the previous three-year average
- 162.6ML of potable water saved through harvesting water for re-use from the site water filtration plant.

During 2021, Port Waratah won the Love Business Love Water award at the Hunter Business Chamber Awards night, award sponsored by Hunter Water. Port Waratah has invested heavily on the upgrade to water management systems at the Carrington Terminal with the benefits resulting in significant water savings for the terminal.

Port Waratah is pleased these water saving initiatives are effective and help us play our part in improving the sustainable use of our shared water resources in the Hunter.

Energy and greenhouse gas emissions

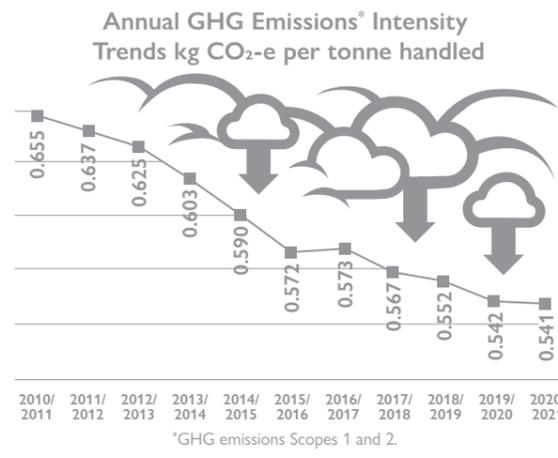
Ninety-nine per cent of the total energy consumed at Port Waratah is from grid purchased electricity that is used to operate our plant and equipment. A key performance metric we use to measure our energy and emissions performance is by reducing the amount of electricity required to move each tonne of coal handled at our terminals. Our target for 2021 was to improve upon the previous three-year average (2018-2020). Pleasingly, we not only recorded a 0.6 per cent improvement against this target, but we achieved our most efficient year to date, improving on our previous best performance set in 2019.

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 GHG emissions for the 2020/2021 reporting year reduced 0.1%, or 98 tonnes of Carbon Dioxide equivalent (CO₂-e) compared to the 2019/2020 reporting year. Adjusted for total coal handled, our Scope 2 GHG emissions intensity reduced to 0.539kg CO₂-e per tonne handled, which is our lowest recorded to date.

Port Waratah's Scope 1 GHG emissions for 2020/2021 were 451t CO₂-e, which is a 6.8% reduction from the previous reporting year. Compared to 10 years ago our Scope 1 emissions have almost halved, with a 407t CO₂-e, or 47.4% reduction.

GHG emissions calculations are based on our Scope 1 and Scope 2 GHG emissions resulting from the fuel and electricity consumed, and 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.



EMISSIONS

2021 GHG Emissions (Scopes 1 and 2) was

0.541kg

of carbon dioxide equivalent per tonne of coal handled (kg CO₂-e/t)

0.2% year-on-year improvement | 5.5% improvement from 5 years ago | 17.5% improvement from 10 years ago



THIS REPRESENTS OUR LOWEST ANNUAL EMISSIONS INTENSITY

Based on Port Waratah's financial year data submitted to the NGER Scheme.

ENERGY

CONSUMED

0.6652 KILOWATT HOURS per tonne of coal handled (kWh/t)

BEST ANNUAL PERFORMANCE FOR ELECTRICITY EFFICIENCY



Overall consumption increased 5% to 148,867 MWh

ELECTRICITY EFFICIENCY



6.5% IMPROVEMENT over the past 10 years

Equivalent to saving 9,054,708 kWh

That's enough electricity to power more than 1,800 NEWCASTLE HOUSEHOLDS FOR A YEAR*



*Based on Ausgrid average electricity use 2020/2021 www.ausgrid.com.au/Industry/Our-Research/Data-to-share/Average-electricity-use.

Land use and biodiversity

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. These wetlands support 45 species of migratory birds listed under international agreements and more than 110 species of waterbirds.

A key enhancement initiative undertaken in 2021 involved the use of mobile equipment armed with forestry mulching capabilities to remove weed clusters in a 1.5ha area previously inaccessible. These areas are now capable of being maintained with more conventional weed treatment methods on a regular basis. Port Waratah also manage two land holdings adjacent to Kooragang Terminal. These sites are established seasonal habitat for the Green and Golden Bell frog (*Litoria aurea*), which is listed on the IUCN Red List as Vulnerable. Since 2010, we have collaborated with the University of Newcastle to conduct a research programme on the Green and Golden Bell Frog population on Kooragang Island. The programme involves rigorous survey during the breeding season which is typically between November to March each year. This research continued during 2021 and aims to provide insight into the population dynamics as well as factors that may contribute to the persistence of the species across the habitats on the island.

Waste

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

Throughout 2021, Port Waratah continued to investigate opportunities to minimise waste generation and further participate in the circular economy. Port Waratah completed its first full year of a soft plastic recycling programme, where several hundred kilograms of soft plastic waste has been collected for re-manufacture into usable products. As we move into 2022, Port Waratah aims to further integrate the circular economy into our business as usual, as well as identify new opportunities to sustainably manage problematic waste streams.

Port Waratah engages with a licenced waste management contractor to collect, safely manage and transport offsite waste materials generated by Port Waratah. The contractor provides detailed feedback on the waste materials collected, the treatment and disposal locations. These are regularly reviewed and verified through internal auditing.

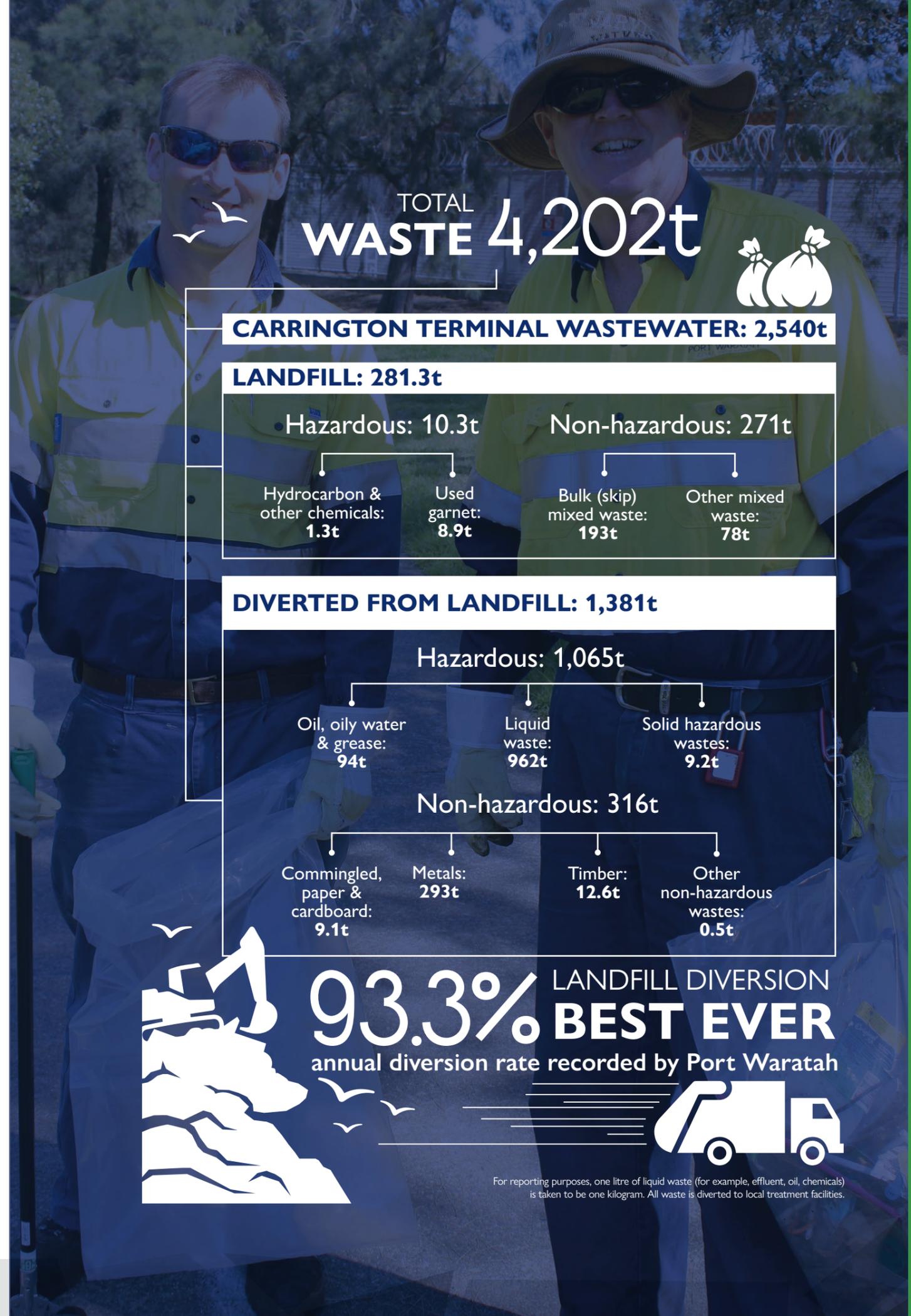
Key waste streams managed by Port Waratah include industrial water and other liquid wastes, scrap metal, engineered and raw timber products, hydrocarbon and other chemical wastes, commingled recycling and mixed solid wastes.

Our 2021 target to reduce the amount of waste sent to landfill compared to the previous year was achieved, with a 9.1 per cent reduction against our 2020 total. The result of 281 tonnes of waste disposed to landfill was also the lowest annual amount recorded by Port Waratah. Furthermore, we exceeded our target of sustaining our landfill diversion and recycling rate by an improvement of 0.3 per cent, meaning 93.3 per cent of all waste was diverted away from landfill for treatment processing and recycling. This saw us achieve a new performance record.

Waste effluent pumped from the Carrington Terminal Sewage Treatment Plant generates the largest proportion of waste at our sites. In 2021, it totalled 2,540 tonnes, or 60.5 per cent 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 remaining volumes returned to the environment. The biosolids produced from the treatment process are reused for mine site rehabilitation.

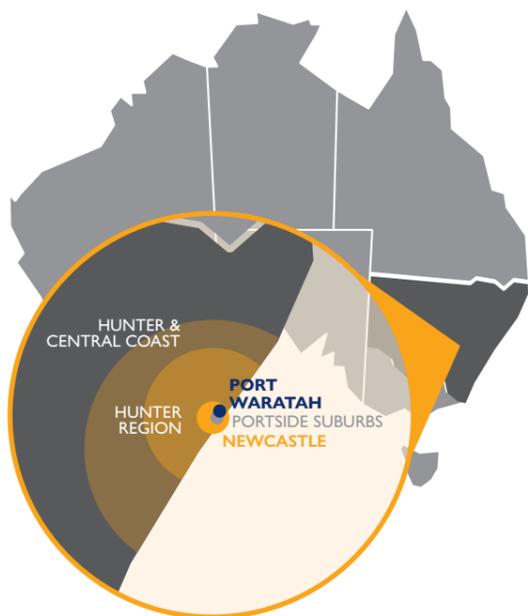
During 2021, no waste materials were received for disposal at our terminals or licenced waste facilities.

No reportable hydrocarbon or chemical related spills were recorded at Port Waratah facilities throughout 2021.



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

We connect and collaborate to create shared outcomes and genuine relationships



Port Waratah is committed to proactively engaging with our stakeholders. We strive to build strong relationships through open, timely and two-way communication and continually improving our engagement methods and activities.

Our stakeholders

Our stakeholders are those we have a business relationship with and that can impact on our success. They are also those that have an interest in our operations and the impacts and value we create. Our stakeholders include our people, customers, community, environment, coal chain partners, suppliers and governments.

Understanding our stakeholders and their interests

Understanding our stakeholders' expectations and delivering value back to the community is a key business priority. Our materiality assessment and the ongoing Local Voices Community Survey process every six months, including March and September in 2021, identifies and validates the issues that are important to our stakeholders.

Our strategy guides our engagement approach to effectively understand and address stakeholder issues, interests and concerns, with an emphasis on recording outcomes and evaluating our performance. These results then influence the context and delivery 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 forums. Our CEO, Hennie du Plooy continued his focus on regional advocacy as a Director of both Business Hunter and the Committee for the Hunter participating in ongoing regional conversations and civic leadership initiatives.

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 update our tailored communication and engagement efforts to suit their needs, while at the same time meeting safety requirements in response to the ongoing COVID-19 pandemic.

Our Community Meeting Group met four times in 2021 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, one of which we were accountable for.

Our site tours programme continued in a limited capacity in 2021 with COVID-19 restrictions implemented throughout the year. We recorded a slight increase in the number of participants compared to 2020, with a total of 58 tours and 229 people visiting our operations. We are keen to recommence the tours programme in 2022. It provides 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, social media platforms and news website updates. This multi-channelled approach enables us to maintain a strong presence in traditional media while simultaneously enhancing information available via digital channels.

From September 2021, we proudly sponsored the local NBN News series *Rewind*, which showcases local broadcasts of milestone events that shaped our city of Newcastle over the last 60 years. The series will run until February 2022 and has been a positive demonstration of our connection to our local community, built over 40 years of delivering for the region. Catch all the episodes online at nbnnews.com.au [READ MORE](#)

Our reach on social media showed positive increases in 2021, with 22 per cent more followers and 45 per cent more engagement than the previous year. Social media platforms, including Facebook, Instagram and Twitter remained key channels for information sharing between Port Waratah and the community. We have delivered more content than in 2020, increasing our organic activity across our three platforms by more than 30 per cent this year.

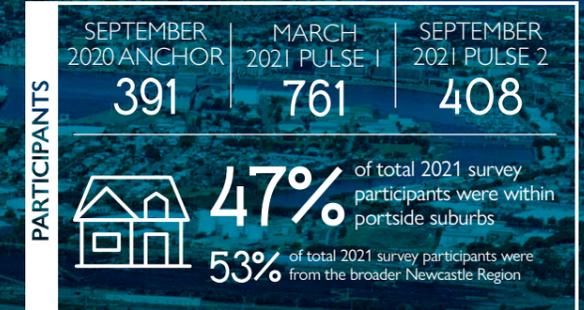
9,132

SOCIAL MEDIA ENGAGEMENTS
(45.2% INCREASE FROM 2020)

60,000
COMMUNITY NEWSLETTERS

8
COMMUNITY ENQUIRIES
2 4 2
DUST NOISE OTHER

LOCAL VOICES COMMUNITY SURVEYS



TRUST AND ACCEPTANCE OF PORT WARATAH REMAINS STRONG AND STEADY

A SNAPSHOT OF HOW THE COMMUNITY FEELS ABOUT PORT WARATAH



SURVEY FOCUS AREAS:

MARCH 2021
Port Waratah scored 3.5 out of 5 from participants for living the values of diversity and inclusion

SEPTEMBER 2021
78% of participants positively accepted the Carrington Terminal Lease Extension

CASE STUDY

Community Meeting Group

Our Community Meeting Group is an important part of our connection and engagement with our local community. The volunteers are representatives of community organisations and are based in our portside suburbs. They are dedicated community-minded people caring for not only their local neighbourhoods but advocating for Newcastle and the region through our quarterly meetings. Meetings have been facilitated since 2008, with the current format in place for 10 years. Members worked collaboratively to develop the Community Dashboard, which provides a performance snapshot material to our local community each quarter.

Through the meetings, we seek input from the group members on key focus areas, such as impacts of climate change and energy transition, regional infrastructure projects, social licence and strategic planning and help us develop improvement opportunities and make informed decisions. The meetings are also a transparent dialogue where members can raise material interests or community concerns and we can openly discuss performance and other matters. To find out more about our Community Meetings, visit Community News and Updates on our website. [READ MORE](#)

Support for our local economy

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.

We are proud of our history and commitment to promoting local employment, stimulating local economic growth by purchasing from businesses that are located in the Hunter and Central Coast, 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 2021, we spent \$85.5 million in the Hunter and Central Coast regions, representing 78 per cent of our total spend.

Sustainable procurement

Our Procurement Strategy is built on having an environmentally and socially sustainable supply chain.

All 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 consider 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.

Port Waratah meets all requirements of the Federal Government's Payment Times Reporting Scheme as a large business (>\$100 million turnover). Our data is publicly available via the Payment Times Reporting Scheme website. Approximately 18 per cent of Port Waratah's total annual spend is to smaller businesses (<\$10 million turnover).

In response to business challenges related to COVID-19 impacts, we supported our contracting partners and suppliers with special payment terms, consisting of paying all invoices each payrun, irrespective of due dates. This was implemented in early 2020 and as a result of this initiative in 2021, 88 per cent of smaller businesses invoices were paid within 30 days (including 75 per cent within 21 days), which is also a positive outcome in support of small business.

In 2021, we commenced a sustainability procurement improvement project to evolve the maturity of our sustainable procurement practices. The project aims to establish a fit-for-purpose survey instrument to assess the sustainability (environmental, social and governance) performance of our suppliers and includes a trial with 10 selected suppliers. The project will be ongoing into 2022.

CASE STUDY

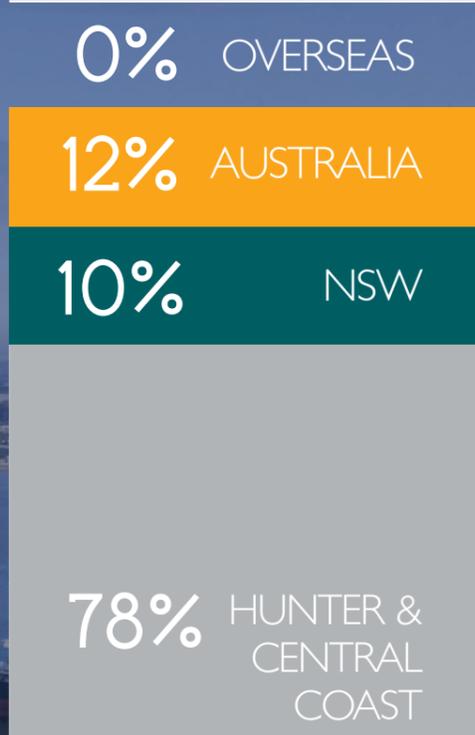
Ensuring business continuity through procurement practices

In 2021, one of the primary roles of procurement was to ensure operations could continue throughout the COVID-19 pandemic. The key objective was to develop transparent and dynamic relationships with our suppliers in anticipation of challenges.

While the global supply chain is continuing to present increasing difficulty for the availability of products, our local suppliers for COVID safety-related products, such as masks, sanitiser and cleaning solutions, were outstanding in the delivery of service and product.

The sourcing of replacement equipment and fabrication materials is still an ongoing challenge, however, we have been greatly supported by our local suppliers who have adjusted and responded to the new environment. Their focus on scheduling of our inventory supplies and flexibility in sourcing alternative products have significantly helped sustain our operations. We are proud to work with local business partners, continuing our support for local businesses.

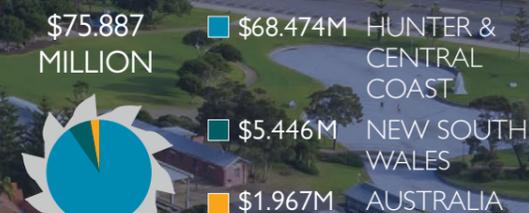
2021 SUMMARY OF SPEND (% OF SPEND)



MATERIALS/PURCHASES*



CONTRACTORS/CONSULTANTS



PROFESSIONAL SERVICES**



*Excludes electricity \$18.043 million. **Includes insurance. Due to rounding, numbers may not add up precisely to the totals and percentages provided.

53%
OF SPEND IN
NEWCASTLE
LGA (\$58.599M)

COMMUNITY SUPPORT

2021 Investment: **\$750,000**

87% of projects directly benefit Newcastle and portside suburbs

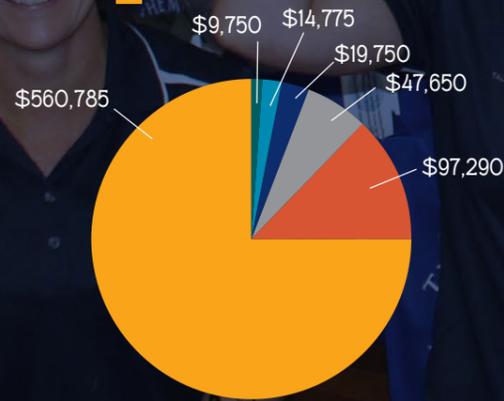
31% OF FUNDING FOR HEALTH FOCUSED PROJECTS



137 INITIATIVES SUPPORTED

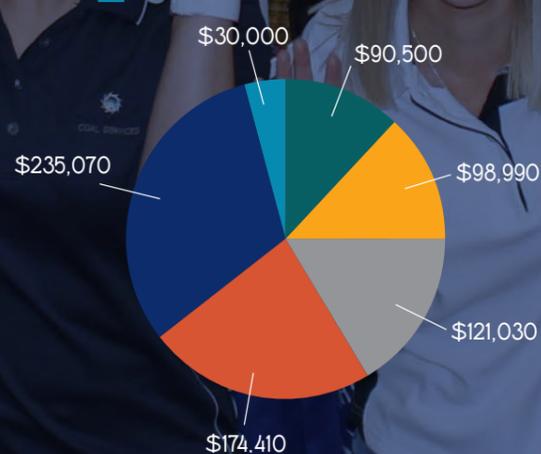
BREAKDOWN BY LOCATION

- MAYFIELD
- THROSBY VILLAGES
- CARRINGTON
- STOCKTON/FERN BAY
- HUNTER REGION
- NEWCASTLE REGION



BREAKDOWN BY PRIORITY AREA

- ENVIRONMENT
- EDUCATION
- DIVERSITY
- GENERAL COMMUNITY
- HEALTH
- YOUTH SPORT



Addressing and eliminating modern slavery risks

Port Waratah undertakes ongoing modern slavery due diligence through supplier screening, assessing actual and potential modern slavery risks, acting upon findings, tracking responses, and communicating how risks are being addressed. Our 2021 Modern Slavery Statement is available on our website [READ MORE](#)

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 [READ MORE](#)

Our support contributed to the success of 137 projects, initiatives and events.

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 2021, employees participated in several physical fundraising challenges through our community programme to support charities, such as The May 50K for Multiple Sclerosis and September for the Cerebral Palsy Alliance. Employees also organised and participated in a Clean-Up Day in our local area and supported the Mark Hughes Foundation brain cancer research through the Beansies for Brain Cancer campaign.

Through our 'Vote on a Good Cause' initiative, we continued to expand our employee engagement by asking our employees 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, 85 per cent of all employees voted in the community-minded initiative and Ronald McDonald House, Got Your Back Sista and Cooks Hill City Scouts all received a share of the funding to help them continue their great work in our community.

We continued to expand our workplace giving programme, with our employees giving to the John Hunter Children's Hospital, Lifeline Hunter Central Coast, The Salvation Army, Share the Dignity and the Westpac Rescue Helicopter. All of these organisations receive payroll donations that are matched dollar-for-dollar by our CIPP.



CASE STUDY

Making Waves Foundation

Launching in Newcastle in December 2021, the Winds of Joy Programme with the Making Waves Foundation offers sailing opportunities to children with a disability and for many the Programme is the first step on a journey of change.

Previously, the Programme was only offered for one week per year, but now with a multi-year partnership established between Port Waratah and Making Waves Foundation, the Programme will, pleasingly, have a permanent presence in Newcastle with a dedicated yacht. It is expected that more than 1,000 children from the Newcastle and Hunter Region will participate in the uplifting sailing programme over the next 12 months, offering new horizons and the realisation that they don't need to be defined or confined by their circumstances.

All Making Waves yachts are adapted to take wheelchairs and equipped with an electronic joystick, allowing almost everyone on board to experience steering the yacht. Skippers and volunteers are trained to offer support, kindness and a positive environment, encouraging the participants and stimulating their imaginations. Enjoy more of our community partnerships at our Storylines website [READ MORE](#)

