



Pioneering Through Partnership

Sustainability Report 2021

Acknowledgement of Country

Port Waratah acknowledges the traditional custodians of the land on which this document was prepared, the Awabakal and Worimi Peoples. We recognise and respect their cultural heritage, beliefs and enduring relationship with the land. We pay respect to knowledge holders and community members of the land and Elders past, present, emerging and future.

Reporting suite

Port Waratah's reporting suite sets out the annual sustainability, financial, operational and social performance for the year ended 31 December 2021 across the following documents:

- **Sustainability Report:** An in-depth overview of our progress and contribution towards sustainability objectives and targets.
- **Financial Report:** An overview of Port Waratah's financial performance and disclosures, including the Directors' report and financial statements.
- **Modern Slavery Policy Statement:** A statement outlining our intentions and actions to eliminate slavery, servitude and debt bondage from our organisation and its supply chain.
- **Workplace Gender Equality Agency (WGEA) Report:** A short report and questionnaire detailing the gender ratio of employees and contractors in occupational categories, including apprentices and trainees.
- **Kooragang Coal Terminal Compliance Report:** A short report assessment of Kooragang Terminal's environmental performance against regulatory planning approvals.

About this report

This report relates to the operations of Port Waratah Coal Services Limited. Sustainability considerations are integrated in our day-to-day operations. Our sustainability approach is embedded into our business strategy and is underpinned by our values, drivers for success, and monitoring and management processes. For that reason, our 2021 Sustainability Report is again structured around our five key business drivers. More information about how we manage our operations can be found on our website at pwcs.com.au.

Sustainability Performance Snapshot: Each business driver and theme has a series of objectives. Success in achieving these objectives is determined through meeting qualified targets. A summary of our performance indicators is featured on pages 12-13.

Global Reporting Initiative (GRI)

This report has been prepared in accordance with the GRI Standards: Core option. It relates to our performance for the 2021 calendar year and contains standard disclosures from the GRI Sustainability Reporting Guidelines. For most disclosures we have chosen to only report information relevant to the current year as our processes for measuring performance have not changed since our 2020 Sustainability Report. Our 2021 GRI Content Index and performance relating to earlier years can be found on our sustainability website, sustainability.pwcs.com.au. At present our reporting is not externally assured.

For more information, or to provide feedback, please email contact_us@pwcs.com.au or call our Community Enquiries Line on +61 (0)2 4907 2280.

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KEY ACHIEVEMENTS



Health and Safety

- ✓ Introduction of the Medical Surveillance Programme to improve access to medicals and onsite health care.
- ✓ A total of 1,884 safety interactions completed, over 43% increase compared to 2020.



Licence To Operate

- ✓ Zero reportable environmental incidents.
- ✓ Carrington Terminal achieved a 50% reduction in potable water consumption, recognised in winning the Love Water Love Business Award.



Effective Organisation

- ✓ Implemented a review of the Diversity and Inclusion Strategy and received the Excellence in Diversity Programme and Performance Award.
- ✓ Delivered new professional development opportunities through the Evolve Leadership Programme.



Operational Delivery

- ✓ A record number of 1,279 vessels loaded across our two terminals.
- ✓ Received the Professional Services Award in the NSW Project Management Achievement Awards for our Project Management System Upgrade.



Coal Chain

- ✓ Achieved the second highest year on record for export tonnes with 111.3Mt exported.
- ✓ Record export tonnes to Bangladesh, Chile, India, Indonesia, Netherlands, Taiwan, Thailand and Turkey.



Foreword

In another year that was disrupted by the global pandemic, we should not underestimate the mental health pressures that living in the pandemic environment has brought to bear. What I have observed throughout the year, is Port Waratah's multi-pronged approach to leadership and culture have significantly contributed to their success in navigating the pandemic - a clear strategy, goals supported by projects over multiple years with a commitment to values underpins their approach.

Port Waratah was recognised at the NSW Women in Mining Awards for Excellence in Diversity Programmes and Performance in 2021. A particular highlight is that Port Waratah has equal gender representation in the Senior Leadership Team and has maintained that for three years, grown the percentage of women in the workforce and welcomed their first female apprentices. This is a reflection of the inclusive environment making all people feel welcome, supported and valued.

Port Waratah is a high-performing organisation, but simply couldn't do what it does without the collaboration of producers, rail haulage providers, the Port Authority of NSW, the Port of Newcastle and the large number of service providers that all play a role in keeping the Hunter Valley Coal Chain flowing. All participants had to deal with the challenges presented once again by the pandemic, so I thank and congratulate everyone on the achievement of again reliably and consistently delivering high-quality Hunter Valley coal to the world.

Looking forward, the broader trends and global energy demand, regional strengths of product quality and reliable supply will support the coal industry to remain strong as more change ensues. As the energy transition plays out over time, Port Waratah and indeed the Hunter Valley coal industry is exceptionally well-positioned to competitively meet market demand, while striving to meet stakeholder expectations by integrating sustainability into their business as usual.

I encourage you to engage with us on our sustainability performance and our global role in exporting Hunter Valley coal.

Stefanie Loader
Chairperson



Welcome to our report

Our Sustainability Report is the flagship tool through which Port Waratah transparently communicates performance with stakeholders. As you will see, the report continues to evolve, with increased emphasis this year on our goals, targets and performance across our five drivers for success. There is also a performance snapshot, which focuses on a core set of performance targets that are important to us and our stakeholders.

Living our values, delivering our purpose

We have increased the emphasis on our established business values of excellence, progress, caring and integrity as a framework for both our operational approach and relationships with our many stakeholders. Throughout this report, I hope you will see how we have built on our commitment to our values and just how strongly this contributes to achieving our operational, social and environmental objectives. A pleasing example of a successful values-driven result is that we are celebrating a year without any reportable environmental incidents, a first for us. This important outcome is the result of team commitment to continuous improvement and a step up in risk awareness, reflecting the values of excellence and progress.

While the health emphasis flowing from COVID-19 consumed much time and resources, we maintained our focus on the safety of our people. At five, the number of injuries recorded in our operations were the same as in the previous year and they were, with one exception, all of a minor nature. Our safety journey continues, and consistent with the caring value, we maintain our commitment to work without having an impact on the health and safety of anyone in our operations.

Our service delivery performance in 2021 was strong. We delivered largely uninterrupted services to our customers despite significant industry volatility, weather disruption and of course the impact of the COVID-19 pandemic. Port Waratah terminals loaded 111.3 million tonnes into a record number of 1,279 vessels for export. This marks the tenth year of more than 100 million tonnes per annum of coal exports through Port Waratah and the second highest year on record.

Reflections and projections

October 2021 marked my tenth year as CEO of Port Waratah. When I reflect on our journey over the last decade, the standout characteristics are the ups and downs our company and industry have dealt with, and how we have improved our engagement with all our stakeholders. From being in the midst of expansion projects in 2011,

to announcing that T4 will not proceed in 2018, to this year announcing an extension to the Carrington Terminal lease from 2024 to the end of 2031, we expect that our industry will continue to change as the world seeks a path to reduce carbon intensity while meeting the living standards and wellbeing expectations of developing nations.

To buttress our licence to operate against this challenging environment, we proactively improved transparency in our communications and reporting so that we can build improved relationships based on trust. The maturity inherent in this approach supports robust two-way engagement, even on difficult matters. During this time we also actively pursued better engagement with our internal stakeholders, our employees, and the improvement in these relationships have underpinned consistently strong and predictably reliable performance in the interest of our customers.

I am proud that Port Waratah is reporting on our sustainability performance to the community more comprehensively and transparently than ever before, including within internationally recognised frameworks such as the UN Sustainable Development Goals and the Global Reporting Initiative.

Looking to the future, we anticipate that overall demand for terminal services in 2022 will remain similar to previous years and that operational intensity will remain high. Our future focus is, as a team, to position Port Waratah to respond with foresight to future uncertainty, with the bottom-line objective of performing to the expectations of all stakeholders over time. Our top priorities are the ongoing safety of our employees and contractors, involvement and support of our community, excellence in environmental performance, providing an engaging and inclusive workplace and delivering for our customers.

It has been a privilege to lead this business over the last 10 years and to interact with and learn from everyone in and around our business. As always, stakeholder feedback about our operations is welcome and encouraged.

Hennie du Plooy
Chief Executive Officer



WE PRIORITISE SUSTAINABILITY

and take a proactive approach

We stockpile, blend and load coal for export in the Port of Newcastle, and own and manage export terminals at Kooragang and Carrington, both of which operate 24/7. The terminals have a combined annual capacity of 145 million tonnes (Mt).

Our terminal services are critically important to the region's coal industry – connecting Hunter Valley coal with the world. We employ 328 people, plus 16 hosted apprentices and 11 casual employees, all of whom work to ensure excellence in the delivery of our service. We work with coal producers and numerous other service providers in the Hunter Valley Coal Chain, one of the largest and most collaborative coal supply chains in the world. We build strong relationships and work cooperatively with our people, our customers and our community. Knowing and understanding their point of view, interests and expectations enables us to maintain operational excellence, continuously improve our performance and contribute to a more sustainable society.

Operating in the Port of Newcastle means we have the potential to impact on natural and urban environments. We are committed to meeting our legal obligations and investing in our operations. To understand and fulfil our responsibilities, and to set our objectives, we engage in open and authentic dialogue with our stakeholders, which is reflected throughout this report.

Material topics

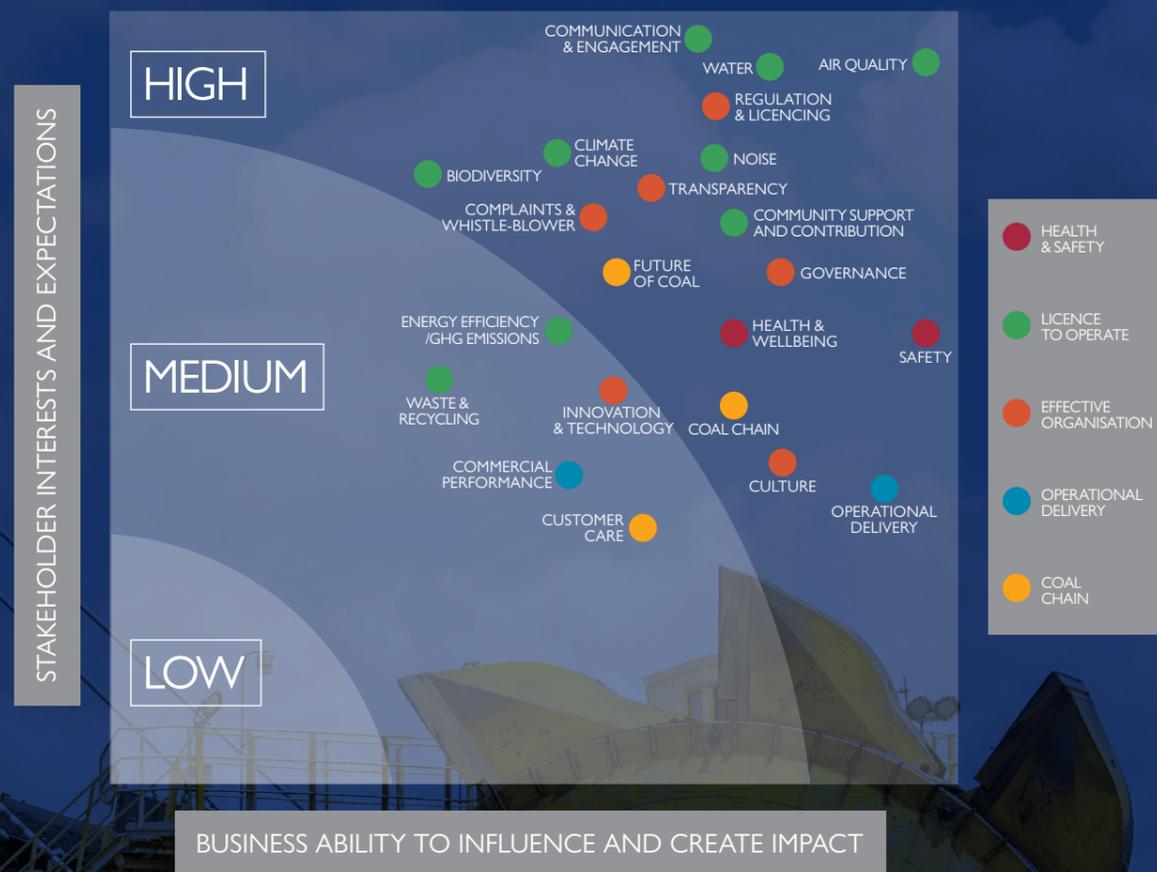
Materiality is essential to the quality of our sustainability management and reporting. It ensures we implement appropriate and relevant systems and provide timely and transparent information about the topics important to our business, community and stakeholders. The last formal assessment was undertaken in 2020, however the topics identified still strongly reflect in our significant activities, relationships, and economic, environmental and social impacts. Stakeholder engagement throughout the year has confirmed the relevance of these issues, with feedback showing there is increasing interest and importance in climate change and future of coal topics during the year.

Integrating sustainability is our 'business as usual'

Responsibly managing environmental, social and governance (ESG) aspects have always been part of the way we do things – it just makes good business sense. It ensures we create value for our stakeholders both today and into the longer term. Being a sustainable business enables us to live our values and deliver on our purpose, to deliver a high-quality, cost-effective service to our customers which meets their need for reliable access to contracted terminal capacity.

Who we are

Port Waratah Coal Services Limited is an unlisted public company with headquarters in Kooragang NSW, Australia. We have been operating since 1976, delivering an efficient, high-quality and reliable service to local coal producers. Port Waratah plays a vital role in the Hunter Valley Coal Chain, enabling our customers to reach a global market.



Our contribution to the SDGs

Port Waratah committed to contributing to the achievement of the UN Sustainable Development Goals (SDGs) in 2016. We address the challenges and targets in the context of our own business and operational environment. We do this by integrating sustainability into our business as usual and by implementing specific strategies, systems, programmes and initiatives. The achievement of the SDGs requires collaboration and partnership with other local businesses and services, and across the resources industry.

Since 2017, we have been aligning our business performance contribution to the SDGs. In 2018, we also aligned our Community Investment and Partnership Programme

contributions towards the SDGs and we are reviewing this again in 2022. The outcomes will feature on our Storylines website.

How we manage our impacts

There is strong alignment between our business drivers and the interests of our key stakeholders. Our business drivers, launched in 2013 are firmly embedded into the business and form the foundation that sets our objectives, the way we approach managing our impacts, and set goals describing where we strive to be. From the Shiploader Operator feeling confident and capable to identify and escalate a dust issue for proactive management to our community partnerships supporting areas of need in our local community or our focus on employee engagement, inclusion and diversity; a sustainability lens is applied to everything we do.

+ HEALTH & SAFETY

OUR APPROACH: How we operate

HEALTH & WELLBEING To be a workforce that is motivated to continually improve our personal and occupational health to achieve improved health outcomes both inside and outside of work.

SAFETY To continuously improve our safety performance through shared responsibility while proactively managing hazards and risks.

OBJECTIVE: Our performance must reflect that we hold the health and safety of people in our business as an overriding value.

OUR GOALS: Where we strive to be

FITNESS FOR WORK All people working onsite take responsibility for being fit for work and our people are encouraged to participate in Fitness for Work programmes.

HEALTH AND WELLBEING Our people strive for balance and our work contributes positively to a healthy lifestyle.

FATALITY PREVENTION We proactively work to identify, manage, control and verify the effectiveness of our critical risks to prevent fatalities.

SDG ALIGNMENT:



OCCUPATIONAL HYGIENE We have a shared responsibility for occupational hygiene from the identification of hazards to the implementation and measurement of controls, targeting zero harmful exposures.

HAZARD IDENTIFICATION AND RISK MANAGEMENT We have a shared responsibility to actively identify hazards, assess risk and implement robust controls to eliminate or minimise the risk of injury or illness to our people.

LICENCE TO OPERATE

OUR APPROACH: How we operate

ENVIRONMENT To continuously improve our baseline performance while proactively managing hazards and risks.

RELATIONSHIPS AND REPUTATION To be an active member of Newcastle and the Hunter Region. We build genuine, reliable relationships with our local community and together create shared positive outcomes.

SOCIAL IMPACTS AND CONTRIBUTION We contribute to a smart, sustainable and vibrant Newcastle. We support our local economy and community to help make our city more liveable.

OBJECTIVE: Our environmental performance and our engagement with stakeholders will support being granted ongoing and, if required, new Licences to Operate.

OUR GOALS: Where we strive to be

AIR QUALITY Proactively work to continuously reduce emissions from our operations and our contribution to the Newcastle airshed.

NOISE Proactively work to continuously reduce noise from our operations and our contribution to ambient and intrusive noise levels in residential areas.

WATER Proactively work to continuously improve our water management systems while reducing our impact on the Hunter River.

ENVIRONMENTAL FOOTPRINT Proactively work to reduce our demand on the capacity of the natural resources of the environment in which we operate.

COMMUNITY We create value for our stakeholders and seek to have a positive impact. We work in partnership to make Newcastle a smart, sustainable and vibrant city.

SDG ALIGNMENT:















RELATIONSHIPS We collaborate and work in partnership with all stakeholders to achieve mutually beneficial outcomes.

PARTNERSHIP We engage proudly within our community to advance our social licence and contribute to the success of the region.

COMMUNICATION AND ENGAGEMENT Stakeholders trust and want to work in partnership with us. Our relationships are long-term and robust.

REPUTATION Values-based leadership and decision making is at the heart of what we do.

SUSTAINABLE CONTRIBUTION We work in partnership to build a diverse and resilient local economy and seek to increase value for our customers. We operate within a sustainable and responsible supply chain.

EFFECTIVE ORGANISATION

OUR APPROACH: How we operate

CULTURE To enable and connect One Team to Port Waratah's values and strategy.

CAPABILITY To understand and align our people's capability to meet future needs.

IMPROVEMENT To enable our people to work smarter in a way that is aligned with our strategy.

GOVERNANCE We will ensure we meet or exceed our business obligations.

OBJECTIVE: Our culture encourages and rewards employee alignment and engagement. Our systems support efficient and effective leadership, robust governance, and excellence in operational delivery.

OUR GOALS: Where we strive to be

OUR STORY We proudly talk about Port Waratah, who we are and how our people connect to and shape our business and relationships.

ONE TEAM We actively communicate and collaborate across the business to align and leverage strengths to deliver and share successes.

OUR VALUES We identify with our four values, align our behaviours, and apply them consistently in the way we work.

LEADERSHIP We guide and enable our people to connect with our strategy as One Team to improve people and performance through change.

WORKFORCE PLANNING We forecast roles and skills required to enable business readiness to meet future needs.

REGULATION AND LICENCING Our compliance with relevant regulation and licencing aligns with our values and considers stakeholder expectations, even if this requires us to perform better than compliance standards.

SDG ALIGNMENT:






CHANGE MANAGEMENT Our people understand and accept the reason for change and influence the what and how through consultation and engagement.

BUSINESS ACUMEN Our people understand our strategy and use it to focus and align their work.

INNOVATION AND TECHNOLOGY We challenge the status quo, strive for innovation and actively exploit proven technology to optimise our ability to deliver our strategy.

MONITORING AND MEASUREMENT We continuously monitor, review and measure our performance, communicate outcomes and use data to identify improvement opportunities.

LEARNING AND DEVELOPMENT Our people are engaged with learning and development opportunities.

PERFORMANCE AND RECOGNITION Our culture celebrates performance that delivers our strategy and our people are recognised for the value they add.

OPERATIONAL DELIVERY

OUR APPROACH: How we operate

INFRASTRUCTURE STRATEGY To manage the life of our assets and optimise maintenance to maximise business performance.

PLANNING To cascade the infrastructure strategy enabling proactive and transparent planning in alignment with customer expectations.

DELIVERY To deliver a service that meets the customer expectations of responsiveness, flexibility and reliability.

COMMERCIAL To ensure our commercial strategy supports our business at the lowest sustainable coal handling charge.

OBJECTIVE: We deliver the services our customers expect and we care for our assets so that we can do so reliably on an ongoing basis at the lowest sustainable coal handling charge. We have efficient and robust governance and commercial processes.

OUR GOALS: Where we strive to be

ASSET STRATEGY We strategically manage the life of our assets consistent with our long-term capacity requirements and in a way that maximises asset service delivery, manages risk and considers whole of life costs.

MAINTENANCE STRATEGY Our Maintenance Strategy is optimised to ensure we are doing the right work at the right time to deliver business performance and reliability.

FINANCE Our financing and insurances are strategically managed in a proactive manner to support the business and are reflective of a balance of cost and risk.

PROCUREMENT Our people are engaged and aligned with the integrity of our processes to deliver value and efficient, timely outcomes.

SDG ALIGNMENT:





ACCOUNTING AND COST CONTROL Our people are engaged in maximising sustainable value through our fiscal and cost management decision making.

SERVICE DELIVERY We deliver our service in accordance with the plan while effectively managing variation to achieve customer requirements. We embrace continuous improvement to maximise our capacity.

PROJECT DELIVERY Our projects are delivered using consistent methodology to established performance standards. Projects are seamlessly integrated into an engaged business while delivering benefits aligned with our strategy.

COAL CHAIN

OUR APPROACH: How we operate

CUSTOMER SERVICE To act in the best interests of our customers and our relationships reflect mutual understanding and trust.

STRATEGY To understand our capacity requirements and adapt our operations in the best interests of our customers and the Hunter Valley Coal Chain.

OBJECTIVE: We engage proactively and positively with end users, customers and other service providers in the interest of maximising coal chain performance while securing our commercial model. We understand our development opportunities and are positioned to be able to pursue them when required.

OUR GOALS: Where we strive to be

RELATIONSHIPS AND REPUTATION Customer relationships reflect mutual understanding and trust. Our customers and potential customers acknowledge and advocate Port Waratah are the Terminal Operator of choice and our service offering adds value to their business.

COAL CHAIN PARTNER As an active participant in the Hunter Valley Coal Chain we identify opportunities, innovate, influence and lead in the best interests of our customers.

SDG ALIGNMENT:






CONTRACTS We actively promote and leverage the benefits of long-term contracts with existing and potential customers and other stakeholders.

CAPACITY ALIGNMENT We identify and plan to optimise capacity. We respond to internal and external forces and are positioned to be able to influence and implement change when required.

ADAPTABILITY Our customers trust that we make the right decisions to adapt our operations in their best interests and the interests of the coal chain.



Climate change

Our business is inextricably linked with the global seaborne coal trade, the continued demand for Hunter Valley coal and supports universal access to affordable and reliable energy of which coal-fired power generation will play a role for decades to come. We recognise the global transition to a low-carbon future, the climate change science set out in the UN's Intergovernmental Panel on Climate Change and the International Energy Agency's World Energy Outlook 2021.

Meeting global energy demand and reducing emissions is a key global challenge. Different countries will have different pathways and fuel mixes to reach the same shared global emissions goal. Taking a commodity level view, there are technology pathways towards lower emissions from coal including high-efficiency low-emission coal technologies and carbon capture, use and storage technologies. The quality of Hunter Valley coal and the reliability of the Hunter Valley as a supplier are two factors that are of key interest to the Hunter Valley's largest customer: Japan. As in most years over the last decade, in 2021, approximately 50 per cent of exports from Port Waratah's terminals were destined for Japan. The high-energy value of Hunter Valley coals has played a large role in supporting Japan's development of high-efficiency, low-emission thermal power generation technology. These are the factors that position our industry well to support our end user customers' future energy needs into and through the transition to a lower carbon future.

Port Waratah has assessed climate change risks and has strategies in place to reduce climate change impacts, planning for our role in global energy transition. We understand the potential physical and direct climate change risks, including changes to aspects such as sea levels, storm severity, bushfire weather and drought frequency and maintaining our operations and ability to meet contracted demand over two horizons: the next five and 20 years.

In 2021, we achieved our most energy efficient year to date with a saving of 851,000kWh, relative to the tonnes of coal Port Waratah handled for the year. This saving is equivalent to the annual consumption of 170 average Newcastle households. Compared to 10 years ago, our relative annual electricity savings exceed 9.1 million kWh, or close to 1,800 Newcastle households. Over this time, we have implemented numerous projects aimed at reducing electricity consumption, including physical changes such as LED lighting upgrades, as well as improving our operational efficiency and maintenance reliability, which reduces the time our plant and equipment needs to stop/start. In 2022, we plan to review our strategies to further reduce our emissions

footprint by looking for new opportunities, including technology efficiencies and energy alternatives.

Future outlook

When we look to the future, the regional strengths of product quality and reliable supply will support the coal industry to remain strong as more change comes along. The demand for the Hunter's product in its core markets in South-East Asia remains consistent with the implications of forecasts of the energy transition such as those from the International Energy Agency. Market changes during the year confirm that despite issues such as limited exports to China, the overall demand for Hunter Valley coal remains strong, and that high demand can be reflected in price quickly.

Furthermore, when we assess customer and producer expectations, including the transition plans in major customer markets, indications are that demand for Hunter Valley coal in its core markets will likely be fairly stable through a large part of the 2020s. With reference to the market in 2021 and the experiences in Europe, we consider it likely that the complexity of the transition will result in increased volatility and from time-to-time, demand and supply imbalances.

As the energy transition plays out over time, Port Waratah and indeed the Hunter Valley coal industry is exceptionally well-positioned to meet market demand in a very competitive way. The infrastructure exists throughout the coal chain and there are ample resources of quality product in existing mining areas, consistent with State Government policy. Our performance not only positions us well to support customers into the future, but also builds skills and capability in how local industry can operate in changing global markets at a time of unprecedented change. These skills and capabilities are in the region, available to play a role in supporting regional diversification and the economic transition.

Governance

As an unlisted public company, Port Waratah is overseen by a Board of Directors representing a range of shareholders. This Board determines and monitors our strategic direction, holding five board meetings a year, to ensure we meet our legal and social responsibilities. The Board's Audit and Risk Committee and its Health, Safety and Environment Committee, both hold four meetings a year respectively and focus specifically on compliance and governance to manage our operational risks and challenges. We have a comprehensive internal audit programme to ensure our governance processes achieve their objectives. Our policies and management systems lay the foundations for our culture and how we engage with each other and our stakeholders.

Our governance framework involves all levels of our organisation, and everyone has a role in reviewing, identifying and managing sustainability opportunities and risks. Our Chief Executive Officer oversees our economic, social and environmental performance with the Leadership Team reporting to the Board. Position descriptions for each employee are aligned with our business strategy and include commitments to our business drivers. Targets are embedded in all Employee Annual Performance Reviews and in our business performance incentive programme. All new Port Waratah employees and contractors undertake an induction programme that includes training on our values and business drivers.

Most of our regulatory reporting is related to financial, environmental and workplace health and safety requirements as dictated by State and Federal Governments. We are also subject to external financial, health and safety, and environmental audits.

In 2021, there were no incidents or legal actions in relation to: corruption, anti-competitive behaviour and violations of anti-trust and monopoly legislation; breaches of customer privacy; discrimination; nor any non-compliance with laws and regulations in environmental, social and economic areas. We are very proud to report that there were zero environmental incidents in 2021.

All employees at Port Waratah are represented on health, safety and environment matters by an elected representative from each department or work group. The employee representatives, Port Waratah leaders, and nominated resources form Port Waratah's Health, Safety and Environment (HSE) Committee. The HSE Committee works to continually improve systems and policies, and to promote a healthy, safe and environmentally conscious workplace through open, honest and transparent consultation. In 2021, the HSE committee met eight times and in addition 28 HSE consultation sessions were held discussing key topics including COVID-19 risk management and controls, significant incidents learnings and continuous improvement projects.

Co-Chairperson of the HSE committee, Leading Operator Grant Hughes said: *"After being involved with the HSE Committee in one way or another for the last 18 years, as a committee we have come a long way. As Co-Chairperson it is great to see the passion with which people come to the meetings for discussions on all Health, Safety and Environment issues that arise. We don't always agree and that is the beauty of discussion."*

"Everyone on the committee plays their own part from the Operations team members to Management. The HSE Committee plays an important role in the process of sustaining our ability to continue to operate and maintain both our terminals into the future."

Assurance

Port Waratah has had an ISO 14001 Environmental Management System (EMS) since 2009 and an ISO 45001 Occupational Health and Safety Management System (OHSMS) since 2014, both accredited to internationally recognised best practice standards. These systems provide our framework for managing environmental and occupational health and safety aspects of the business. Our management systems are subject to external auditing on an annual basis to ensure they are effective, fully implemented and continually improved in accordance with the ISO standards. Internal audits, reporting of incidents, and training also assess the performance of the management systems. Our management team approves objectives and targets, which are tracked monthly.



OUR SUSTAINABILITY PERFORMANCE SNAPSHOT

Our annual performance and progress at a glance

Our comprehensive performance reporting was first launched in 2017 and has been refreshed in 2021. Each business driver describes an objective, our management approach for key topics and our goals of where we strive to be. Success in achieving the objective and goals is determined through meeting qualified targets and we know when each target has been met through measuring relevant indicators.

Through the refresh, we have evolved our sustainability performance reporting to focus on a core set of 18 performance targets that are important to our business and our stakeholders. This sustainability performance snapshot is complemented by more detailed performance information throughout the report.



- HEALTH & SAFETY**
- Zero work-related fatalities**
Achieved in 2021.
 - Zero significant health exposures**
Achieved in 2021.
 - All injury frequency rate (AIFR) of four or less (per 1,000,000 hours)**
Unfortunately, five injuries occurred in the last six months of the year, finishing the year with an AIFR of 5.11.

- LICENCE TO OPERATE**
- Four or less reportable environmental incidents**
Achieved zero reportable incidents in 2021 for the first time, a significant result for the business.
 - Sustain dust mitigation practices and implement dust management improvement projects**
Sustained our focus on day-to-day best practice dust management and implemented all planned projects in 2021.
 - Sustain noise management practices and implement noise improvement projects to progressively reduce noise emissions over time**
Sustained our focus on noise management practices and implemented all planned projects in 2021.
 - Reduce sediment load in excess water released to the Hunter River compared to 2016/17 baseline year**
Exceeded the target weighted average of total suspended sediment concentration compared to the 2016/2017 baseline in a wetter than average year.
 - Reduce potable water consumption compared to the previous three-year average**
Achieved a 34% reduction in potable water consumption across the business in 2021, as compared to the previous three-year average.

- LICENCE TO OPERATE**
- Reduce electricity consumption and greenhouse gas (GHG) intensity per tonne of coal handled compared to previous three-year average**
Achieved the lowest annual electricity efficiency with a 0.6% improvement compared to the three-year average and a 0.1% year-on-year reduction in Scope 2 GHG emissions.
 - Sustain landfill waste diversion to recycling rate at 90%**
New record, we achieved the highest annual landfill diversion rate of 93.3% in 2021.
 - Sustain community perceptions of trust and acceptance as measured by the Community Attitude Survey**
Throughout 2021 the positive levels of trust and acceptance were maintained.
 - Sustain Port Waratah's contribution to the regional economy each year at 75% of expenditure**
More than 78% of total expenditure was spent in the Hunter and Central Coast.
 - Sustain Port Waratah's investment in the local community**
\$750,000 invested in local and regional projects through the Community Investment and Partnership Programme.

- EFFECTIVE ORGANISATION**
- Sustain commitment to supporting early careers within the Newcastle community, developing the next generation of Port Waratah employees and leaders**
A total of eight university scholarship students, four trainees and 16 apprentices were supported in early career pathways. In addition, two new graduate positions were introduced.
 - Increase percentage of female employees each year**
We increased female participation in our workforce by 0.5% compared to 2020. Overall, there has been a 3% improvement since 2016.

- OPERATIONAL DELIVERY**
- Meet forecast levels of total coal loaded**
In 2021, we achieved 99% of the annual forecast of total coal loaded with 111.3 Mt loaded, second highest year on record.
 - Target of 92% compliance to the outbound shiplading plan**
This was almost achieved with 87.6% compliance in 2021.

- COAL CHAIN**
- Deliver a vessel turnaround time within three days**
We strive to deliver the most time-efficient service to our customers, however throughout the year a number of weather and logistical factors affected the vessel turnaround time, final result 7.5 days.

WE'RE POWERED BY OUR PEOPLE

We won't compromise on their health, safety and wellbeing. We are committed to a target of zero injuries

Our business success is dependent on the performance and achievements of our people. That's why their health, safety and wellbeing are an overriding value and why we have an unwavering commitment to zero injuries.

We facilitate the stockpiling and loading of coal utilising large and moving equipment, often operating automatically and controlled remotely, with skilled and experienced workforce operating on a 24-hour basis. We have established, implemented and maintained several procedures for the ongoing hazard identification, risk assessment and determination of necessary controls to keep our people safe and healthy. All employees, contractors and visitors are covered by our Health and Safety Management Plan and ISO 45001 certification.

Performance

Port Waratah finished the year with an all-injury frequency rate (AIFR) of 5.15. This means we did not meet our target of an AIFR below four. We reported five recordable injuries during 2021, all of which occurred during the second half of the year following our best result of significant injury-free days. This is the same result as compared to 2020 and is not in line with our goal of zero injuries. Our ongoing focus is to continue to provide a workplace in which everybody can work without being harmed as a result of activities or operations. We met our targets of zero fatalities and there were no significant health exposures during the year.

Hazard identification and risk management

Eliminating and controlling risks in our workplace helps to prevent and reduce the number and severity of workplace injuries and illnesses. We strive to promote and improve our worker health, wellbeing and capacity to work, and foster a culture where everyone is encouraged to innovate and improve quality and productivity of their work while maintaining a high level of health and safety standards.

Our system involves identifying hazards, assessing the risks presented by the hazards, finding ways to control unacceptable risks, deploying the controls identified and recording the process and outcomes. Each team member at Port Waratah is trained and empowered to identify and report work-related hazards through our incident reporting system, ensuring the hazards are communicated to others and containment controls or rectification actions can be implemented.

Internal and external stakeholders are consulted as part of the risk management process, when identifying hazards and assessing risks, when making decisions about ways to eliminate or minimise those risks and when making changes to the risk management process.

Incident investigation

All incidents, regardless of their nature or severity, are encouraged to be reported and managed immediately. The area is made safe to personnel and notification of the incident is made to the relevant leader.

An incident investigation is undertaken for every incident. The type of investigation is determined by the severity of the incident. A 5-why incident investigation is completed where the incident has a low to moderate severity and a formal investigation is undertaken where the severity has a high to critical severity. The completion of corrective actions related to incidents are tracked through our health and safety performance reporting processes.

Occupational hygiene

Health risks for each worker in Similar Exposure Groups (SEGs) working at Port Waratah has been assessed, risk ranked and recorded in the Health Risk Register. This register is maintained and reviewed at least annually.

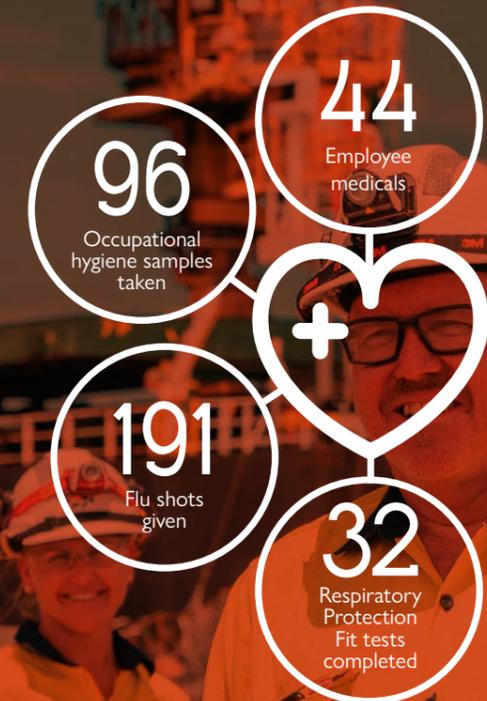
Our monitoring programme is coordinated and facilitated utilising an external consultant with specific occupational hygiene competency and qualifications. Monitoring is conducted in accordance with current accepted methods and is carried out on all SEGs based on their exposure levels in the workplace.

🔍 CASE STUDY

Medical Surveillance Programme

Port Waratah offers regular employee medicals to support the health of our people and to provide early intervention to prevent long-term health impacts related to the work that they do. To improve the quality and accessibility of our programme, we implemented a more regular service on site during 2021, with fortnightly site attendance of a health nurse. The regular presence of the nurse facilitates regular follow-ups for any individuals who need additional monitoring or support for identified risk factors.

The medicals centre around occupational health risk factors and include a review of lung health, hearing, cardiovascular risk factors, musculoskeletal issues, stress, fatigue and more, as well as many other modifiable risk factors associated with lifestyle behaviours such as alcohol consumption.



Bowel Screen Kits and skin checks occur on a two-year cycle and will be available to employees in 2022.

Continuous improvement

Our improvement efforts focused on:

- developing education and awareness for our people on the potentially fatal hazards identified in our workplace. We are committed to all workers understanding the fatal hazards and critical controls that must be in place prior to undertaking tasks.
- continuing to drive improvements to pre-task hazard assessments with an update to the mobile job safety and environmental analysis (JSEA) to include identifying and controlling hazards for each step of the task.
- implemented clear Standard Operating Instructions for each stage of the contractor lifecycle with training for Contract Holders aligned to the updated Contractor Management System.
- following the baseline assessment in 2019, we completed a Health and Wellbeing Pulse Survey to understand the effectiveness of our Live Better, Work Better wellbeing programme.
- a comprehensive review of the onsite medical programme, introducing a rolling medical surveillance service in place of the previous biennial medicals.
- mental health awareness, particularly the introduction of quarterly Peer Support development forums to actively engage and upskill our Peer Support Network.

Of the Network, Jennifer Murphy, Specialist Business Information, said, *“The peer support network allows us to support our workmates while developing our own mental health and wellbeing toolkit. It’s a way of helping each other to work through minor issues that can be amplified through periods of additional stress. I feel privileged to be a part of such a rewarding initiative!”*

Our focus for 2022 will be to continue implementing and embedding identified projects regarding wellbeing, hazard identification and risk management, technology improvements and ongoing improvements in systems and processes. These projects will be underpinned by our culture of shared accountability and responsibility when it comes to health and safety, particularly our goal of zero work-related injuries and illnesses.

Live Better, Work Better

In 2021, the Live Better Work Better programme continued to provide information and awareness around a range of modifiable health risk factors to support our people to achieve a balanced lifestyle. The key focus areas throughout the year were physical activity, fatigue and sleep, alcohol consumption and mental health, including worker welfare throughout the ongoing COVID-19 pandemic.

Each of these focus areas included key initiatives that were developed and delivered with the support of external subject matter experts and provided to employees via videos, face-to-face and online forums as well as regular email communications.

Additionally, more than 296 team members participated in health and wellbeing initiatives including employee medicals and follow-up appointments, flu vaccinations, respiratory protection fit tests, mental health and wellbeing sessions and physical fitness checks.

🔍 CASE STUDY

COVID-19 response

During the COVID-19 disruption to our normal working conditions, Port Waratah continued to implement a range of initiatives and measures to keep our people safe at work. Port Waratah developed protocols based on guidance from the Australian Government Department of Health, NSW Health, Safe Work and Minerals Council of Australia. We continually monitored these references throughout the year, and our controls, procedures and communications were regularly updated to meet new information and advice.

The controls that focused on worker health and safety in response to the pandemic included staying at home and get tested if unwell, physical distancing requirements, limited interactions between teams, as required, strict personal and facilities hygiene measures, wearing face masks when indoors and location check-ins.

We provided regular COVID-19 safety updates and clear communications aimed to reassure our workforce and keep them informed as the restrictions and risk levels changed and evolved throughout the year.

We also implemented initiatives and flexible work options to support team members working from home. All team members were supported with paid pandemic leave options and access to free counselling and mental health support via the Employee Assistance Programme. To further support mental health and wellbeing employees and their families were provided access to a new online ‘Wellness Hub’ with over 90 short sessions covering workouts, therapies, meditation and other wellness topics.

Port Waratah’s November employee engagement pulse survey focused on Port Waratah’s COVID-19 response and understanding the vaccination status of employees. As a result of survey feedback, updates were made to the COVID controls including relaxation of some controls for vaccinated employees, and supporting planning for the return of remote workers to the workplace in 2022.



ALL INJURY FREQUENCY RATE
5.11 (PER 1,000,000 HOURS)

0 FATALITIES

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](#)



TOTAL # OF PROJECTS **46**

COMPLETED TO DATE **36**

ONGOING **6**

REMOVED FROM PORTFOLIO **4**

OF PROJECTS

-  10
-  4
-  5
-  19
-  2
-  6

CATEGORY

- GOVERNANCE
- AIR QUALITY
- NOISE
- WATER
- ENVIRONMENTAL FOOTPRINT
- 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.

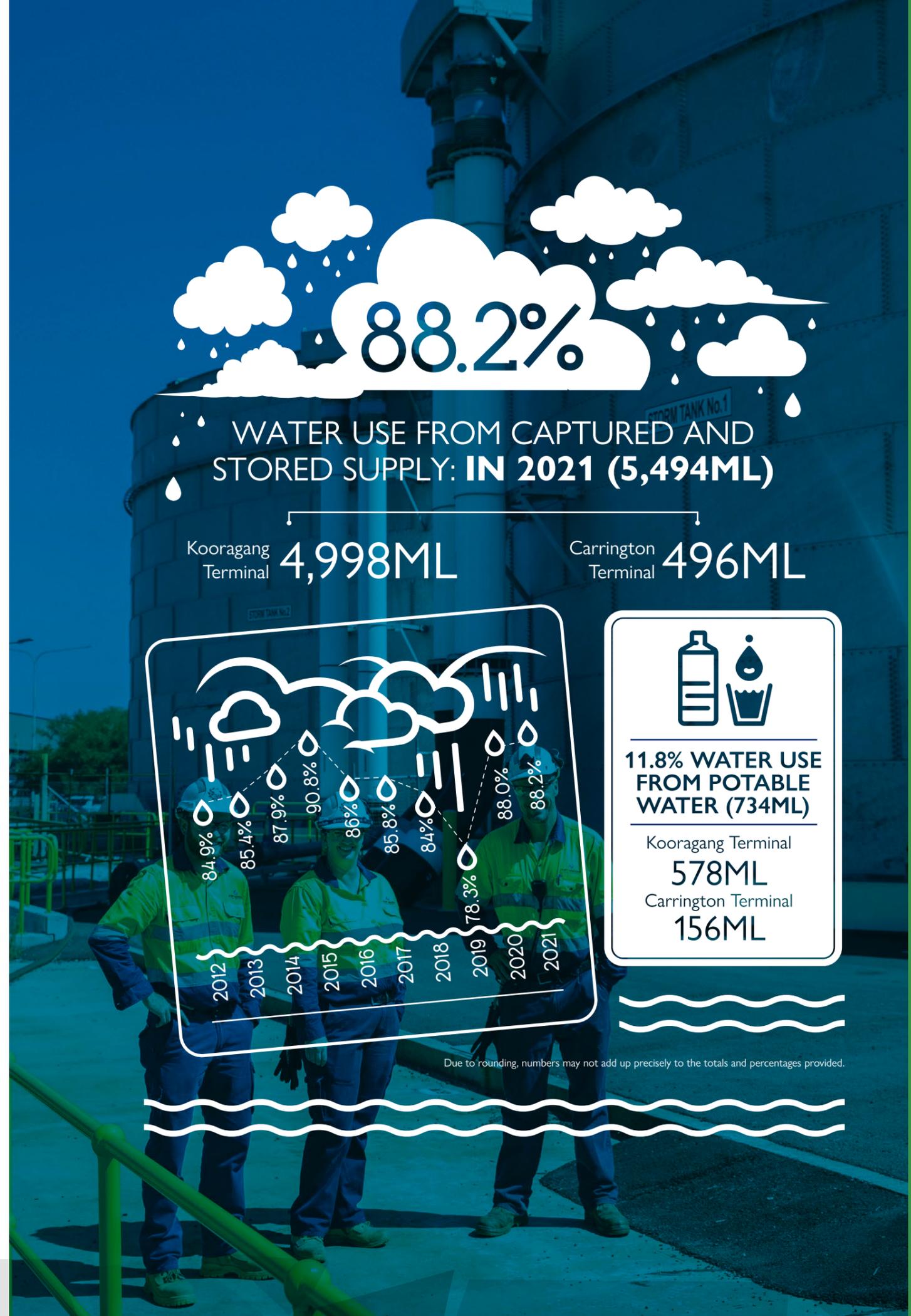
In 2021, there were no water restrictions in place across the Hunter Region and no areas of 'water stress' on local supply of potable water.

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

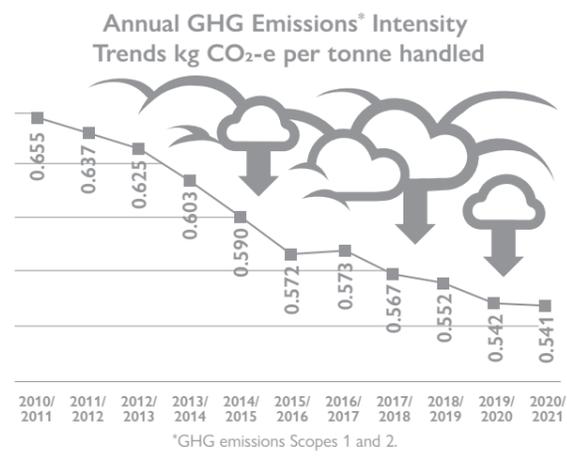
Ninety-nine per cent of the total energy consumed at Port Waratah is from grid purchased electricity that is used to operate our plant and equipment. A key performance metric we use to measure our energy and emissions performance is by reducing the amount of electricity required to move each tonne of 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.

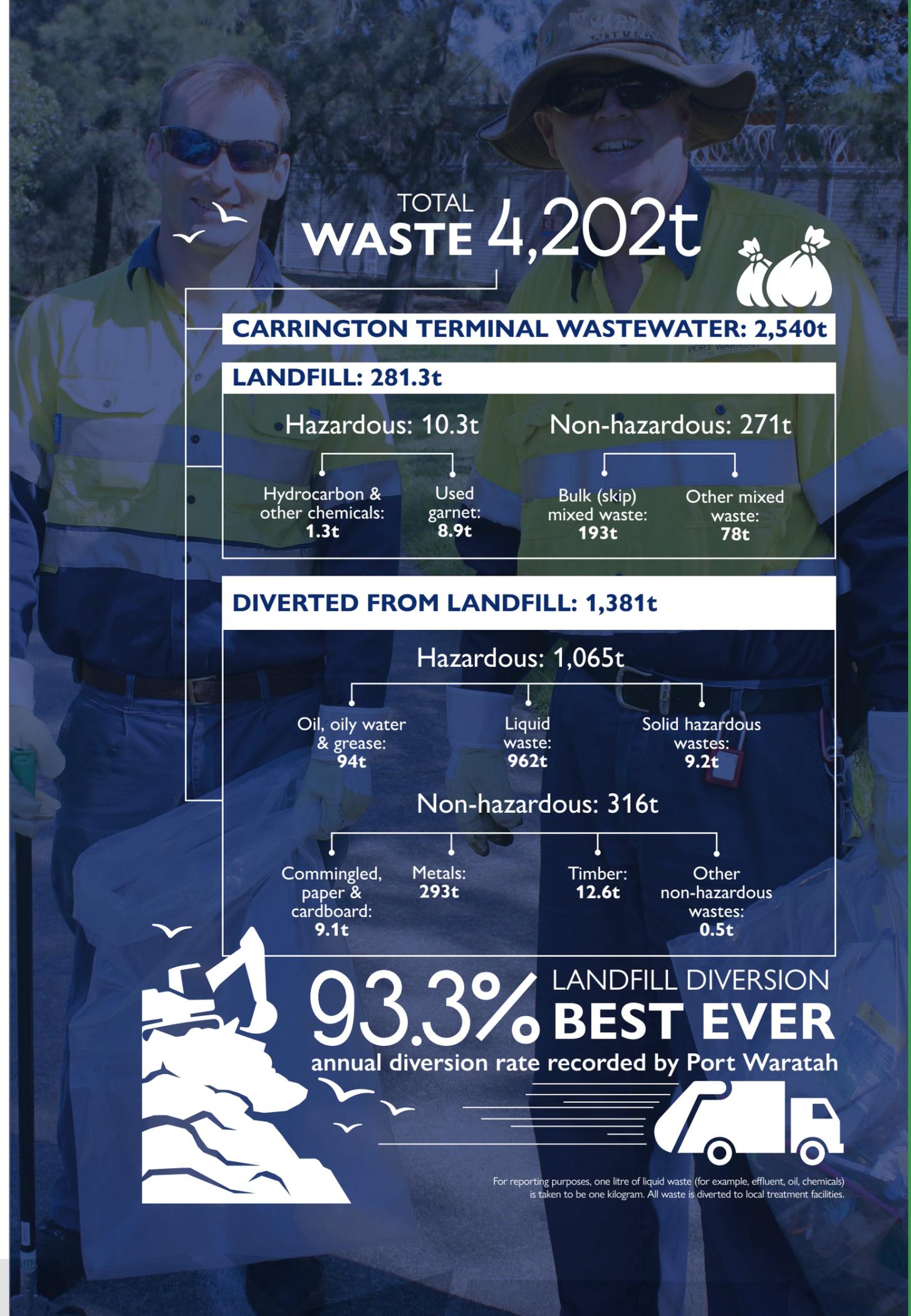
Key waste streams managed by Port Waratah include industrial water and other liquid wastes, scrap metal, engineered and raw timber products, hydrocarbon and other chemical wastes, commingled recycling and mixed solid wastes.

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.

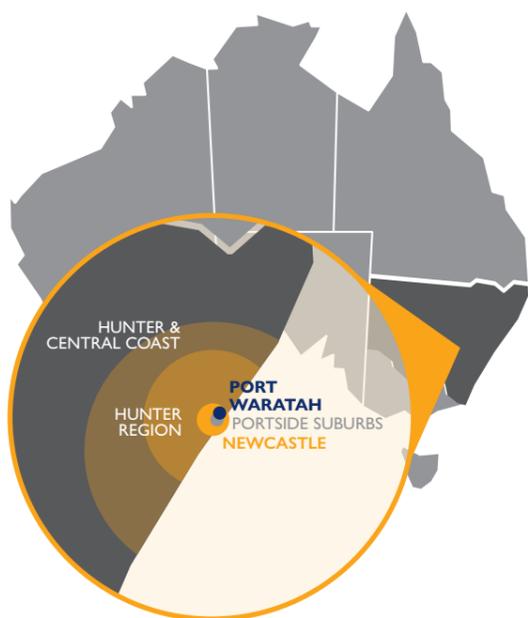
During 2021, no waste materials were received for disposal at our terminals or licenced waste facilities.

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.

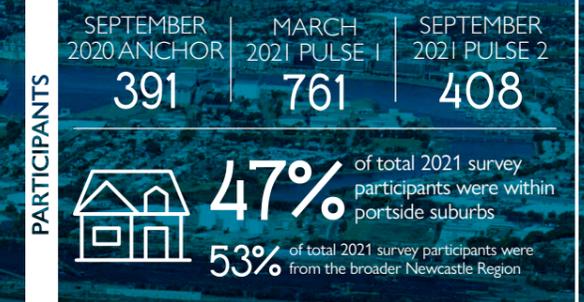
9,132

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

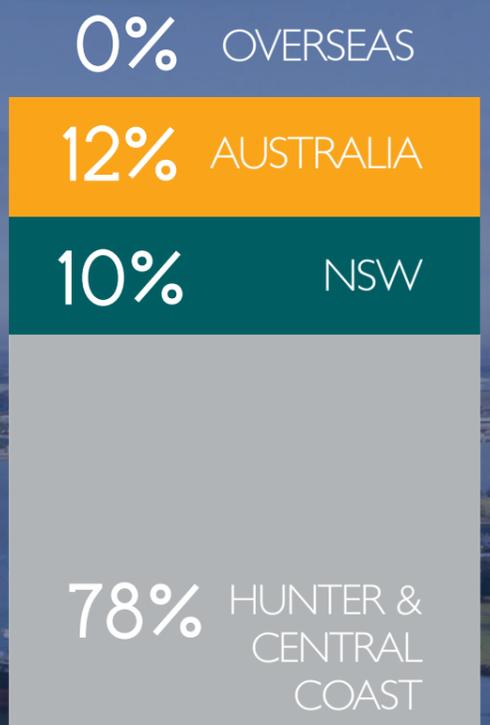
Ensuring business continuity through procurement practices

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

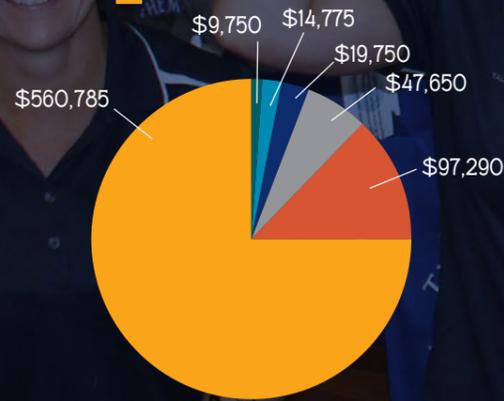
31% OF FUNDING FOR HEALTH FOCUSED PROJECTS



137 INITIATIVES SUPPORTED

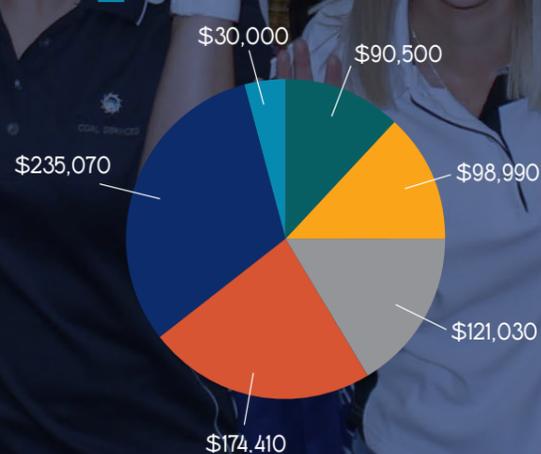
BREAKDOWN BY LOCATION

- 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](#)



OUR CULTURE IS COLLABORATIVE AND CARING

We look after one another and work together to achieve our goals

Our Effective Organisation Driver is focused on building the right culture, workforce capability, continuous improvement, and governance to deliver our purpose and meet our stakeholder expectations. An engaged and committed workforce plays a key role in this, and in Port Waratah's success in an increasingly uncertain and disrupted environment.

Port Waratah's core values underpin decision making to be a service that can be relied upon and trusted. They include being progressive, dedicated to excellence, being reliable and acting with integrity. They also explain how we want to relate with our people and our stakeholders; being supportive, valuing safety, working efficiently and acting in a balanced, committed and responsible way.

Enterprise Agreement

We have 187 Enterprise Agreement (EA) employees (57 per cent of our workforce) represented by four different unions. Port Waratah supports Freedom of Association for employees should they chose to be a member of a trade union. The current Port Waratah Coal Services 2018 Enterprise Agreement will nominally expire on 16 August 2022. Reflective of an engaged workforce and positive workplace relations, there was only one workplace dispute lodged in 2021 and no instances of industrial action.

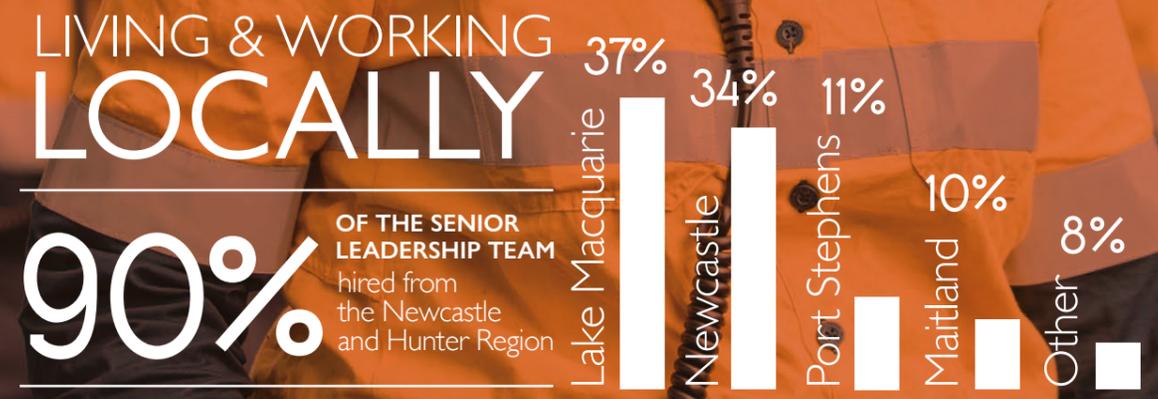
Employee engagement

To improve how we measure, understand, and respond to employee feedback, a new employee engagement programme called *The Vibe* was introduced. The programme incorporates shorter biannual engagement surveys and new pulse surveys to understand the internal 'vibe' and respond accordingly.

Change management was a key focus area in 2021, promoting employee engagement and project excellence by supporting team members to make effective transitions through change. The design of a major project upgrade to our operations control system was conducted in 2021. To ensure a smooth transition, the project applied our change framework and included the involvement of end user team members, laying a solid foundation for implementation in 2022.

Developing our people

Each year all employees take part in an Employee Performance Review and are offered opportunities for formal training and development programmes. In 2021, there were 2,476 online and face-to-face courses and 39 leadership training events.



Supporting leaders to build their leadership capability today and for the future was a key focus in 2021. Throughout the year, all Port Waratah Leaders participated in the 'Evolve' Leadership Development Programme. The purpose of the programme was to embrace their role as leaders by equipping them with the mindset and skillset required for leaders of the future. The cascaded programme contained interactive workshops tailored at Senior Leadership, Superintendent and Supervisor levels with 360° feedback and reflection exercises. Superintendents also took part in cross-functional strategic projects.

A new Learning and Development Framework was implemented in 2021 to support more effective and fit-for-purpose training services. This included a focus on self-directed, micro-virtual learning and a stronger emphasis on 'on the job' collaborative learning as opposed to classroom-based learning. Optimising the balance between compliance-based training, learning for today and developing skills required for the future remains an ongoing focus.

CASE STUDY

Evolve Leadership Programme 'Helping Hands'

One of the focus areas of our Effective Organisation driver is to build leaders of the future to meet the evolving expectations of our customers, team members and community. In February, 'Evolve' was launched at an interactive event attended by all leadership levels. To help further understanding of the power of 'purpose' leaders got the chance to participate in a small group activity to build artificial hands to be donated overseas to amputee land-mine victims that would not otherwise be able to afford a prosthesis. As an added challenge, participants were also required to bind one of their hands during the build process to experience what life can be like for an amputee and to appreciate the value of teamwork. Each of the 13 artificial hands made were put into a case with a personalised message uniquely decorated by participants.



CASE STUDY

Celebrating Success

The Celebrate Success Programme has made it easier for everyone to promote, recognise and celebrate outstanding efforts and achievements aligned with our strategy and values. Since the programme launched in 2020, hundreds of recognitions and celebrations of success have been submitted, with 130 in 2021, and 47 highlighted as 'Top Achievers' for going above and beyond living our values through contributions to safety, sustainability, business improvements and stakeholder and customer relations.

Todd Hamilton and Mitch Carman are two Operators at the Carrington Terminal and were recognised through the Celebrate Success Programme for living the value of 'Caring'. Todd and Mitch are part of Port Waratah's Peer Support Network and took the initiative to check-in on their work mates' mental health and wellbeing at the daily toolbox talk during the uncertainty of COVID-19. They opened a conversation about dealing effectively with change and stressful situations and made their workmates aware of the mental health services and support available to team members.

 Mitch said, "It felt good to get the message across to all the workmates that they weren't alone during this time. We didn't do it for the recognition, but it was certainly nice to be recognised."

 Todd said, "Mental health is such an important topic and to be recognised made me feel like I contributed something positive to the team. It was great to ensure that our team members know there's lots of support available."

Embracing diversity

Following a strategic review of Port Waratah's Diversity and Inclusion (D&I) Strategy, a refreshed three-year Strategy and Action Plan was implemented in 2021. The updated strategy aims to further improve workplace diversity to reflect the community in which we operate and strengthen our inclusive culture. The action plan focuses on advancing change in the areas of culture, careers and commerce. Key actions included refreshing the employee working group with the introduction of D&I champions, building leadership capability, improving diverse hiring practices, strengthening relationships with Indigenous communities and creating opportunities for underrepresented groups in supply chains.

A strategic diversity lens continued to be applied to learning and development activities with three mentees and six mentors participating in the Women in Mining Mentoring Programme in 2021.

SUPPORTING EARLY CAREERS



In partnership with the University of Newcastle, Port Waratah also supports nine engineering and business students with a \$21,000 scholarship and paid work experience during the summer semester break. A new Graduate Programme for Engineers implemented in 2021 for real-world experience in project management, investigations, strategy, engineering support and management.



Babita Subedi
Graduate Engineer

"I have really enjoyed being exposed to diverse areas of work, which has helped me expand my skill set. Another rewarding aspect has been the networks I have made, and the connection formed with people. The Graduate Programme has given me the opportunity to work on extremely unique projects, allowed me to take on challenges, hone my existing skills and gain confidence."



Rebecca Sharp
IT Trainee

"Having this internship has helped me form a better understanding of the theory that I learn at University, through practical experience and applying my knowledge to real-life situations. It has helped me expand my exposure within a workplace environment and allowed me to further develop my time management and organisational skills, which has had a great impact on my studies."



Rob Stocks
Electrical Apprentice

"The Apprenticeship Programme is a great experience. The best part is learning one-on-one with a tradesperson out on a job. They are always super helpful, patient and enjoy explaining all the different concepts and how everything works, connecting my study at TAFE to real experiences. The detail, expertise and knowledge that the team provides has really pushed the experience above my expectations."

A focus on diversity in recruitment in 2021 was supported by rebranded recruitment advertising and social media video spotlights, with new processes introduced to remove unconscious bias from the recruitment process. This led to an increase in the percentage of vacant roles filled by women to 39 per cent up from 17 per cent in 2020. Of particular focus was improving diversity among non-traditional roles. A remodelled recruitment and shortlisting process for recruitment of Operator roles to reduce unconscious bias successfully led to 44 per cent of new Operators commencing in 2021 being female. Aligned to our 'Caring' value upgrades to facilities were also undertaken to support a growing diverse workforce. This included upgrades to breastfeeding room facilities, and reconfiguration of facilities to support greater wheelchair accessibility.

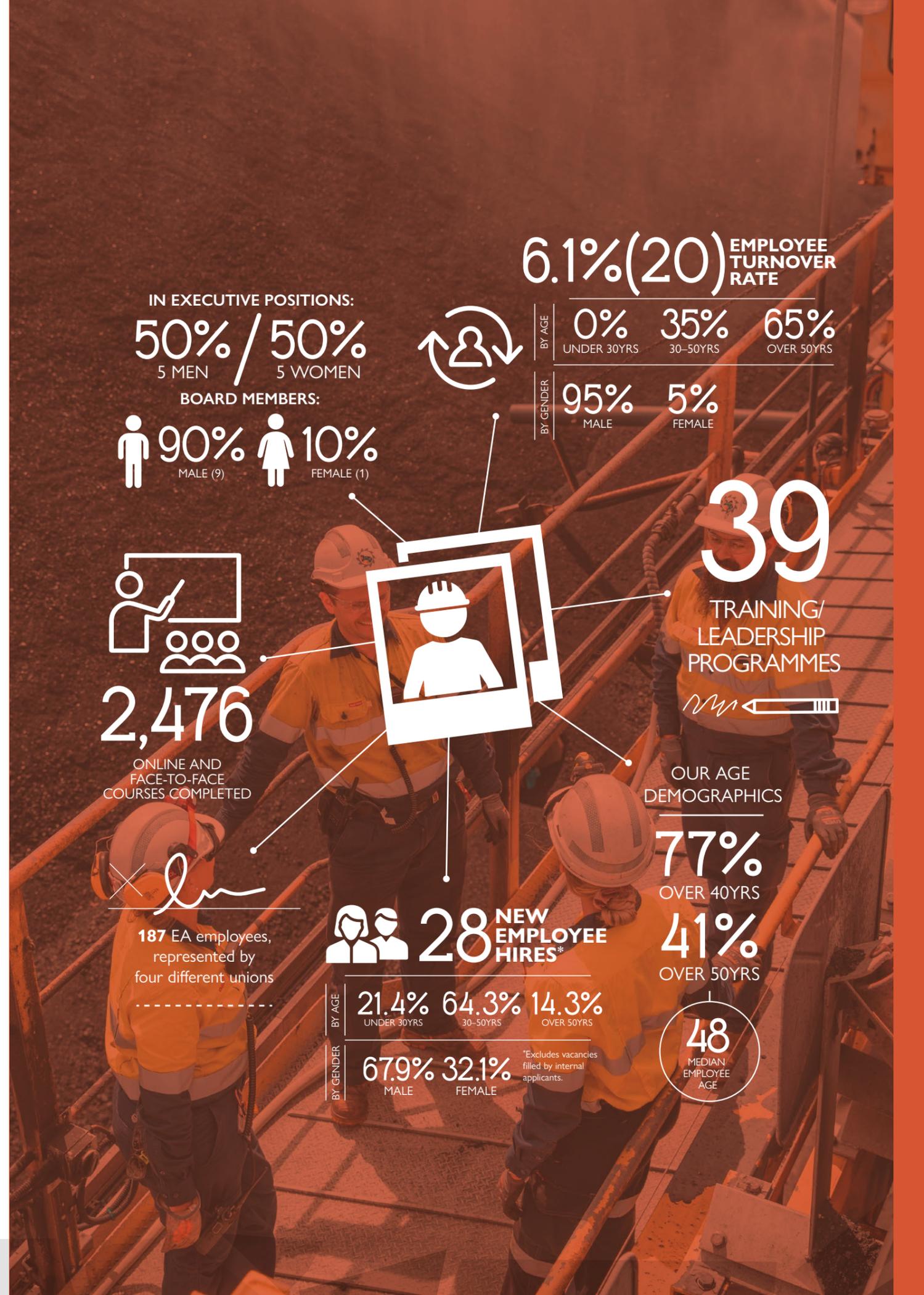
An increase in the number of employees transitioning to retirement resulted in a rise in the number of new job-sharing opportunities, including the first Terminal Operator job-share arrangement. Throughout 2021, 23 employees accessed flexible working arrangements, including seven job-sharing arrangements.

In meeting our obligations under the Workplace Gender Equality Act 2012, we lodged our Workplace Profile with the Workplace Gender Equality Agency (WGEA) in August 2021, available on our website. [READ MORE](#) Port Waratah eliminates any risk of a gender pay disparity through the annual remuneration process which includes a market analysis to ensure remuneration is within market parity.

CASE STUDY

Diversity achievement award

Port Waratah's achievements in diversity were recognised with the Excellence in Diversity Programme and Performance Award win in the 2021 NSW Women in Mining Awards. The award recognises excellence and innovation in gender diversity programmes and demonstrated outstanding performance in increasing the proportion of women in the workplace. Over the last five years, through the implementation of a Diversity and Inclusion Strategy and Action Plan, Port Waratah has achieved several milestones in gender diversity. Leading by example, female representation in the Senior Leadership Team has risen from 7.7 to 50 per cent and 30 per cent of non-manager leadership roles are now held by women. We are seeing the positive impacts that diversity of thought and experience is bringing to Port Waratah, but even more importantly, we are able to demonstrate to current and prospective employees that we have opportunities for all. The ultimate objective of the programme has been to grow an organisation that looks different and feels different, is more flexible, inclusive and successful, and above all – in which everyone is valued.



OUR CUSTOMERS CAN RELY ON US

We maintain and invest in infrastructure to optimise our operational outcomes

Port Waratah's core operating strategy focuses on operating and maintaining our assets in a sustainable manner to ensure our export capacity of 145 million tonnes (Mt) per year is made available. Our Carrington and Kooragang Coal Terminals provide reliability and flexibility for the Hunter Valley Coal Chain and we remain well-positioned to meet any changes in demand.

Our ability to continue to deliver a high-quality service to our customers while focusing on continuous improvement and leveraging off our experience, reliability and agility, has enabled us to achieve numerous performance highlights in 2021.

Performance

We sustained a high level of operational performance, high loading rates and strong reliability. In total we received, blended, and loaded 111.3Mt of coal, with 18.3Mt at our Carrington Terminal and 93.0Mt at our Kooragang Terminal. This strong performance marks our tenth year of exporting more than 100Mt per year. It is slightly below our forecast of 112Mt and is an increase of 5.4Mt on our 2020 performance. We anticipate that overall demand for our services into 2022 will remain steady.

During the year, we kept overall operating costs stable and the coal handling charge for our customers remains sustainable over the longer term. We successfully refinanced over \$240 million of debt and significantly reduced remaining refinancing risk over the balance of the debt programme. Port Waratah continues to maintain a consistently strong balance sheet, profitability, and prudent loan amortisation. An insurance review was completed and successfully secured 100 per cent full coverage in a changing insurance market. Port Waratah participated in the Australian Taxation Office (ATO), Top 1,000 combined assurance programme and received a response concluding that the ATO had obtained high confidence that Port Waratah had paid the correct amounts of tax. Find out more in our Financial Report 2021, available on our website. [▶ READ MORE](#)

Several major projects were implemented during the year to improve integrity, reliability, safety and environmental performance across electrical, structural, belting and mechanical infrastructure despite the challenges faced working in an environment impacted by COVID-19.

More than \$2.7 million was invested in major upgrades to electrical assets across the two terminals in 2021, including distribution boards, programmable logic control, CCTV upgrades and a main power upgrade at Carrington Terminal.

Furthermore, over 7.3km of conveyor belt was also successfully replaced across both terminals in 2021.

We utilised our internal Service Delivery metric dashboard to optimise and maintain operational performance through a challenging year, which enabled us to monitor performance and identify daily operational improvement opportunities across our two terminals. The dashboard helps to maximise our throughput and closely monitor customer service requirements as one team across all drivers.

CASE STUDY

Adverse weather forecasting and alerting

The introduction of an integrated adverse weather forecasting, alerting and action system has significantly reduced the risk to the safety of our people and our assets during adverse weather events.

Using an online platform integrated into our operations system, the Operations Team have enhanced capability to assess, real-time weather risks and take action to ensure we are in control of our operations in all weather conditions.

Metrics such as ocean swell, rain, dust risk, asset risk and storm cells are monitored live and adapt to the changing conditions at hand.

Further optimisation of this technology is underway, with harbour salinity monitoring and alerting being trialled in the first half of 2022, providing a more holistic approach to weather and its short, medium, and long-term potential impacts on our operations.

CASE STUDY

Capital investment and maintenance of our assets and infrastructure

Port Waratah invested more than \$24.5 million, with the majority spent locally, across 27 maintenance and infrastructure projects delivered through two major outages in 2021. The projects were aimed at improving asset reliability, maintaining structural integrity, and improving safety and environmental performance. The work ensures operations continues to contribute a valuable, flexible, and efficient service to meet the needs of our customers and deliver for the Hunter Valley Coal Chain.

At the Kooragang Terminal, the works included new trimmer flaps and load chutes on two of our shiploaders providing greater efficiencies and environmental outcomes, as well as the overhaul of over 600 coal stockyard sprayers and the installation of metres and flow monitors for improved water and dust management.

In November, the Australian Institute of Project Management announced Port Waratah took out the NSW Professional Services title in the Project Management Achievement Awards, in recognition of the progressive development and implementation of our Project Management System Upgrade. [▶ READ MORE](#)



IN 2021
PORT WARATAH

LOADED

1,279 VESSELS

A RECORD
NUMBER OF VESSELS

111.3

MILLION
TONNES OF COAL

93.0 MILLION TONNES FROM KOORAGANG

18.3 MILLION TONNES FROM CARRINGTON

SECOND BIGGEST
YEAR ON RECORD

TRAIN CANCELLATIONS
0.2%

WE COLLABORATE WITH OUR CUSTOMERS

Our services provide certainty and confidence to trade globally

Port Waratah's Kooragang and Carrington Terminals are an integral part of the Hunter Valley Coal Chain, connecting Hunter Valley coal with the world. The coal chain includes more than 35 coal mines with the coal being hauled distances of up to 380km to reach the Port of Newcastle. We have again demonstrated during 2021, our capability to respond to changing market demands and circumstances to deliver for our customers. This inherent capability ensures we are well positioned to meet changing circumstances of the global demand for Hunter Valley coal and understand that our services remain of critical importance to the local, regional and national economies.

Performance

Above average wet weather conditions impacted the coal chain in 2021. Flooding events in the Hunter Valley catchment area disrupted both rail capacity, port depth and vessel handling characteristics, all of which impacts the capability of the coal chain to deliver, including Port Waratah terminals. In addition, the inclement weather resulted in above average port restrictions mainly due to ocean swell conditions not permitting the safe passage of vessels into and out of the port. As a result, vessel turnaround times increased from 3.5 days in 2020 to 7.5 days in 2021.

In August, Port Waratah announced an extension to the Carrington Terminal lease from 2024 to the end of 2031. The decision to continue operations at Carrington aligns with our customers' needs and Port Waratah's expectations of coal industry demand, particularly from South-East Asia, where demand for high-quality Hunter Valley coal remains strong. The Carrington Terminal remains a key element of Port Waratah's operations and in a Local Voices survey, we asked community stakeholders about their views on the Carrington Lease extension. The overall results were positive, including strong agreement that the extension secures existing local jobs and provides ongoing opportunities for local businesses, such as contractors and suppliers. The results also showed that respondents felt that local impacts would continue but there was a balance of benefits and impacts regarding the extension.

Customer engagement

Strong working relationships are critical to our success. Our customer contracts continue over a 10-year horizon and our focus is on providing a reliable and quality service. We are committed to delivering superior services to our customers and to act in their best interests. We live our values by listening to our customer's feedback and improving our level of service where we can. In 2021, we successfully implemented train discharge improvements utilising data from other coal chain partners to improve efficiencies and contamination controls.

Market conditions

With 50 per cent of terminal throughput, Japan remained our largest export destination in 2021. Our customers exported record tonnages to Indonesia, India, Taiwan, Thailand, Turkey, Netherlands and Bangladesh. The coal we handle is used in export markets for energy production and steel manufacturing.

Port Waratah's range of shiploading assets enables vessels of all classes to be loaded at our terminals. This flexibility is demonstrated by a record sixth year in a row of loading greater than 5 million tonnes onto Handy class vessels, all serviced at our Carrington Terminal. A record 1,279 vessels were loaded at our terminals in 2021 with Post-Panamax vessels being the most prevalent vessel class at 48 per cent.

It is expected that our flexibility and coal blending processes, will meet the needs and challenges of our customers and continue to be highly valued into the future.

CASE STUDY

Working with supply chain partners to reduce greenhouse gas emissions

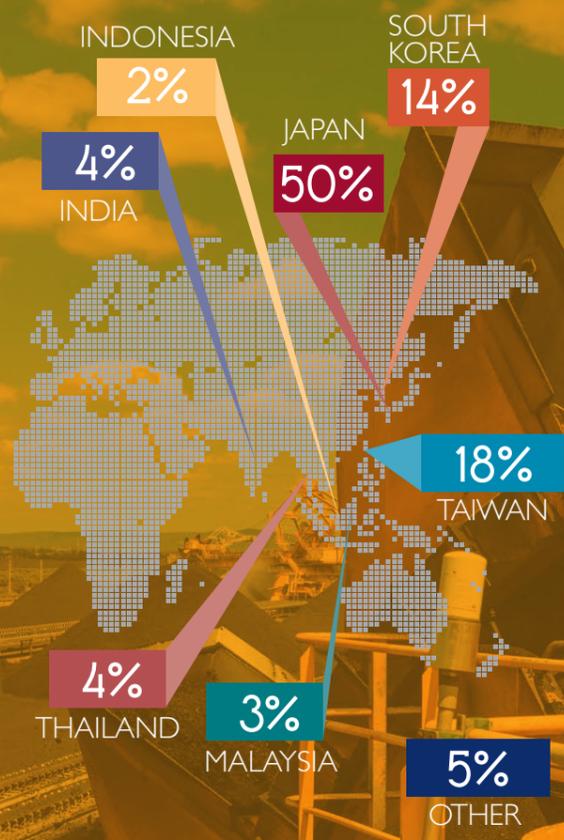
Port Waratah has a proud history of working with vessel designers representing a variety of shipping lines from around the world to improve the design of vessels. Our range of shiploading assets provides a benchmark for these organisations to test potential designs against a high-capacity terminal operation. Port Waratah has been collaborating with vessel designers to support their efforts to reduce greenhouse gas emissions in the shipping industry.

In early 2021, Port Waratah loaded the vessel HL ECO, the first LNG-fuelled vessel to berth on the eastern Australian seaboard. The vessel sets a new standard for eco-design, equipped with two of the world's largest Type C LNG fuel tanks, each with a storage capacity of 1600 m3. The LNG fuel reportedly reduces 99 per cent of sulfur oxides and particulate matter, up to 85 per cent reduction in nitrogen oxide emissions and a 30 per cent reduction in greenhouse gas emissions, compared to the levels of current bulk-carrier vessels.

Other shipping designs we have been involved with in recent years have focused on technologies harnessing wind energy to reduce emissions utilising rotor sails.



WHERE THE COAL GOES

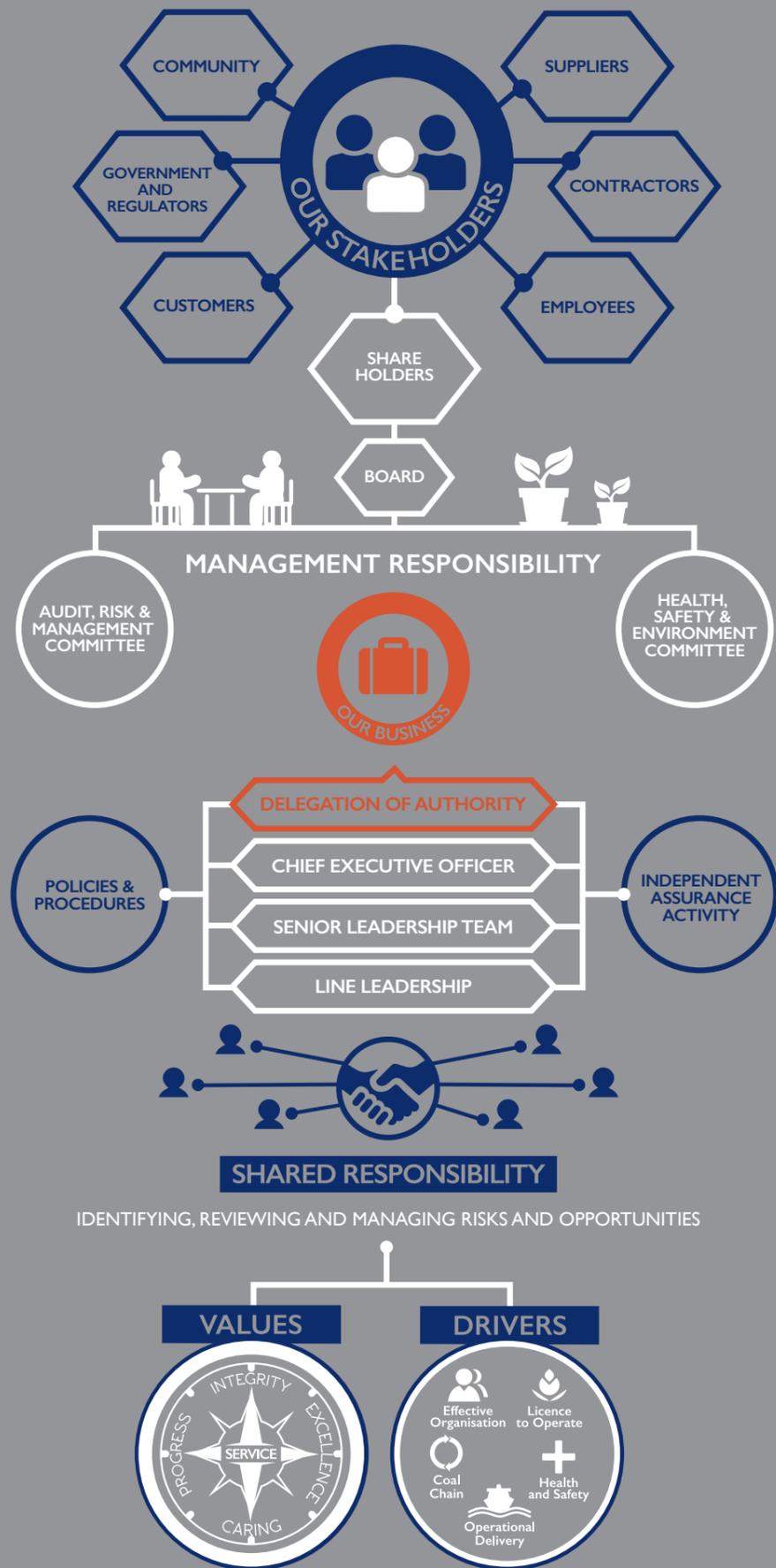


Due to rounding, numbers may not add up precisely to the totals and percentages provided.

A DIVERSE CUSTOMER BASE

with 35 different producer or trading companies

OUR GOVERNANCE FRAMEWORK



Diversity

- Cerebral Palsy Alliance
- Cooks Hill City Scouts
- Got Your Back Sista
- Hunter Communities Council
- Jenny's Place Inc.
- Kiwanis Beachside-Newcastle Inc.
- Making Waves Foundation
- Newcastle Pride Festival
- Orange Sky Australia
- Rainbow Club Australia Inc.
- Share the Dignity
- Zara's House

Education

- Callaghan Waratah Campus
- Carrington Public School
- Clontarf Foundation
- Fern Bay Public School
- HMRI – DADAE Programme
- Hunter Primary School Deaf Camp
- Islington Public School
- Mayfield East Public School
- Mayfield West Public School
- Merewether High School
- Newcastle East Public School
- Newcastle High School
- San Clemente High School
- Shortland Public School
- St Columbans Primary School
- St Dominics Centre

- St Peter's Primary School
- Stockton Public School
- Tighes Hill Public School

Environment

- Hunter Region Botanic Gardens
- Hunter Wetlands Centre
- Oz-Harvest
- The Friends of the Schoolmasters House
- University of Newcastle

General Community

- Bayway Village Men's Shed
- Bikers for Kids Toy Run
- Carrington Community Garden
- Carrington Tennis Club
- Dixon Park Surf Club
- Dog Rescue Newcastle
- Harry Meyn Foundation (Harry's House)
- Hunter Breast Cancer Foundation
- HunterNet
- Matthew Talbot Centre
- Mentor Support Network
- Mission To Seafarers Newcastle
- Newcastle Fringe Festival
- Newcastle Parkinson's Support Group
- Newcastle Rowing Club
- Ronald McDonald House
- Salvation Army
- Samaritans

- Society of Artists
- Soul Café
- Stockton Community Group
- Stockton Surf Life Saving Club
- Variety The Children's Charity
- Westpac Rescue Helicopter Services

Health

- Camp Quality
- Cancer Council
- Charlie's Run 4 Kids
- Gastro Intestinal Cancer Institute
- Headspace Newcastle
- HMRI – Clinical Informatician
- John Hunter Children's Hospital
- Kids Cancer Australia
- Lifeline
- Lifeline Newcastle
- Mark Hughes Foundation
- MS Gong Ride
- Procure Mental Health Services
- ReachOut Australia
- RUN DIPG
- Soul Café
- Steptember
- The 150km Big Trek for Mark Hughes Foundation
- The Humour Foundation
- The March Charge
- The May 50k

Youth Sports in Portside Suburbs

- Cooks Hill Campus (Newcastle High) Big Picture School
- Cooks Hill United Football Club
- Mayfield Boomerangs Baseball Club Inc.
- Mayfield Netball Club
- Newcastle City and Eastern Districts Cricket Club
- Norths Netball Club
- Port Hunter 16ft Sailing Skiff Club Inc.
- South Newcastle Leagues Netball Club Inc
- South Newcastle Women's Hockey Club Inc Junior Girls
- St Columbans Primary School
- Stockton Junior Cricket Club
- Stockton Junior Rugby League Football Club
- Stockton Little Athletics
- Stockton Public School
- Stockton Sharks Junior Football Club (Soccer)
- Stockton Surf Life Saving Club
- Stockton Swimming Club
- Waratah Netball Club
- Waratah Physical Culture Club
- Waratah-Mayfield Junior Cricket Club



PORT WARATAH
COAL SERVICES

24-hr Community Enquiries Line (02) 4907 2280
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