



Pioneering Through Partnership

Sustainability Report 2023



PORT WARATAH
COAL SERVICES

Acknowledgement of Country

Port Waratah acknowledges the Traditional Custodians of the land on which we operate, the Awabakal and Worimi Peoples. We acknowledge their connections to land, sea and community. We pay our respect to their Elders past, present and emerging, and extend that respect to all Aboriginal and Torres Strait Islander Peoples.

Reporting suite

Port Waratah's reporting suite sets out the annual sustainability, financial, operational and social performance for the period 1 January 2023 to 31 December 2023 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 our 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, published on 27 March 2024, 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 2023 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.

The report includes a Sustainability Performance Snapshot of our annual performance against a set of material business targets. The summary is featured on pages 12-13.

Global Reporting Initiative (GRI)

Port Waratah Coal Services Limited has reported in accordance with the GRI Standards for period 1 January 2023 to 31 December 2023. For most disclosures we have chosen to report information relevant to the current year as our processes for measuring performance have not changed since our 2022 Sustainability Report.

Our 2023 GRI Content Index and performance relating to earlier years can be found on our sustainability website, sustainability.pwcs.com.au. Our reporting is not externally assured however, it has been reviewed by external consultants against GRI requirements and endorsed by our CEO and Senior Leadership Team.

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.

Front Cover Image: Maiden voyage of NYK Line's LNG-fuelled vessel 'Shoyo' berthed at Port Waratah.

4	Foreword
5	CEO Welcome
6	Being a Sustainable Business
12	Our Performance

14 Health and Safety

18 Licence to Operate

36 Effective Organisation

42 Operational Delivery

44 Coal Chain

46	Our Governance Framework
47	Our Community Partners

KEY ACHIEVEMENTS



Health and Safety

- ✓ Achieved a low all-injury frequency rate of 1.88 per 1,000,000 hours worked.
- ✓ Increased participation in our Peer Support Network to 66 members, now 20% of employees.



Licence to Operate

- ✓ Achieved our highest recorded annual landfill diversion rate of 95.3%.
- ✓ Increased the Community Investment and Partnership Programme to \$850,000 and introduced Partnerships for Reconciliation priority area.



Effective Organisation

- ✓ Sustained early career development with 29 graduates, scholarships, apprentices and trainees.
- ✓ Female employees increased by 7 to 56, representing 16.9% of employees compared to 15.4% last year.



Operational Delivery

- ✓ Achieved 95.5Mt of coal loaded onto 1097 vessels.
- ✓ Delivered project and maintenance work at a total investment of \$57 million.



Coal Chain

- ✓ Achieved second-lowest annual vessel turnaround time of 2.8 days.
- ✓ Achieved lowest number train cancellation in the last five years, 12.5 trains (0.1%).



Foreword

I am pleased to present Port Waratah's suite of annual reports. Through the Sustainability Report and the Annual Financial Report and Statements, Port Waratah provides our stakeholders with a comprehensive view into our management approach, governance and annual performance through the lenses of our operating strategy – our five drivers for success.

Port Waratah operates in an industry subject to significant macro trends that could impact our business over time. A prudent response to this complex sustainability challenge requires Management to continue to evolve the mature systems and approaches in the business. In 2023, much like 2022, the challenges and opportunities faced by Management demanded attention to both shorter term operational matters and longer-term positioning, again highlighting the value of having a clear operating strategy and commitment to excellent people leadership.

I'm pleased to share that Management have made an improvement in safety performance compared to 2022. However, we continue to be challenged to meet the high expectations we set for ourselves with respect to environmental performance. A focus on continuous improvement supported by values-based leadership will be equally important in pursuit of sustaining the improved safety performance and lifting our environmental performance.

In an important step forward, Port Waratah have made significant progress strengthening relationships with First Nations Peoples as a component of its stakeholder engagement strategy. During the year Management, with input from employees, developed a Reflect Reconciliation Action Plan (RAP) for endorsement by Reconciliation Australia. I look forward to the opportunity to share and celebrate the launch of the RAP with our many and varied stakeholders in 2024.

The longer-term horizon is characterised by unpredictability. As we plan for a continued role in meeting global energy demands while the energy transition progresses, we recognise there may be

material change in demand for our services over time. From the stable base provided by our operating strategy, Port Waratah aims to adapt as these challenges evolve while supporting our people and customers.

Be it investing in our large, long-life assets to position us to meet ongoing customer needs, to making progress towards our Climate Action Plan targets, or ensuring our workplace culture is inclusive, through to planning for meeting future rehabilitation obligations, Port Waratah is committed to delivering on our purpose. Management supports these long-term goals with specific projects, such as the Climate Action Plan, that are delivered in achievable stages and contribute to our overall performance and sustainability.

There are many performance highlights shared throughout the reporting suite and importantly, we also share the areas we strive to continue improving in. Our aim in providing transparent disclosures in this way is to give confidence to our stakeholders that Port Waratah is genuine in delivering its services aligned to our vision of being "an agile, efficient, sustainable organisation, able to operate at its best in any market conditions within an aligned and functioning coal chain."

Your feedback on our effort in meeting our vision is always welcome.

Stefanie Loader
Chairperson



Welcome to our report

With our annual Sustainability Report, Port Waratah aims to provide our many stakeholders with an overview of performance as well as insight into the opportunities, risks and challenges we face as an organisation. Together with the Annual Financial Report and Statements, the whole reporting suite presents a comprehensive view of our performance through the lenses of our operating strategy, our five drivers for success.

One of the highlights of 2023 is the significant improvement we recorded in safety performance. The 2023 all-injury frequency rate of 1.88 is our best performance since 2015 and reflects a significant leadership effort. We are still seeking to replicate these improvements in environmental performance, where we recorded four reportable incidents, the same as in 2022. Port Waratah's leadership and employees jointly remain committed to the continuous improvement journey that is health, safety and environmental performance. Our objective is to do all our work without impact on the health and safety of anyone in our operations and the environment. With 2023 being the first year of implementation of our Climate Action Plan, we also report on our emissions profile and energy efficiency effort this year.

Operationally, total terminal throughput of 95.5 million tonnes was an increase from 91.9 million tonnes exported in 2022. Our operational performance continued to be strong, with excellent reliability, high loading rates and low vessel queues benefiting our customers. Japan was again the largest export destination.

Our workforce is critical to our success and therefore we aim to grow a culture that encourages and rewards employee alignment and engagement. Employee development, diversity and opportunity are key elements of this strategy. In 2023, these commitments were reflected through investment in 29 graduates, scholarship students, apprentices and trainees working and learning as a part of our team. Building on previous years, we were able to further increase the number of female employees.

Port Waratah's stakeholder engagement strategy reflects the interests and values of our region. In 2023, we specifically set out to broaden our local impact through exploring how we as a business can strengthen our relationships with the region's First Peoples. During the year we took a relationships-based approach to developing a reflect Reconciliation Action Plan (RAP) for endorsement by Reconciliation Australia. For me, personal highlights have been the opportunity to hear directly from those with a traditional connection to the lands and waters on which we work, and to introduce our workforce to this engagement with inaugural smoking ceremonies at each terminal as part of my six-monthly CEO briefings. I'm grateful to our RAP Working Group members for leading the way in listening, learning and developing the

relationships that have led to the opportunities to share cultural learning onsite with more of our employees. I look forward to sharing more about this work as it continues.

Port Waratah's strategic and operating context is shaped by our position as an industry-owned service provider in the Hunter Valley coal chain. Thermal coal, which accounts for 80 to 90 per cent of the product that Port Waratah handles for our customers, is at the centre of a significant industrial and economic change under way across the globe.

Port Waratah recognises that the demand for our services may materially change in future, but also that the timeframe for these changes is uncertain and unpredictable.

Being entrusted with planning for and operating Port Waratah's world-class assets, our objective is to continue to deliver the services our customers expect while positioning Port Waratah to respond effectively to future uncertainty in a way that meets the expectations of all our stakeholders. This means we face a complex challenge in balancing the potential for a material reduction in demand with the operation and maintenance of large, long-life assets that require long-term investment. As you will see in more detail in the report, we continue to deliver a large maintenance portfolio including significant works across electrical, mechanical, structural and belting disciplines. This year, we invested \$57 million into these works, an increase on previous years that reflects the age of our assets and our expectation that demand will remain strong in the medium term.

A key indicator of future demand for terminal capacity is our contracts with customers. As shared last year, we continue to engage with our customers and co-service providers about Port Waratah's future contracting arrangements and hope to conclude consultation with amended arrangements in 2024.

Our established business values of excellence, progress, caring and integrity are the framework for both our operational approach and relationships with our many stakeholders. Our commitment is to deliver on our vision consistent with our values as we navigate an environment of forecast significant change.

As always, we value your feedback about this report, our operations and our future focus.



Hennie du Plooy
Chief Executive Officer





WE PRIORITISE AND INTEGRATE SUSTAINABILITY INTO 'BUSINESS AS USUAL'

It's Who We Are

Port Waratah Coal Services Limited (Port Waratah) 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. We stockpile, blend and load coal for export in the Port of Newcastle, and own and manage two coal export terminals at Kooragang and Carrington, both of which operate 24/7. The terminals have a combined annual capacity of 145 million tonnes (Mt). We employ 332 people, plus 17 hosted apprentices and trainees, all of whom work to ensure excellence in the delivery of our service.

Port Waratah plays a vital role in the Hunter Valley coal chain; one of the largest and most collaborative coal supply chains in the world. Our services are critically important to the region's coal industry because we enable and support our customers to connect with international markets.

We build strong relationships and work cooperatively with coal producers and numerous service providers in the Hunter Valley coal chain, our customers, our people and our community. Knowing and understanding our stakeholders' point of view, interests and expectations, enables us to maintain operational excellence, continuously improve our performance and contribute to a more sustainable society.

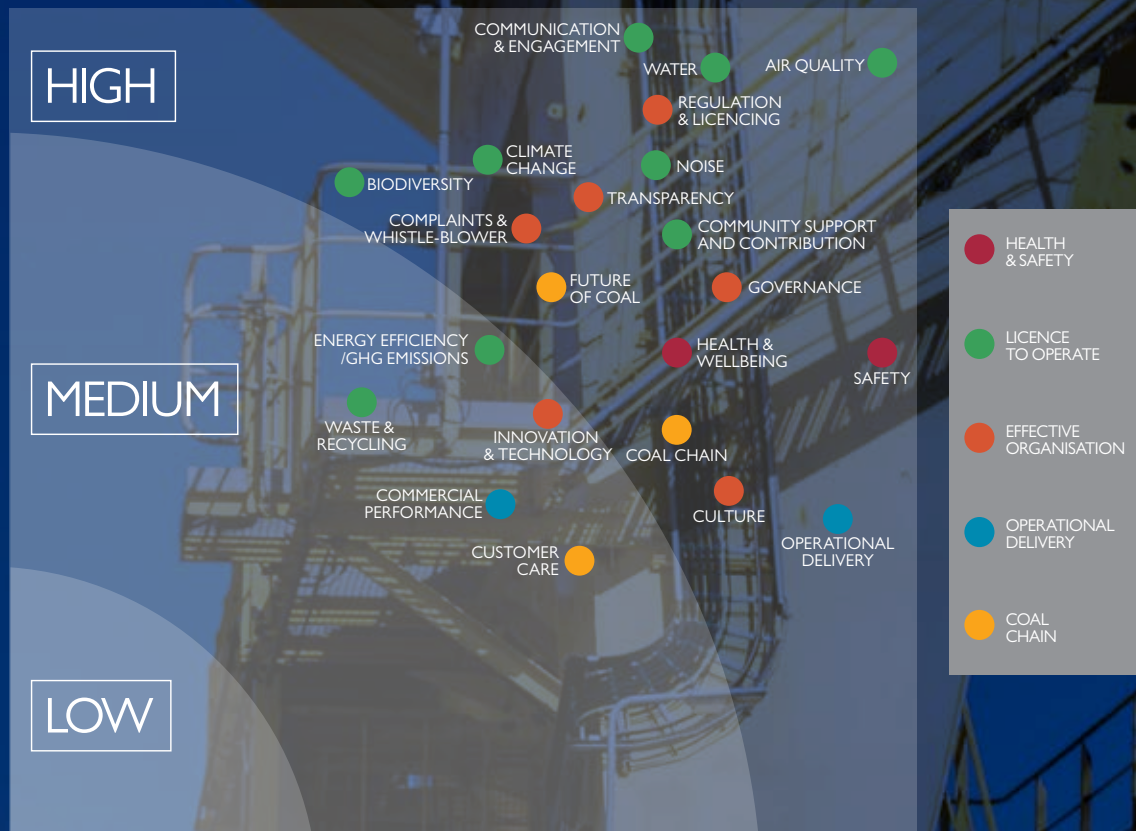
Operating in the Port of Newcastle means we have the potential to impact on natural and urban environments. We are committed to meeting our legal obligations and investing in our operations. To understand and fulfil our responsibilities, and to set our objectives, we engage in open and authentic dialogue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

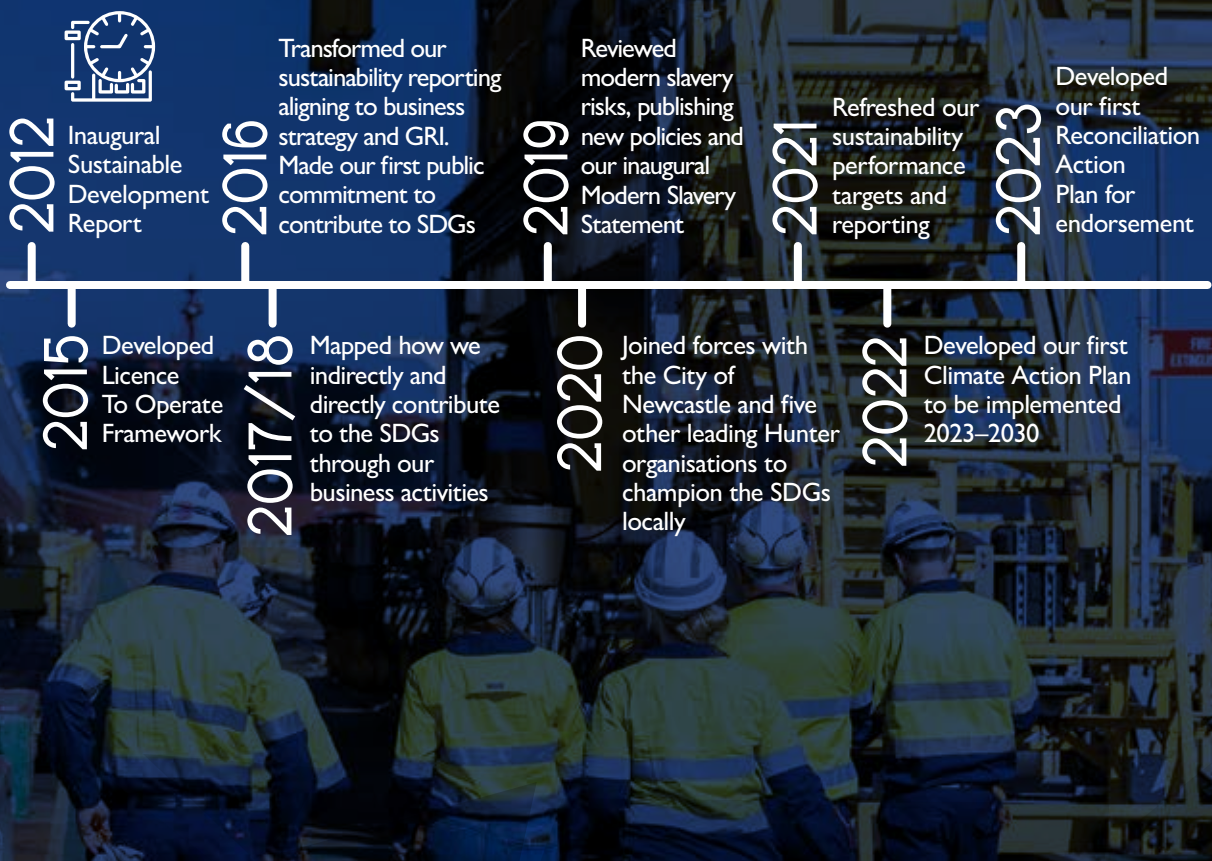
We conducted a materiality assessment in 2020 and the topics identified continue to reflect in our significant activities, relationships, and economic, environmental and social impacts. Stakeholder engagement with our workforce, customers, business partners, suppliers and community throughout the year confirmed the relevance of these topics, with some feedback also demonstrating additional high interest in climate change and the future of coal. We intend to formally review our materiality assessment in 2024.

STAKEHOLDER INTERESTS AND EXPECTATIONS



BUSINESS ABILITY TO INFLUENCE AND CREATE IMPACT

OUR SUSTAINABILITY JOURNEY





Contributing to the SDGs

Port Waratah is committed to contributing, however modestly, to the achievement of the UN Sustainable Development Goals (SDGs). We address the challenges and targets in the context of our own business and operational environment by implementing specific strategies, systems, programmes and initiatives as part of business as usual. The achievement of the SDGs requires collaboration and partnership with other local businesses and services, and across Industry. Port Waratah is a member of Hunter Region SDG Memorandum of Understanding and Taskforce, and Sustainable Procurement Subcommittee, working collaboratively to grow and improve the implementation of SDGs within the Hunter Region.

Responsibly managing ESG

Responsibly managing environmental, social and governance (ESG) risks and opportunities has always been part of the way we do things. By taking an integrated approach to sustainability, we are able to live our values of service, progress, integrity, excellence and caring, and deliver on our purpose.

Our business driver framework delivers an overarching approach to maximising sustainable business practices and managing our potential social, economic and environmental impacts, including development of goals and objectives. Our framework fosters openness and transparency with our stakeholders and provides a platform for ongoing collaboration with our people, empowering them to mitigate social and environmental risks. There is also strong alignment between our business drivers and the interests of our stakeholders.

+ HEALTH & SAFETY

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

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.

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 critical controls and regularly verify and continue to improve their effectiveness to prevent fatalities.

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.

SDG ALIGNMENT:



LICENCE TO OPERATE

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

OUR APPROACH: How we operate

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

RELATIONSHIPS, SOCIAL IMPACTS AND CONTRIBUTIONS 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. We support our local economy and community to help make our city more liveable.

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 and the environment in which we operate.

CLIMATE Reduce net Scope 1 and Scope 2 (market-based) emissions by 50 per cent by 2030 compared to a 2018 baseline year.

RELATIONSHIPS Our relationships are long-term and robust, and are based on trust, values-based leadership and responsible decision making.

COMMUNICATION AND ENGAGEMENT We engage proudly and transparently about our operations, role in the coal chain and the topics that are material to our stakeholders.

PARTNERSHIP We collaborate and work in partnership to achieve mutually beneficial outcomes while contributing to the success of the Hunter Region.

SUSTAINABLE CONTRIBUTION We operate within a sustainable and responsible supply chain. We contribute to maintaining a diverse and resilient local economy and community.

SDG ALIGNMENT:





EFFECTIVE ORGANISATION

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 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.

OUR GOALS: Where we strive to be

OUR STORY We regularly talk about Port Waratah's purpose, strategy and what matters here, in the context of global change, to remain relevant, sustainable and responsive.

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

OUR VALUES We strive to live our core values consistently in the way we work.

LEADERSHIP We guide and enable our people to connect with our strategy and what matters here.

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 licensing aligns with our values and considers stakeholder expectations, even if this requires us to perform better than compliance standards.

CHANGE MANAGEMENT Our people are enabled to co-create solutions, implement change and iterate it to drive value and foster continuous improvement.

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, enhancing our core capabilities to deliver strategic objectives.

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

SDG ALIGNMENT:



OPERATIONAL DELIVERY

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 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.

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.

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 performance.

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.

SDG ALIGNMENT:



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 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.

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.

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.

SDG ALIGNMENT:





Future outlook

Thermal coal, which accounts for 80 to 90 per cent of the product we handle for our customers, is at the centre of the most significant industrial and economic change underway across the globe. We recognise that the demand for our services may materially change in the future and that the timeframe for these changes is uncertain and unpredictable. The demand for Hunter Valley coal in core Asian markets remains consistent with the forecasts of the energy transition, such as those of the International Energy Agency.

The complexity of balancing the potential for a material reduction in demand for coal with the operation and maintenance of large, long-life assets that require long-term investment is our challenge. We regularly undertake assessments of customer and producer expectations of demand for terminal services through our annual processes, and review transition plans in major end-user customer markets.

The product quality and reliable supply of our customers' coal will support the local coal industry to remain strong as the global demand for coal continues to evolve. As the energy transition evolves over time, Port Waratah and the Hunter Valley coal industry are well-positioned to meet market demand in a highly competitive way. The infrastructure exists throughout the coal chain and there are ample resources of quality product in existing mining areas, which is consistent with State Government policy.

During 2023, we started understanding the scope and planning for major equipment long life asset replacement and refurbishment strategies for the Kooragang Terminal shiploader fleet.

Understanding the scope and planning for the closure and rehabilitation of Port Waratah's assets is also integral to planning for our future. We're taking steps to prepare for the future of our Carrington Terminal due for lease renewal in 2031. Although timing of closing the terminal remains uncertain, it is prudent that Port Waratah start planning for a scenario in which we have to deliver closure and rehabilitation in this timeframe. In addition, we hold two non-operational waste emplacement facilities that we also plan to undertake further closure planning and rehabilitation works over the next few years.

Our future focus remains to position Port Waratah to be able to respond with foresight to future uncertainty while continuing to meet the expectations of our stakeholders.

Climate action

This year marked the publication and the first year of implementation of Port Waratah's Climate Action Plan. We have established a goal to reduce our net Scope 1 and Scope 2 (market-based) emissions by at least 50 per cent by 2030, compared to the 2018 baseline. The Climate Action Plan has four key themes, all with a set of actions that will contribute to continuous emissions reduction and achieving our 2030 goal, see pages 27-29 for our action plan progress and our annual energy and emissions data and reporting.

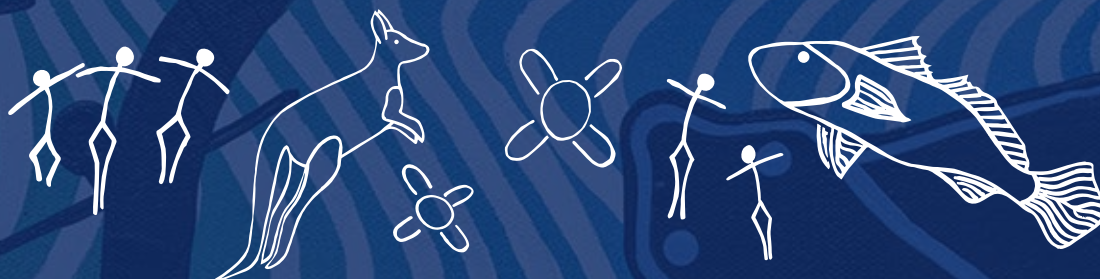
Governance

As an unlisted public company, Port Waratah is overseen by a Board of Directors, selected by and representing a range of shareholders. This Board determines and monitors our strategic direction and that we are meeting our legal and social responsibilities. Our comprehensive internal audit programme helps ensure our governance processes achieve their objectives, and our policies and management systems lay the foundations for our culture and how we engage with each other and our stakeholders. Our Senior Leadership Team approves objectives and performance targets, which are tracked monthly. Our Governance Framework is described on page 46.

In 2023, 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-compliances with laws and regulations within social and economic extents. There were four environmental incidents that were non-compliant: see page 19 of this report.

Port Waratah's management systems provide a framework for managing the environmental and occupational health and safety aspects of our business. Our systems are certified to internationally recognised best practice standards, specifically ISO 14001 Environmental Management System (EMS) since 2009, and ISO 45001 Occupational Health and Safety Management System (OHSMS) since 2014. We undergo external auditing annually, and our internal management systems, including auditing, reporting of incidents, investigations and corrective actions, and ongoing employee training, ensure our systems remain effective, fully implemented and continually improved.

OUR RECONCILIATION JOURNEY



For many years Port Waratah has been on a journey of listening to and learning from everyone in our community. This helps us improve and be a stronger more inclusive business.

We are exploring how we as a business can strengthen relationships with the region's First Peoples and how we can contribute to creating more equitable and positive outcomes.

This year we have developed our first Reconciliation Action Plan and are seeking endorsement for publishing in 2024 from Reconciliation Australia.

Listening, learning and building relationships

- Taken a relationships-based approach to developing our Reflect Reconciliation Action Plan.
- Our Working Group members and other employees have participated in community-based events and forums to expand their knowledge and understanding of First Nations Peoples' perspectives, culture and community needs.
- Held inaugural onsite smoking ceremonies at each terminal as a part of our six-monthly CEO briefings.
- Throughout National Reconciliation Week and NAIDOC Week 2023 we lit up our Carrington Shiploaders in colours inspired by the Aboriginal Flag to mark the importance of reconciliation and respect in Australia and this year's themes "Be a voice for generations" and "For Our Elders".
- Our leadership participated in cultural experience, tour and learning with Worimi Local Aboriginal Land Council at Murrook Cultural Centre.

Expanding our Community Investment & Partnership Programme

- Introduced a new priority area: Partnerships for Reconciliation.
- Increased the total value of our annual investment by \$100,000 per year to \$850,000.
- Projects and initiatives that support local contributions to the National Agreement on Closing the Gap socio-economic outcome areas and targets.
- Through conversations we have also come to understand that to properly acknowledge the regional interest of the Awabakal and Worimi people, the Traditional Custodians of the lands on which we operate, we need to consider initiatives that extend across these lands, beyond our current portside focus.
- We are hopeful that this extension of our programme will broaden our potential impact and contribution to the community as a whole.



See page 35 for how we are supporting First Nations students at Newcastle High School.

OUR SUSTAINABILITY PERFORMANCE SNAPSHOT

Our annual performance and progress at a glance

Our Sustainability Performance Snapshot provides an at-a-glance overview of our annual performance against our targets and is complemented by more detailed information throughout this report. Our sustainability performance progress focuses on a core set of 18 targets that are important to our business and our stakeholders.

These targets were determined by the Senior Leadership Team in alignment with the materiality matrix, developed with stakeholder consultation, and feedback through Local Voices community surveys. The targets are part of a business performance metric with results recorded every six months, and additionally integrated into regular business performance monitoring.

OBJECTIVES

TARGETS

INDICATORS



HEALTH
& SAFETY



Zero work-related fatalities
Achieved in 2023.



Zero significant health exposures
Achieved in 2023.



All injury frequency rate (AIFR) of four or less (per 1,000,000 hours)
Two recordable injuries occurred in 2023, finishing the year with an AIFR of 1.88.



Three or less reportable environmental incidents
There were four reportable incidents in 2023.



Sustain dust mitigation practices and implement dust management improvement projects
Identified opportunities to enhance the belt cleaning efficiency and dust management on the exposed Kooragang Terminal stockyard and wharf conveyors through focused auditing in 2023.



Sustain noise management practices and implement noise improvement projects to progressively reduce noise emissions over time
Sustained our focus on noise management practices including the development of a business wide five-year noise improvement strategy.



Reduce sediment load in excess water released to the Hunter River compared to 2016/17 baseline year
Achieved in 2023. The weighted average concentration of total suspended sediment was 17.3mg/L which was a reduction compared to the 2016/2017 baseline.



Reduce potable water consumption compared to the previous five-year average
Low levels of harvestable rainfall contributed to a 46% increase in consumption compared to the five-year average.



LICENCE
TO OPERATE



LICENCE TO OPERATE



Reduce electricity consumption and greenhouse gas (GHG) intensity per tonne of coal handled compared to previous three-year average

Achieved our lowest annual emissions intensity ever recorded, however due to the relative lower tonnage exported, exceeded the target for electricity efficiency by 1.23% compared to the three-year average.



Sustain landfill waste diversion to recycling rate at 90%

Achieved a record annual landfill diversion rate of 95.3%.



Sustain community perceptions of trust and acceptance as measured by the Local Voices Community Attitude Survey

Achieved in 2023. Port Waratah conducted two Local Voices surveys during the year with results demonstrating sustained positive levels of trust and acceptance.



Sustain Port Waratah's contribution to the regional economy each year at 75% of expenditure

Achieved 79.5% of total spend in the Hunter, a value of \$140.9 million in 2023 compared to \$125.4 million in 2022.



Sustain Port Waratah's investment in the local community

Increased the total value of our Community Investment and Partnerships Programme to \$850,000, which was invested in local and regional community-focused projects.



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 five university scholarship students, five graduates, three trainees (one hosted) and 16 hosted apprentices were supported in early career pathways.



Increase percentage of female employees

We increased the number of female employees by seven in 2023 contributing to a total of 56. This represents 16.9% of employees overall, compared to 15.4% in 2022.



OPERATIONAL DELIVERY



Meet forecast levels of total coal loaded

Achieved 88.4% of the annual forecast of total coal loaded with 95.5 Mt loaded. Tonnage was lower than forecast due to continued residual water impacts experienced by our customers in the first half of 2023 following the previous La Niña weather pattern.



Target of 92% compliance to the outbound shiploading plan

Achieved outbound plan slightly below target at 90.3% despite continued strong operational performance.



COAL CHAIN



Deliver a vessel turnaround time within three days

Achieved second-lowest annual vessel turnaround time in 2023 with the result of 2.8 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 System and ISO 45001 certification, which is audited annually by external auditors.

Performance

In 2023, Port Waratah met the targets of zero fatalities and zero significant health exposures during the year. We ended the year with an all-injury frequency rate (AIFR) of 1.88, which means we met our target of an AIFR of below four. We reported two recordable injuries during the year, which is a decrease of five compared to 2022. Our ongoing focus is to continue to provide a workplace where everyone can work without being harmed because of activities or operations.

Two of the incidents identified posed a risk of high-consequence injury. Actions have subsequently been implemented to prevent recurrence. Of the 259 health and safety incidents recorded in 2023, 256 (98.8 per cent) were determined to be low to moderate severity incidents and three (1.2 per cent) high to critical. No incidents of ill health were reported during the year. These results are a positive step for our safety performance in comparison to 2022.

Occupational hygiene

Health risks for each worker in similar exposure groups (SEGs) working at Port Waratah have been assessed, risk ranked and recorded in our Health Risk Register. This register is maintained and reviewed at least annually.

Our monitoring programme is coordinated and facilitated using 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.

Continuous improvement

We implemented the first year of our revised Health and Safety Strategy and improvement projects planned for 2023-2025.

**TOTAL
INJURIES** 2

GENDER



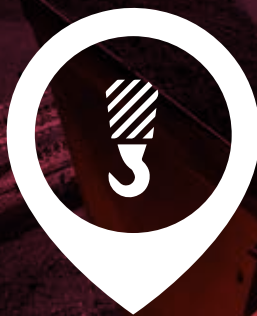
0 2

FEMALE MALE

INJURY TYPE

2 LTI (LOST TIME INJURY)

0 MTI (MEDICAL TREATMENT INJURY)



RES

0 2

CARRINGTON
(0 LTI, 0 MTI)

KOORAGANG
(2 LTI, 0 MTI)

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

0 FATALITIES



We completed a comprehensive, risk-based occupational hygiene exposure monitoring programme in 2023 across Kooragang and Carrington terminals with personal exposure monitoring conducted across 12 SEGs. No significant health risks were identified and no additional control measures were required.

A review of the Port Waratah Fatal Hazard and Critical Control Programme including existing bowties and critical control monitoring tools was also completed. The development of the Critical Control Management Plan data dashboard was achieved, and we continued the rollout of worker education materials and embedding of the critical controls into systems and processes.

The Health and Safety team continued implementation of the Health and Safety Broad Brush Risk Register, reviewing and validating the risk register content with key stakeholders and communicating risk and control information to key stakeholders across the business.

In 2024, we plan to continue implementing and embedding projects related to 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.



CASE STUDY

Hearing and respiratory protection device fit testing campaign

As a part of the 2023 Medical Surveillance Programme, we focused on embedding audiometric and respiratory surveillance. We implemented a new suite of hearing protection, and reviewed the suite of respiratory protection and its suitability to the work environment at Port Waratah.

We championed a three-month fit-testing campaign, targeting employees that experience increased exposure to high dust content particles and higher noise volumes based on their work environment and day-to-day tasks. Our employees completed 223 fit tests, predominantly operator and trade roles.

Fit testing and employee education for respiratory and hearing protection proved to be a simple, non-invasive way for our people to be confident the devices they choose to wear, and how it is worn, protects their health.

This campaign played a crucial part in our commitment to the occupational health and safety of our workers and remains a key focus for 2024.

Live Better, Work Better

The 'Live Better, Work Better' programme continued to provide information and awareness for our employees through monthly focus topics during the year. Our focus on Live Lean, explores optimal metabolic health including managing weight and body fat, understanding cholesterol fats, sugar and diabetes, and the link to fitness and movement. Our focus on Cells Behaving Badly covers what causes cells to misbehave, how our body protects us against cancer, lower your risk and what to look out for and how to protect yourself against lung and bowel cancer.

Key initiatives to fit in with national health campaigns such as R U OK? Day were developed and delivered with the support of external subject matter experts and provided to employees via videos and face-to-face presentations as well as regular email communications.



CASE STUDY

Managing psychosocial hazards at Port Waratah

This year, Port Waratah conducted a review of our existing Mental Health Framework, which is used to identify and control psychosocial hazards in the workplace.

Psychosocial hazards at work are situations that may cause a stress response, that in turn can lead to psychological or physical harm. One of the ways that Port Waratah manages these psychosocial hazards is with a volunteer employee Peer Support Network. Since its introduction in 2020, the number of Peer Support volunteers has grown to 66 members across the business, representing 20 per cent of our employees, supporting their workmates when they need it.

In November 2023, our Peer Support volunteers participated in two forums on psychosocial hazards presented by SafeWork NSW.



A total of

2,298

HSE interactions

70

Employee
medicals

222

Occupational
hygiene samples
taken



211

Flu shots
given

223

Respiratory
Protection
Fit tests
completed



151

Critical Control Monitoring Programme
verifications across seven critical risks

Total hours worked
(employees)

573,628



Total hours worked
(contractors)

480,219



66

Peer Support Network
team members



WE PROACTIVELY MANAGE OUR IMPACTS AND RELATIONSHIPS

*Our operational practices
strive towards environmental
stewardship and sustainability.
We build genuine relationships
that support our community*

The Licence to Operate (LTO) Framework is now in its eighth year delivering a portfolio of projects designed to continuously improve the management of our social, economic and environmental impacts. Each focus area has a range of management strategies, including investment to maintain and improve the environmental performance of our terminals, effective engagement with our regulators and local community, and support for local social and economic outcomes, to help meet stakeholder expectations.

During the year, Port Waratah undertook 40 LTO improvement projects, seven of which were projects carried over from 2022 due to delays in resourcing from the previous year. We completed 30 of the projects, with one project placed on hold requiring further investigation for reassessment in later years. Nine were rescheduled for completion next year, projecting a target of 46 projects to be undertaken in 2024.

Environment

Our Environmental Management System (EMS), certified to ISO 14001:2015, provides a systematic approach to managing our potential environmental impacts and responds to changing environmental conditions in line with stakeholder expectations. This 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 and greenhouse gas emissions.

We assess environmental performance by regularly reviewing, at least monthly, our annual objectives and targets and the LTO Framework. We use this data to assess the potential environmental impacts of our operations and identify improvement opportunities. Port Waratah also incorporates an annual programme of internal audits to review the various elements of the EMS and verify how the system's requirements are implemented within operational activities.

Performance

Port Waratah did not meet incident performance expectations in 2023, having recorded four reportable incidents. Three of these occurred at the Kooragang Terminal and one at the Carrington Terminal, which was the first reportable incident to occur at the Carrington Terminal since 2018. This result means we did not achieve our target to record no more than three reportable environmental incidents across our operations within the year.

The incidents that occurred in 2023 are summarised below:

March 2023 – A connection dislodged from a site water supply line at the Kooragang Terminal wharf, resulting in process water spraying across an open section of the wharf ballast rocks and onto the maintenance bay. Port Waratah estimates that approximately 12.6kL of recycled site water may have landed on the wharf ballast rocks and potentially in the harbour. There were no visible impacts observed in the receiving waters.

June 2023 – During an operational inspection, a thin layer of coal dust was discovered on the wharf surface adjacent to the conveyor take up point at the Carrington Terminal wharf. Due to the proximity to the wharf edge, it was likely some material may have also entered the harbour. The maximum quantity of coal material that may have entered the harbour has been calculated as approximately 10.9kg. No visible impacts were observed in the receiving waters.

July 2023 – Following machine washdown, a front-end loader returning from the wharf to the Kooragang Terminal deposited a small amount of coal fines and water onto public roads, which were recovered resulting in no impact to the environment.

December 2023 – Following a light rain recorded at the Kooragang Terminal wharf, some coal material and pooled rainwater material began spilling over the side of the wharf conveyor belt at the commencement of vessel loading. The strong winds experienced at the time carried some of the spilt coal material and rainwater across the wharf road and onto the harbour ballast rock. The estimated quantity of coal material that potentially entered the harbour has been calculated to be less than 1kg, with no significant impact to the receiving waters.

Port Waratah self-reports incidents to the EPA, takes immediate action to minimise the potential environmental impacts, and for each of these incidents, recovered all residual material. Additional measures were implemented to prevent the recurrence of similar incidents. The EPA issued Port Waratah a Penalty Notice of \$15,000 for the June incident and a Formal Warning for the December incident.

Additionally, two technical non-compliances occurred in April and December 2023 due to failure to collect water samples. Port Waratah is required to collect a weekly water quality sample from the Carrington Controlled Discharge Filtration System during discharge. The April non-compliance was reported in the 2022-23 Annual Return and the December

non-compliance will be reported in the 2023-2024 Annual Return in accordance with environment protection licence requirements.

To reflect our aim for continuous improvement, our performance targets for 2024 again specify no more than three reportable environmental incidents. The target is supported by focused risk-based management strategies and implementation of improvement projects.



TOTAL # OF PROJECTS 40
COMPLETED 30 ONGOING 9 ON HOLD 1

# OF PROJECTS	CATEGORY
 6	GOVERNANCE
 3	AIR QUALITY
 3	NOISE
 12	WATER
 5	ENVIRONMENTAL FOOTPRINT
 2	CLIMATE ACTION
 9	RELATIONSHIPS, SOCIAL IMPACTS & CONTRIBUTIONS



HOW PORT WARATAH MANAGES DUST

Where possible we enclose and install dust suppression sprays in our:

✓ Rail receipt stations ✓ Transfer points ✓ Conveyors

We also design our equipment for 'soft flow' transfers and minimal drop heights.

OUR INTELLIGENT DUST MANAGEMENT SYSTEM

Continually assesses onsite conditions and uses detailed weather forecasts and onsite real-time weather station data



Calculates the moisture level on coal stockpile surfaces using the Global Evapotranspiration Algorithm



It then calculates



TIMING OF AUTOMATED SPRAY CYCLES REQUIRED TO MAINTAIN STOCKPILE MOISTURE AND PREVENT LIFT-OFF

We have other **dust management strategies** in our toolbox



- Utilising mobile water carts
- Wetting down hardstand areas
- Delaying, restricting or stopping coal movement
- Sealing, revegetating or rehabilitating disturbed areas
- and more.

All of these systems work together to make sure that we **manage dust before it becomes an issue**



Air quality

Monitoring air quality and acting responsibly is critical to our operations. We understand that if not managed appropriately, the nature and scale of our operations have the potential to generate dust and negatively impact our community. Our control techniques, processes and systems are world class, designed to minimise the potential for dust creation, and where possible, eliminate negative impacts. Port Waratah is committed to delaying, or if required, ceasing operations in adverse conditions. Find out more about our management controls at pwcs.com.au/environment/air-quality.

Seasonal region-based air quality monitoring reports for 2022-23, which are collated by the NSW Department of Climate Change, Energy, the Environment and Water, indicate that air quality in the Newcastle region reported particulate levels within the national benchmarks for the majority of the year. Particulate levels were at times higher in summer, particularly at the monitor located in Stockton where results are heavily influenced by onshore winds and sea salt due to its proximity to the coast.

In addition to the government-operated monitoring stations, Port Waratah maintain a series of air quality monitors in residential areas surrounding the terminals that are operated and maintained in accordance with the requirements of our Air Quality Management Plan. This year, Port Waratah's air quality monitoring results were all within compliance limits and consistent with the results from the government monitoring network.

Dust management improvements

We are committed to the continuous improvement of our dust management capabilities, including evaluating our Intelligent Dust Management System (IDMS) throughout the year and introducing refinements, wherever possible.

In 2023, we continued to review the operational performance of dust management infrastructure across both terminals by auditing our conveyor and stockyard machine spray systems to optimise dust suppression capabilities. We identified several opportunities to enhance the belt cleaning efficiency and dust management by fine tuning maintenance regimes and the operating philosophy for some locations. Implementing these changes will become a focus for improvement of our IDMS in 2024.

A staged programme of drainage improvements and additional sealing of unsealed surfaces at the Kooragang Terminal continued during the year. Approximately 4,500m² of previously unsealed surface was converted

to asphalt at a total investment cost of \$460,000. The effects of this improvement were immediate with increased capabilities in surface drainage, housekeeping and dust prevention. The key challenge in implementing this work was the flat terrain of the site, which is difficult to provide sufficient fall to install working drainage and make surface water flow where required. Significant time was spent grading and preparing the ground pre-asphalting to successfully direct water flow with very small margin for error.

Noise management

To effectively manage noise and ensure we continuously improve our noise emissions over time, we consider potential sources of noise across our operations and apply a long-term strategic focus. We implement effective plant maintenance, conduct ongoing reviews, improve noise control processes, and trial and adopt advancing technologies. A key driver in prioritising noise improvement opportunities is focusing on the areas of site that offer the best noise reduction outcomes for our neighbouring communities and developing an effective plan that delivers sustainable noise improvement over the long term.

Our employees and contractors are integral to our effective noise management. We invest in ongoing workforce training and education to ensure the awareness and management of potential noise impacts remains front of mind during operational activities. Ongoing regulatory compliance is demonstrated through our routine noise monitoring programme, this includes regular assessments of our performance by external consultants, against noise criteria and long-term goals. Throughout 2023, regulatory compliance was maintained in accordance with the noise related conditions specified in our project approvals.

Where regulatory criteria are absent, Port Waratah has developed stringent internal noise goals to measure and monitor our performance. Performance against our internal noise goals continued to improve in 2023, with only one minor elevated result recorded at the Carrington Terminal's closest residential monitoring location. The elevated noise level was recorded at our Tighes Hill receiver over the night period in May 2023, and was influenced by several factors, including proximity to our site and weather that produced conditions that increased noise levels at the Tighes Hill location.

Noise management improvements

Low-noise roller trials have been ongoing at both Kooragang and Carrington terminals. More than 60 rollers have been replaced on a conveyor at the Kooragang Terminal wharf as part of the trial. In early

2023, the ongoing trial was assessed and after 16 months of use, the low-noise rollers demonstrated a sustained 2.7dB reduction in sound power. Following these results, the Kooragang trial will continue to be monitored and assessed for sustained noise reduction and operational performance.

Similar to Kooragang, the Carrington low-noise roller trial has continued to demonstrate sustained reduction in sound power. These results, combined with durability and ergonomic assessment outcomes, will be used to determine long term suitability for implementation at other locations across our operations.

In mid-2023, Port Waratah commenced working collaboratively with a noise specialist to develop and trial a real-time operational noise model aimed to quantify our current and forecast noise levels based on what is or what will be operating onsite, where it is operating, and how weather conditions will impact those noise levels. The trial will determine if the technology will support our teams to proactively manage our operations.

Throughout 2023, Port Waratah developed a new business wide five-year Noise Improvement Strategy. The early focus of the strategy is embedding expanded internal capabilities, new technologies, and re-baselining noise performance at both Carrington and Kooragang terminals.



CASE STUDY

Performance dashboard for community available online

Each quarter, Port Waratah publishes a Community Dashboard on our website to provide regular updates to the community about our operational and environmental performance.

The dashboard highlights a three-month snapshot that focuses on air quality, noise performance and water management. It also includes year-to-date results for water reuse, electricity efficiency, the number of trains and vessels received, and tonnes loaded for export.

Our Community Meeting Group members worked collaboratively with us to develop the dashboard to include information relevant for local residents and of high interest to stakeholders.

The dashboard is published on the website in February, May, August and November each year.



HOW PORT WARATAH MANAGES NOISE

At Port Waratah we work to identify and continually reduce potential noise impacts



TO REDUCE
CONVEYOR NOISE
WE UTILISE:

- ✓ Low-noise conveyor drives
- ✓ Regular roller changeouts



TO REDUCE
COAL-FLOW NOISE OUR
TRANSFER POINTS:

- ✓ Utilise soft-flow chutes
- ✓ Minimise drop heights
- ✓ Are fully enclosed, where possible



All these systems **work together** to make sure that we manage noise **before it becomes an issue.**



OUR TECHNOLOGY
UTILISES:

- ✓ Site-specific noise models for each terminal
- ✓ Detailed sound library of all plant and equipment
- ✓ Measured onsite weather conditions
- ✓ Local geographic simulations
- ✓ Recorded operational noise levels in the community



OUR
PEOPLE:

- ✓ Proactively assess noise levels in neighbouring suburbs
- ✓ Design and implement continuous improvement projects
- ✓ Are empowered to make decisions and respond immediately to reduce noise

Water management

Water is critical for day-to-day operational purposes at Port Waratah. Captured water is managed in a way that ensures water quality is suitable for site reuse. We use water for operational purposes, such as dust suppression, wash downs and firefighting systems.

Responsible water management is a careful balance between storing adequate levels for operational reuse, while ensuring we maintain stormwater catchment capacity for wet weather events and meet compliance obligations.

Our water management systems operate by capturing surface water runoff from rain events together with returned water that has been used in terminal operations. The water is then channelled into a series of drains and sumps that replenish our ponds and lagoons for settling and clarification prior to recirculation back to the plant for reuse.

The water management systems across both terminals performed exceptionally well with no wet weather overflows recorded at Carrington or Kooragang. We achieved our 2023 performance target to reduce the amount of sediment contained within excess water released to the Hunter River with the consistent use of the Controlled Discharge Filtration System (CDFS) at our Carrington Terminal and no discharges at Kooragang Terminal.

Following one of the wettest years recorded at Port Waratah in 2022, total rainfall received in 2023 was lower than average, recording just 817mm at our Carrington Terminal compared to 1,467mm the previous year. The lower than average rainfall received throughout 2023 and high water use demand due to the drier weather experienced, placed additional pressure on our water management system and water harvesting efficiency, which has been a primary focus for us in 2023.

During low rainfall years, the operational demand for water is generally higher. This means there are higher volumes of water used, however the recapture rate is lower due to higher evaporation and an increased volume of potable water is needed to meet demand.

Water management system performance was reliable throughout the year. Design capacity at the Kooragang Terminal was temporarily reduced in consultation with the EPA to facilitate emergency embankment repairs on Detention Pond D. Following engineering design, repairs were successfully completed in December 2023.

Water management improvements

Improvements at the Carrington Terminal focused on further optimising stormwater treatment and reuse via our Controlled Discharge Filtration System (CDFS). The CDFS removes entrained sediment from site water and allows us to either transfer and reuse onsite or discharge to the harbour within EPA licence criteria, allowing us to maintain storm surge capacity. This capability enables flexibility to increase water harvesting and reuse onsite as well as reduce the sediment load of water discharged.

Installation of additional water quality monitoring technology and embedding the use of flocculation products formed the primary focus at the Kooragang Terminal resulting in significant improvements to the water quality stored onsite. An upgrade to the Kooragang Terminal Shiploader 7.08 launder system was completed, providing additional secondary containment and improvement to housekeeping.



CASE STUDY

New flocculant capabilities – transition to business as usual

Water quality improvement trials continued in 2023 with the commissioning of a flocculation dosing system at the Kooragang Terminal. Flocculation dosing assists the sedimentation process by clumping fine particles together. The mobile dosing system is mounted on a trailer and allows flexibility in trialling different locations for treatment within our water management system. Optimising flocculation rates, in particular following storm events, will be a focus in 2024.



CASE STUDY

Detention Pond D repair

Routine condition monitoring last year identified cracking on the northeastern corner of one of our major storm water holding facilities, Detention Pond D. As a conservative asset protection measure, we minimised the stored water levels in Detention Pond D while geotechnical modelling and detailed design for corrective repairs were undertaken. Civil repairs were completed, returning Detention Pond D to full capacity of 44ML.





Kooragang
Terminal

5,604ML

Carrington
Terminal

224ML

= 5,828ML

WATER USE FROM CAPTURED AND
STORED SUPPLY **IN 2023 (80.9%)**



**19.1% WATER USE
FROM POTABLE
WATER (1,379ML)**

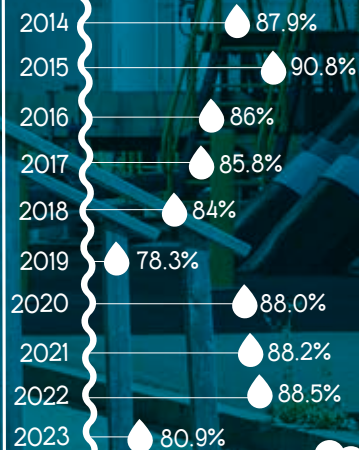
Kooragang Terminal

1,130ML

Carrington Terminal

249ML

YEARLY RESULTS



Environmental footprint

We describe our environmental footprint as our demand on the capacity of natural resources and the environment in which we operate. This demand, or impact, is reduced through identifying and implementing opportunities to use potable water more efficiently, producing 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. Recycled site water is used preferentially for operational activities, with potable water purchased from Hunter Water being used for amenities, and if required, to top up supplies during periods of insufficient water availability onsite. We aim to be conservative with the amount of potable water used for operational purposes, and continually strive to improve our onsite water efficiency and reuse opportunities. We also reduce our potable water consumption by reusing our onsite water resources regardless of regional weather conditions.

Although rainfall across the region was much lower than that experienced in 2022, there were no water restrictions in place and no areas of water stress. Hunter Water catchment storage capacity reduced slightly throughout 2023, ending the year with storage volumes at more than 83 per cent. Our water management system capacity did not change throughout 2023, however there was a short period of reduced capacity at Kooragang Terminal as Detention Pond D underwent repairs, which were managed without impact. In addition, the implementation of new flocculation assets at the Kooragang Terminal enabled the ability to improve site water quality and reuse potential.

Despite a reduction in regional rainfall and 150.6ML reduction of inflows to the Carrington Terminal's CDFS compared to 2022, the system retained 485.5ML of filtered water, an increase of 35.9ML for onsite operational reuse. This demonstrates Port Waratah is utilising available tools to reduce reliance on the region's potable water supply, particularly in drier weather.

In 2023, we established a target to reduce our potable water consumption compared to the previous five-year average (2018-2022). Due to lower levels of harvestable rainfall, and periods with elevated sediment levels in our site water storages, there was an increase in potable water consumption to meet operational demands. Our total potable water consumption was 1,379ML, an increase of 46 per cent compared to the five-year average.

Land use and biodiversity

Our Kooragang and Carrington terminals are nestled amongst areas rich in industrial history and border areas with great ecological significance. This is especially true for Kooragang, with the 2.1km² terminal being situated immediately adjacent to the Hunter Wetlands National Park and the internationally recognised Hunter Estuary Wetlands Ramsar site. These wetlands are of significant ecological value, supporting 45 species of migratory birds listed under international agreements and more than 110 species of waterbirds.

Port Waratah also manages two non-operational land holdings adjacent to Kooragang Terminal. These sites are established seasonal habitats of the Green and Golden Bell Frog (*Litoria aurea*), a species listed Vulnerable on the IUCN Red List. Since 2010, Port Waratah has collaborated with the University of Newcastle in conducting a research programme on the Green and Golden Bell Frog population on Kooragang Island. The programme involves rigorous monitoring during the breeding season, which is typically between November to March each year. Research continued during 2023 and aims to provide insight into population dynamics as well as other factors that may contribute to the persistence of the species on the island.

Our land management activities across our sites and land holdings focus on maintaining native biodiversity through effective weed management. Port Waratah conducts regular site inspections to identify and prioritise weed treatment as required and in accordance with the *Biosecurity Act 2015*.



CASE STUDY

LTO Hazard Guide

This year we launched our LTO Hazard Guide, with the aim of providing all workers with an easily accessible and simplified summary of the behavioural controls concerning seven critical LTO Hazards. These include material tracking, intrusive noise, offsite spills and discharges, dust generation, impacts to biodiversity, waste generation and hydrocarbons and chemicals.

While Port Waratah has a suite of physical and automated controls in place to minimise harm to the environment, the LTO Hazard Guide provides a checklist for workers about the behavioural controls that can be implemented to reduce risks, as well as high-risk settings for each of the hazards. The guide was designed to fit inside shirt pockets and Port Waratah's Take 5 booklet. It is also available online and features in work area signage onsite.



TOTAL
WASTE 4,490t



CARRINGTON TERMINAL WASTEWATER: 2,486t

LANDFILL: 211t

Hazardous: 1t

Non-hazardous: 210t

Oily rags &
absorbents:
1t

Bulk (skip)
mixed waste:
136t

Other mixed
waste:
74t

DIVERTED FROM LANDFILL: 1,793t

Hazardous: 1,208t

Oil, oily water
& grease:
100t

Liquid
waste:
1,104t

Solid hazardous
wastes:
4t

Non-hazardous: 585t

Commingled,
paper &
cardboard:
12t

Metals:
569t

Timber/
greenwaste:
1t

Other:
3t

95.3% LANDFILL DIVERSION
BEST EVER
annual diversion rate recorded by Port Waratah



For reporting purposes, one litre of liquid waste (for example, effluent, oil, chemicals) is taken to be one kilogram. All waste is diverted to local treatment facilities. Due to rounding numbers may not add up precisely to the totals and percentages provided. We monitor our waste-related data monthly. Carrington Terminal wastewater is classified as a hazardous material diverted for treatment and beneficial reuse.

Waste

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

We engage with licenced waste management contractors to collect, safely manage and transport offsite waste materials generated in accordance with local legislative requirements. Our waste management contractors provide detailed feedback on the waste materials collected, including quantities and the treatment and disposal locations. These are regularly reviewed and verified through internal auditing.

In 2023, our waste target was to maintain our landfill diversion rate over 90 per cent. Pleasingly we achieved this target, recording a landfill diversion rate of 95.3 per cent, which is our best ever annual performance. We have now achieved a diversion rate of over 90 per cent for the past seven years. Supporting this landfill diversion rate was a 47.4 tonne (18.3 per cent) annual reduction in our waste disposed to landfill, which was 211.4 tonnes.

Wastewater removed from the Carrington Terminal generates the largest proportion of waste across our operations at 55 per cent of the total waste generated by Port Waratah. Wastewater collected is transported to and treated at local treatment facilities. Following the treatment process, water is reused 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.

This year, no waste materials were received for disposal at our terminals or licenced waste facilities.

Climate action

This year marked the publication and first year of implementation of our Climate Action Plan 2023-2030. We have established a goal to reduce our net Scope 1 and Scope 2 (market-based) emissions by at least 50 per cent by 2030. The Port Waratah Climate Action Plan has four key themes, all with a set of actions that will contribute to continuous emissions reduction and achieving our 2030 goal.

We also developed a new corporate Climate Action Policy and revised our Energy and Emissions Management Plan in the documented framework to support the Climate Action Plan. A new dedicated webpage was launched as part of the Port Waratah website, where regular updates will be posted on our Climate Action Plan progress.

An Energy Efficiency Working Group was established to assess current and new opportunities to reduce electricity consumption, refine operational efficiencies and to improve system reliability. See case study on page 28.

A low-emission Light Vehicle Transition Strategy was also developed this year following a review of site vehicle requirements. The strategy provides the basis for Port Waratah to sustainably transition a proportion of our current vehicle fleet with low-emission or electric vehicles upon replacement. It also involves matching necessary EV charging infrastructure with electric vehicle numbers and where they will be utilised across the business.

This year we also announced a new electricity contract commencing in January 2024, which will boost efforts to reduce greenhouse gas emissions towards our 2030 goals. The new contract progressively increases our procurement of renewable electricity in the form of Large-scale Generation Certificates (LGC's), attributable to actual renewable energy delivered to the national grid.



CASE STUDY

Soft plastic recycling

Port Waratah made its first significant purchase of products manufactured from recycled soft plastics collected from our soft plastics recycling programme. We purchased 56 wheel stops, offsetting 1,290kg of soft plastic. The majority of these have been installed at the Carrington main entrance parking bay, with others installed at our Kooragang Terminal wharf.





CASE STUDY

Climate Action Working Group

One of the four key themes in Port Waratah's 2023-2030 Climate Action Plan is Continuous Improvement in Electricity Efficiency. To enable progress under this theme, we have convened an Energy Efficiency Working Group, championed by a member of our Senior Leadership Team. The group has commenced implementation on several small and large-scale electricity reduction initiatives, from adjustments to electrical room air conditioning and instant hot water taps to de-energising redundant equipment. A key enabling initiative for the working group is the development of a new energy dashboard, which will simplify existing site data providing a means to identify new improvement opportunities for the duration of the Climate Action Plan and beyond.

Energy and greenhouse gas (GHG) emissions

Grid purchased electricity comprises 98.7 per cent of the total energy consumed at Port Waratah and is primarily used to operate our site plant and equipment. A key performance metric used to measure our energy and emissions performance is the amount of electricity required to move each tonne of coal handled at our terminals.

Our electricity efficiency target for 2023 was to improve upon the previous three-year average (2020-2022). This year was the second consecutive year during which annual tonnes exported through our terminals fell below forecast levels. This means a much higher proportion of electricity was consumed for ancillary purposes (the baseline consumption of electricity consumed irrespective of volumes), which adversely impacts overall electricity efficiency.

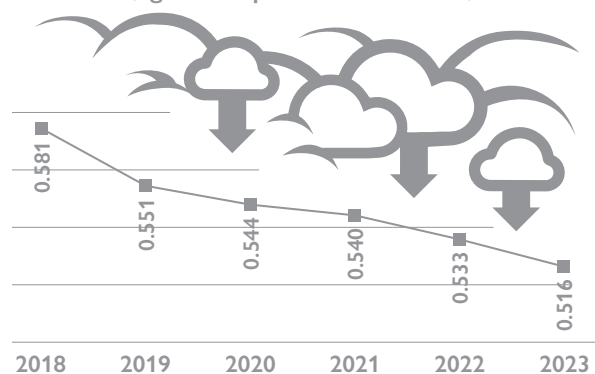
In 2023, our electricity efficiency of 0.6819 kilowatt hours per tonne of coal handled (kWh/t) exceeded our target by 1.23 per cent. This tonnes-driven decline in efficiency was equivalent to a 1.7 million kilowatt hour (kWh) increase in electricity consumption relative to the 2020-2022 average. Despite this outcome, when comparing annual electricity efficiency to the most recent year of similar throughput (2010), electricity efficiency at Port Waratah has improved by 5.42 per cent, or an equivalent reduction of 7.6 million kWh in electricity consumption.

Port Waratah's Scope 1 GHG emissions for 2023 were 433 tonnes of carbon dioxide equivalent (tCO₂-e), a 19.6 per cent (71 tCO₂-e) increase compared to 2018, which is our baseline year identified in our Climate Action Plan. The increase is attributable to an increase in site vehicle movements. Despite the increase in Scope 1 emissions, they contributed less than 0.5 per cent of our emissions total (Scope 1 and market-based Scope 2).

Scope 2 emissions contributed more than 99.5 per cent of Port Waratah's emissions profile in 2023. Market-based Scope 2 emissions, which we use to measure progress against our climate action goal, were 98,030 tCO₂-e, which is a 21 per cent reduction compared to the 2018 baseline year. Our location-based Scope 2 emissions were 98,741 tCO₂-e.

Emissions intensity, specifically our combined Scope 1 and market-based Scope 2 emissions per tonne of coal handled, was 0.516kg CO₂-e per tonne handled. This is an 11 per cent reduction compared to the 2018 baseline, and Port Waratah's lowest annual emissions intensity recorded to date. This was achieved through improved reliability and management of our assets and operational performance efficiencies, as well as an overall reduction in the emissions intensity of the electricity grid. Scope 1 emissions contributed just 0.002kg CO₂-e per tonne handled, with market-based Scope 2 emissions contributing 0.513kg CO₂-e per tonne handled.

Annual GHG Emissions* Intensity
(kg CO₂-e per tonne handled)



**2023 IS OUR LOWEST
GHG EMISSIONS
INTENSITY RECORDED**

*Based on Port Waratah's calendar year Scope 1 and Scope 2 (market-based) greenhouse gas emissions data.

EMISSIONS

GHG Emissions (Scope 1 and market-based Scope 2) in 2023

98,463t

tonnes of carbon dioxide equivalent (tCO₂-e)

21% REDUCTION



IMPROVEMENT
COMPARED TO
2018 BASELINE



Reduction reflects combined Scope 1 and market-based Scope 2 GHG emissions.

ENERGY

Electricity consumption in 2023 was 130 million kWh
= 98.7% of Port Waratah's energy requirements

ELECTRICITY EFFICIENCY

0.6819 KILOWATT
HOURS

per tonne
of coal
handled
(kWh/t)



EXCEEDED
THE 2020-2022
THREE-YEAR AVERAGE
TARGET BY 1.23%

HOWEVER THIS
PERFORMANCE IS
5.42% BETTER
THAN 2010,

WHICH IS THE MOST RECENT YEAR
WITH SIMILAR OPERATIONAL VOLUMES



Relationships, social impacts and contributions

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

Our stakeholders

Our stakeholders are both people and businesses that care about our operations, and the value and impacts we create. This includes our local community, our city and our region, and those we have a business relationship with and that can shape our success. Our stakeholders include our people, customers, community, environment, coal chain partners, suppliers and governments.

Understanding and managing stakeholder expectations

Understanding our stakeholders' expectations and delivering value back to the community is a key business priority. Our stakeholders expect us to measure, evaluate and communicate our performance beyond compliance requirements, so understanding their interests and concerns is important to us.

Our materiality assessment process and the ongoing 'Local Voices' Community Survey, which in 2023 took place in March and September, identifies and validates the issues that are important to our stakeholders.

We continue to use a variety of tailored engagement methods to connect with and seek feedback from our stakeholders. We invest in digital engagement methods due to the strong preference for this style of communication expressed in the Local Voices feedback.

In 2023, we focused on continued regional advocacy, improving stakeholder communication, increasing engagement opportunities, fostering stronger relationships with First Nations Peoples, and managing positive changes to our Community Investment and Partnership Programme.

Engagement


Throughout the year, our digital communication and social media approach again delivered positive results. We refreshed our social media strategy, platform utilisation and content delivery. We attracted 17 per cent more followers, totalling 5,897 across all platforms and increased the number of total post engagements by 29 per cent compared to 2022. Social media platforms, including Facebook, LinkedIn, Instagram and Twitter remained key channels for information sharing between Port Waratah and the community.

Continued sponsorship of the NBN News Rewind Season 3 enabled further reach of the broader Newcastle and surrounding communities through the organisation's extensive television and social media audiences. Connection to the nostalgic television segment is aligned to our time as an active member of our local community, where we have operated for more than 45 years.

We maintained the Port Waratah website, including specialised pages for sustainability performance and our Storylines (community partnerships) website to share information about our operations, contributions and performance. The quarterly eNewsletter and direct mailout communications were delivered successfully in 2023, with a steady increase in subscriptions during the year. We are committed to further improving and updating these digital communication channels in 2024.

We continue to share information using a quarterly digital community dashboard and a quarterly community newsletter delivered to portside households; both are published on our website. In addition, we also utilise local print and digital media, and radio and television broadcasts, to build understanding and awareness of our operations and encourage engagement.

Our Community Meeting Group met four times in 2023 and we continued to run a 24-hour community enquiry phone line and online enquiry form. During the year, we received seven community enquiries. Following investigation, Port Waratah was found to be accountable for one of these enquiries, where an alarm on one of the Carrington Terminal's yard machines was incorrectly configured following replacement, the installation was corrected and the enquiry resolved.

 **415,734**
IMPRESSIONS
ACROSS SOCIAL
MEDIA PLATFORMS
**17% AVERAGE POST
ENGAGEMENT,
6% INCREASE FROM 2022**


50,000
COMMUNITY
NEWSLETTERS
DELIVERED

7 COMMUNITY
ENQUIRIES
2 DUST **4** NOISE **1** OTHER*
1 ACCOUNTABLE
(CCT ALARM NOISE)
*NEWSLETTER PERCEIVED MISINFORMATION


1,380
VISITORS
61% Industry
39% Community

208
TOURS

75% Industry
25% Community



CASE STUDY

Role in regional advocacy

Being part of the community involves advocating for Newcastle and the Hunter Region, and we actively participate in regional forums.

Our CEO, Hennie du Plooy, continued his focus on regional development and has been re-elected as a Director of both Business Hunter and Committee for the Hunter, participating in ongoing regional conversations and civic leadership initiatives.



CASE STUDY

Site tours return to pre-Covid numbers

Our site tours programme delivered 208 tours with 1380 visitors in 2023, returning visitation to pre-Covid-19 levels of 181 tours and 1461 visitors in 2019. We experienced three years of disruption to the tours programme due to the Covid-19 pandemic, however dedicated resources to promoting the programme has boosted tour numbers this year.

The programme provides a platform for us to engage with customers, industry delegations, social clubs, schools, educational groups and other interested members of the public.

This year, we also took our presentation offsite to engage with community groups, like University of the Third Age (U3A) about our operations, material topics, management systems and community support.



LOCAL VOICES COMMUNITY SURVEYS

PARTICIPANTS

MARCH
2023 PULSE 1
324

SEPTEMBER
2023 PULSE 2
288



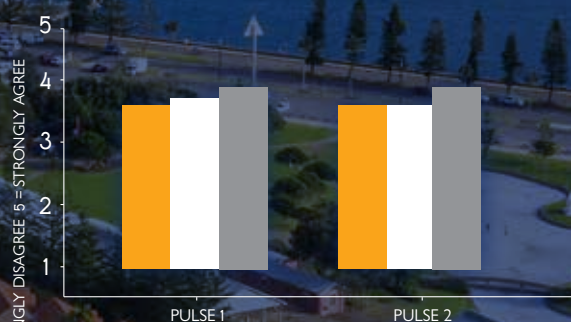
45% of 2023 participants were within portside suburbs

55% of 2023 participants were from the broader Newcastle Region



**TRUST AND ACCEPTANCE
OF PORT WARATAH REMAINS
STRONG AND STEADY**

A SNAPSHOT OF HOW THE COMMUNITY
FEELS ABOUT PORT WARATAH



- PORT WARATAH FOLLOWS THROUGH ON COMMITMENTS TO MY COMMUNITY
- PORT WARATAH ALWAYS TRIES TO ADDRESS CONCERNS RAISED BY THE COMMUNITY
- PORT WARATAH'S ACTIVITIES WILL SUPPORT THE REGION'S FUTURE PROSPERITY



\$30,700
in total community rewards
unlocked since 2018



5,006
surveys completed
since 2018



Support for our local economy

Port Waratah is committed to contributing to the prosperity of the Hunter Region. We are proud of our history and commitment to promoting local employment, stimulating the local economy by purchasing from businesses that are located in the Hunter, 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.



300

AVERAGE
CONTRACTORS
ONSITE DAILY

+

200

ADDITIONAL
CONTRACTORS
DAILY DURING
AN OUTAGE

CONTRACTOR HOURS =
46% OF TOTAL HOURS WORKED



CASE STUDY

Scaffconnect Australia – supporting local contractors

Port Waratah undertakes a continuous programme of refurbishing and maintaining our fixed and mobile assets.

To gain safe access to our large-scale infrastructure, specialist scaffolding is often installed prior to the commencement of any work. Scaffconnect is a respected local company who we engage to provide this service.

Based in Newcastle and locally owned and managed, they have a core team of 30 employees. Some of which have been working onsite at Port Waratah on maintenance tasks and projects for over 20 years. This year, they performed 177,000 hours of work incident free.

Our ability to work safely high above the ground, over water and across rails lines is possible due the specialist access solutions Scaffconnect build for Port Waratah.



In 2023, we directly employed 332 employees paying salaries and associated oncosts of \$69.6 million. We also supported 367 businesses and spent \$140.9 million in the Hunter region, equating to 79.5 per cent of our \$177.2 million total spend for contractors, suppliers and professional services.

Sustainable procurement practices

When procuring goods and services from suppliers, we consider social and environmental impacts in purchasing decisions with a focus on maintaining safety and quality standards, 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 Policy Statement, which is available on our website.

All site-based contractors are also 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.



CASE STUDY

Contractor forums

As part of our Contractor Management Framework, we host six-monthly open forums to engage with our contracting workforce and suppliers to discuss a broad range of safety and business-related topics, including legislative and system updates.

This approach is an invaluable way to build relationships and make connections across our contracting workforce and suppliers.

We also recognise outstanding contractor contribution, safety performance and procurement excellence each year. The 2023 award recipients were Downer Projects Services Team, Tambak Electrical and Statewide Bearings.

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 2023 Modern Slavery Statement is available on our website.

SUMMARY OF SPEND (% OF SPEND) 2023



PROFESSIONAL SERVICES**



47% OF SPEND
WITH LOCAL
PROFESSIONAL COMPANIES

Hunter Region \$6.1M
NSW \$1.1M
Australia \$5.7M
Overseas \$0.0M
Total: \$12.9M

CONTRACTORS



88% OF SPEND
WITH LOCAL
CONTRACTING COMPANIES

Hunter Region \$106.1M
NSW \$4.4M
Australia \$10.1M
Overseas \$0.0M
Total: \$120.7M

SUPPLIERS*



65% OF SPEND
WITH LOCAL SUPPLIERS

Hunter Region \$28.7M
NSW \$8.4M
Australia \$6.5M
Overseas \$0.0M
Total: \$43.6M

OVERALL
SPEND

HUNTER REGION 79.5%
NSW 7.9%
AUSTRALIA 12.6%
OVERSEAS 0%



*Excludes electricity. **Includes insurances and consultants.
Due to rounding, numbers may not add up precisely to the totals and percentages provided.



COMMUNITY SUPPORT

2023 Investment:

\$850,000



95%

of projects directly benefit Newcastle, portside suburbs and Awabakal and Worimi Country.

24%

OF FUNDING FOR HEALTH FOCUSED PROJECTS

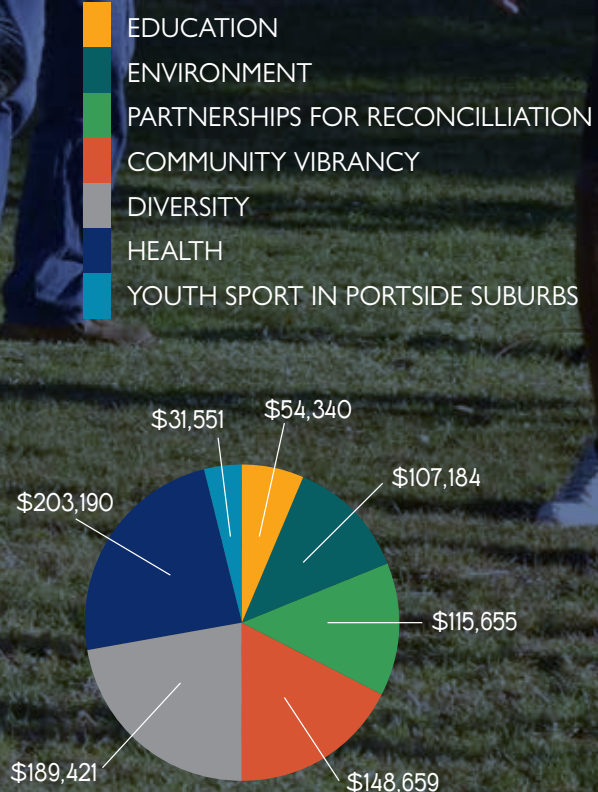


125 INITIATIVES SUPPORTED

BREAKDOWN BY LOCATION



BREAKDOWN BY PRIORITY AREA



Support for our community

This year we increased the amount of our Community Investment and Partnership Programme (CIPP) by \$100,000 to total \$850,000 invested through partnerships with local community groups and organisations. The programme supports projects and initiatives that address identified local areas of need and contribute to the overall sustainability of Newcastle and the Hunter Region. The priority areas of our programme include education, environment, health, diversity, community vibrancy, youth sport and new priority area introduced this year, partnerships for reconciliation.

Employee-led community participation

Our employees participated in several fundraisers supported by the CIPP, such as Charlie's Run 4 Kids, The Push Up Challenge, and Wests Ride for Rescue for Westpac Rescue Helicopter Service. Employees also participated in a Clean-Up Day in Throsby Creek, neighbouring our operations.

Through our 'Vote on a Good Cause' initiative, employees nominated charities that were shortlisted to three organisations and all employees were encouraged to vote on a \$30,000 donation pool. The 2023 recipients were Calvary Mater Hospital Auxiliary (Oncology Unit), Mission to Seafarers Newcastle and Family Support Newcastle.

Port Waratah's Workplace Giving Programme also enabled our employees to support the John Hunter Children's Hospital, Lifeline Hunter Central Coast, The Salvation Army, Share the Dignity and the Westpac Rescue Helicopter through payroll donations, which are matched dollar-for-dollar by the CIPP. Our employees have a long history of supporting The Biker's Toy Run for Kids Newcastle with proceeds going to the Salvation Army Newcastle. This year, our employees raised \$14,784.50, which was dollar-matched by the CIPP for a total of \$29,569.



CASE STUDY

Technology boost for seafarers

This year, a collaborative in-house technology project improved reliability and simplified access to free Wi-Fi for seafarers onboard vessels berthed at Port Waratah. The customised protective case for the new units enables reliable internet connectivity and extends the use of the asset. Connectivity to reach families and friends overseas supports visiting seafarer welfare.



CASE STUDY

New programmes with Newcastle High School

Port Waratah was pleased to support two new programmes at Newcastle High School in 2023, under the Partnerships for Reconciliation priority area of the Community Investment and Partnership Programme.

Yamamalinko (to lead) was a 12-month bespoke cultural and support programme for First Nation girls in Year 7-12. It involves cultural activities designed to strengthen cultural connections and the students' capacity to engage with schooling. The group sessions and mentoring supports social skills and establishes connections between students, and the teaching staff. More than 50 students were supported and mentored through the programme.

The Write It Right! Programme involved more than 20 Year 8 First Nations students. The successful programme aims to create strong relationships, provide On Country learning experiences and enhanced cultural knowledge, while also empowering students to focus on literacy and learning development. There were 10 cultural experiences throughout the year, and students were mentored to use these experiences as inspiration for literacy outcomes. Feedback from the students, families and teachers was extremely positive.





OUR CULTURE IS COLLABORATIVE AND CARING

*We actively collaborate to
share strengths and achieve our
strategic goals*

Port Waratah aims to grow a caring and collaborative culture and is focused on building workforce capability, continuously improving, and ensuring that our governance processes enable us to deliver our purpose and meet our customer and community expectations. Growing an engaged, diverse, and inclusive workforce plays a key role in our successes. By employing people from our local community with diverse backgrounds, perspectives, and experiences we ensure we have the right people to progress our business forward and contribute to the prosperity of our region.

Our core values of caring, progress, integrity and excellence underpin our business drivers and decision making, and our desire to be a service that can be relied upon and trusted. These values also reinforce how we want to relate to our workforce and stakeholders; being supportive, valuing safety and excellence, working efficiently, and acting in a balanced, committed, and responsible way.

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, along with a selection of leaders, form Port Waratah's Health, Safety and Environment (HSE) Committee. In addition to managing our operational HSE risks and challenges, 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.

HSE COMMITTEE MEETINGS – 8 HSE CONSULTATION SESSIONS – 20



KEY TOPICS DISCUSSED

- FATAL HAZARDS & CONTROLS
- ENVIRONMENTAL HAZARDS & CONTROLS
- INCIDENT LEARNINGS
- CONTINUOUS IMPROVEMENT

Enterprise Agreement

Port Waratah welcomes Freedom of Association for employees should they choose to be a member of a trade union. We have 189 Enterprise Agreement (EA) employees, making up 57 per cent of our workforce, represented by four different unions. The current Port Waratah Coal Services 2022 Enterprise Agreement will nominally expire on 26 October 2026. There was one dispute lodged in 2023 which was resolved. There were no instances of industrial action.

332
EMPLOYEES



OUR EMPLOYEES:



276
MALE



56
FEMALE

IN EXECUTIVE POSITIONS:

45% / 55%
MALE (5) / FEMALE (6)

BOARD MEMBERS:



80%
MALE (8)



20%
FEMALE (2)

+7



CASUAL STAFF

4
MALE

3
FEMALE

16
HOSTED
APPRENTICES

12
4
MALE
FEMALE

5
SCHOLARSHIP
STUDENTS

2
3
MALE
FEMALE

3*
TRAINEES

3
0
MALE
FEMALE

5
NEW
GRADUATES

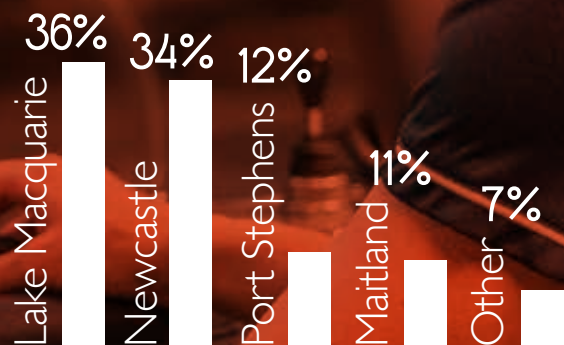
3
2
MALE
FEMALE

*1 hosted trainee

LIVING & WORKING
LOCALLY

91%

OF THE SENIOR
LEADERSHIP TEAM
hired from
the Newcastle
and Hunter Region





Employee engagement

As part of our employee engagement programme, 'The Vibe', two employee surveys were facilitated this year. 'The Vibe' involves pulse-style surveys to understand and respond to employee feedback with online leader dashboards to support leaders with team conversations and action. The surveys focused on employee engagement in addition to strategy; values, rewards and recognition; collaboration; inclusion; and improvement and change management aspects at work. Feedback from the two Vibe surveys demonstrated that during 2023 an average of 87 per cent of respondents were 'engaged' or 'neutral', with 13 per cent 'not engaged'. The survey also highlighted improvement opportunities and number of actions including the introduction of a new online Human Resources Information System (HRIS), improved learning and development programmes and formats, and internal communication improvements such as CEO and Senior Leadership Team updates, monthly event promotions and more use of video as a communication medium.

Our recognition programme, 'Celebrate Success' resulted in more than 351 recognitions in 2023. Of these, 55 people were recognised as 'Top Achievers' for living our core values through their contributions to safety, environment and customer-related improvements.

Developing our people

Throughout the year all employees take part in employee performance and career development discussions including opportunities for formal training and development programmes. In 2023, employees attended 5,221 online and face-to-face courses and 19 leadership training programmes and events.

Port Waratah's Leadership Conference, held in September, focused on values-driven leadership and Business Planning. The conference was designed to create alignment on business priorities and build on the leadership skills to support engagement in business objectives and living our core values. It also featured keynote speaker Brad Twynham sharing the key skills and capabilities required for leading in a VUCA (volatile, uncertainty, complexity, ambiguity) environment.

The majority of employees (270, including apprentices) attended the Employee Development Days held in November and December. We introduced a refreshed format this year following employee feedback. See case study on page 39.

We have an ongoing commitment to supporting early careers and skill development within our community. This year we supported five scholarship students, five graduates, three trainees (one hosted), and 16 hosted apprentices as part of our early career programmes.



CASE STUDY

Celebrate Success Event

As part of our Celebrate Success Programme, our inaugural annual Celebrate Success Event was held in February. The event was open to all employees to attend and celebrate success through service and outstanding contributions made by employees in 2022. During the night, eight Outstanding Contributors were recognised for their significant contributions in 2022 and 15 team members were recipients of significant service milestone awards.

During the event, all attendees voted on an overall Values Champion for the year with Darrell Kelly, Advanced Operator - Operations Delivery Carrington, and Michelle Winney, Customer Coordinator - Service Assurance, announced as the winners on the night.

Teammate Freya Franklin, Senior Process Improvement Business Partner - Service Assurance recognised Darrell and Michelle for their work with Mission to Seafarers to arrange special care packs for a vessel crew from Ukraine.



Freya said, *"It was a great demonstration of our caring value for everyone onboard."*





CASE STUDY

The Graduate Network

Our graduate employees join Port Waratah as their first employment role following their university graduation. To increase support for graduates working in the Kooragang Island industrial precinct, Port Waratah, together with NCIG, Orica and Port of Newcastle established a Newcastle-based Graduate Network this year. It provides opportunities for graduates to build relationships, experience different work environments and roles, and increase their understanding of local industry and port partners.

Port Waratah hosted the participating graduates for a site tour, lunch and networking event in December. The graduate network will continue with visits to Orica and NCIG in 2024, offering insights into their operations, roles, and enhancing our graduate network relations.



Tayla Cummings, a Graduate Mechanical Engineer at Orica said about the first event, *"It was great to see how Port Waratah operates and the chance to connect with other graduates. The experience also showed me the different paths you can take with the same qualifications."*



CASE STUDY

Employee Development Days: Progress Pursuit

Port Waratah's annual Employee Development Days incorporated a new format this year, a team-based 'Progress Pursuit'. On each of the four development days, eight teams (32 teams total) competed in Port Waratah values-themed activities designed to strengthen connections to our customers, community, and teammates. The winning team of each day was awarded a \$1,000 donation to their chosen charity.

Highlights from teams included "learning more about the challenges of seafarers and the great work we support through Mission to Seafarers", "getting to know other team members from across the business" and "hearing and watching values stories come to life through live illustrations with a graphical recorder".

Embracing diversity

Port Waratah's Diversity and Inclusion Strategy and Action Plan 2022-2024 defines our commitment to a diverse workforce that is reflective of the communities in which we operate and is sustained by supporting an inclusive culture. Actions in 2023 focused on embedding inclusive culture and careers through learning and communication projects, and initiatives like International Women's Day, International Men's Day, Inclusion at Work Week, and R U OK? Day.

We continue to support diversity in learning and development through the Women in Mining Mentoring Programme. This year two employees participated as mentees and five as mentors. This brings Port Waratah's total mentee participation to 32 women and many have since moved into more senior roles, including senior leadership.

Our turnover rate decreased to 6.63 per cent in 2023 following higher-than-average turnover in 2022. Of the 22 employees that left the business 41 per cent were retirements and 41 per cent resignations to take up other opportunities. Recruitment processes continue to evolve to continually work on mitigating unconscious bias to improve diversity of candidates attracted amid a tightening candidate market. In 2023, we welcomed 35 new employees to the business adding a breadth of experience and background, with 34 per cent of new hires identifying as women. Women account for 55 per cent of executive positions at Port Waratah. To further support and attract diversity in 2023, Port Waratah updated its leave policy providing 12 weeks of paid parental leave for primary caregivers (regardless of gender) with no minimum tenure eligibility requirement.

An increase in the number of employees transitioning to retirement continued to result in new job-sharing opportunities, with 16 employees job sharing in 2023 including 10 operator employees. The number of employees accessing flexible working arrangements also increased to 27 in 2023.

In meeting our obligations under the Workplace Gender Equality Act 2012, Port Waratah lodged its Workplace Profile with the Workplace Gender Equality Agency (WGEA) on 23 May 2023, available on our website. We aim to eliminate the gender pay gap (GPG) through improvement in our hiring processes to attract and place more female candidates in our vacancies, annual remuneration processes and supporting career development. The analysis showed Port Waratah's Median GPG was 21.8 per cent in 2023 below the Median GPG of 27.3 per cent in the Transport Support Services Industry reported by the Workplace Gender Equality Agency.



Our vision for reconciliation

Our vision for reconciliation is an inclusive and equitable future for all First Peoples in the communities of the Hunter Region in which we operate.

To achieve this within Port Waratah, we commit to building and promoting an inclusive culture where First Peoples' culture, perspectives and lived experiences are recognised, respected and valued.

We seek to make a local contribution to societal change by being an active member of Newcastle and the Hunter Region. Through building genuine, reliable and stronger relationships with local First Peoples, together we can create shared positive outcomes.

Effective Systems

Aligned to the value of Progress, we continued to upgrade our systems and processes to ensure we can continue to operate efficiently and effectively. A new Human Resources interface system, MyPort, was launched in January to better support key employment processes and access to learning and development. New staff performance management and learning and development modules launched in quarter one. These enabled new on-demand learning modules, mobile verification of competencies, streamlined performance and development planning, and improved reporting for leaders. Onboarding and talent and succession modules are planned for implementation in 2024.

Port Waratah's obligations under the refreshed 'Critical Infrastructure' legislation include enhanced cyber security mechanisms to protect our corporate IT systems from the risk of cyberattack. In 2023, significant resources were devoted to implementing the Australian Cyber Security Centre (ACSC) Essential 8 security model to secure our data and systems. Port Waratah will continue to pro-actively maintain our Essential 8 compliance requirements as the ACSC security standards tighten and evolve.



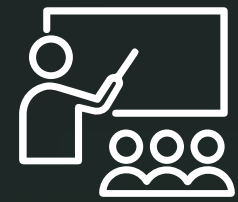
CASE STUDY

Strengthening relationships with First Nations communities and employees

For the first time, smoking ceremonies were held onsite at Port Waratah. A Smoking Ceremony is an ancient Aboriginal custom which has cleansing properties and the ability to ward off bad spirits. It is a tradition that has been performed by Aboriginal people for centuries and is one of the oldest ceremonies practiced in the world today.

Smoking ceremonies took place at both the mid-year CEO briefing at the Kooragang Terminal and the year-end CEO briefing the Carrington Terminal. At the mid-year briefing close to 100 employees attended the significant event with all employees invited to be cleansed by the smoke following a business update. Worimi man and artist Gavin Kelly from the Maiangal clan held the Welcome to Country in the Gathang language before conducting the ceremony. At the year-end briefing in December, David Newham, Indymarra Cultural Education's Lead Aboriginal Cultural Educator, conducted the ceremony. David is a member of Port Waratah's Reconciliation Action Plan (RAP) Working Group and has provided significant value to Port Waratah in the development of the RAP.





5,221

ONLINE AND
FACE-TO-FACE
COURSES COMPLETED

6.6%(22) **EMPLOYEE
TURNOVER
RATE**



BY AGE

0%
UNDER 30YRS

55%
30-50YRS

45%
OVER 50YRS

BY GENDER

77%
MALE

23%
FEMALE



**33% OF VACANT
ROLES FILLED BY
WOMEN IN 2023**



189 EA employees,
represented by
four different unions



19

TRAINING/
LEADERSHIP
PROGRAMMES



13

**FIXED
TERM
EMPLOYEES**

10 MALE | 3 FEMALE

WORK LIFE

27

employees accessing flexible
working arrangements

23 MALE | 4 FEMALE



35

**NEW
EMPLOYEE
HIRES***

BY AGE

20%
UNDER 30YRS

74%
30-50YRS

6%
OVER 50YRS

BY GENDER

66%
MALE

34%
FEMALE

*Excludes vacancies
filled by internal
applicants.

OUR AGE
DEMOGRAPHICS

72%

OVER 40YRS

43%

OVER 50YRS

**EMPLOYEES ACCESSING
PARENTAL LEAVE**

11 MALE | 4 FEMALE

**EMPLOYEES RETURNING
FROM PARENTAL LEAVE**

11 MALE | 0 FEMALE

48

MEDIAN
EMPLOYEE
AGE

*This includes parental leave as primary and secondary carer's leave.



OUR CUSTOMERS CAN RELY ON US

We are well-positioned for the future and invest in infrastructure to deftly service demand and optimise our operational outcomes

Port Waratah's core operating strategy focuses on operating and maintaining our assets in a sustainable manner making available our full export capacity of 145 million tonnes (Mt) per year. Our Carrington and Kooragang 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 a number of performance highlights in 2023.

Performance

Our total combined terminal throughput of 95.5 million tonnes during the year was above the 91.9 million tonnes exported in 2022 but still below contracted capacity. Our operational performance continued to be strong, with excellent reliability, high loading rates and low vessel queues. We closely monitor our service delivery metrics to optimise and maintain operational performance and meet customer service requirements.

We were able to keep overall operating costs relatively stable in a higher inflation and higher interest rate environment. The coal handling charge for our customers was adjusted accordingly for future years and remains sustainable over the longer term.

Integrity, reliability, safety, and environmental performance of our assets continues to be a focus through the implementation of our life of asset strategy and long-term plan. The maintenance portfolio included significant works across electrical, mechanical, structural, and belting fields, upgrading key equipment as maintenance milestones were reached. In total, \$57 million was invested, an increase on previous years and reflective of the age of our assets and life cycle position.

Kooragang Terminal Shiploader 7.08 is reaching a key milestone within its life cycle with a significant project delivered to understand the scope of the investment required to ensure continued reliable, cost-effective terminal capacity into the future. A feasibility study assessed options to replace or refurbish the asset with the project moving into its next phase in 2024.

The largest portion of capital investment, was invested in electrical assets and the upgrade of Kooragang Terminal Shiploader 7.09 process control system. Other electrical works included continuing current programmes to update motor control centre (MCC) panels, processors and variable speed drives.



CASE STUDY

Shiploader bridge infill project

The installation of bridge infill panels on Shiploader 7.08 was completed this year to further prevent potential material entering the harbour from the shiploader boom and shuttle structures and improving washdown effectiveness at the completion of each loaded vessel.



CASE STUDY

Shiploader Process Control upgrade

A major upgrade and overhaul of Shiploader 7.09 Low Voltage and Process Control System was completed this year. This \$6.5 million project demonstrates the Whole-of-Life approach applied across all assets onsite, with numerous switchboards, variable speed drives, process controllers and components and field control panels identified as reaching End-of-Life and requiring replacement to ensure reliable performance into the future.

To minimise landfill waste, a reuse and recycle programme was developed which harvested variable speed drives, PLC communication modules, motor protection relays and switchboard components with remaining equipment, structure and cabling sorted for recycling. This resulted in more than two tonnes of copper and 10 tonnes of steel being stripped and repurposed through our sustainable supply chain partnerships in the circular economy. During the outage there were 20 health and safety interactions performed, eight hazards identified, and five critical control monitoring plans completed. No injuries or health exposures occurred during the outage.



IN 2023.
PORT WARATAH

LOADED

1,097 VESSELS

95.5

MILLION
TONNES OF COAL

82.1 MILLION
TONNES
FROM KOORAGANG

13.4 MILLION
TONNES
FROM CARRINGTON

TOTAL NUMBER OF
TRAINS RECEIVED IN 2022

10,724



TRAIN
CANCELLATIONS

0.1%

WE COLLABORATE ACROSS THE COAL CHAIN

Our unique coal blending capability sets us apart and provides certainty for our customers to trade globally with confidence

The Hunter Valley coal chain includes more than 35 coal mines with the coal being hauled distances of up to 380km to reach the Port of Newcastle. Port Waratah is in a unique position to provide our coal handling services to all coal mines in the region. Global coal markets continued to value the Hunter Valley's higher-quality coal, which reconfirmed the ongoing customer value in Port Waratah's coal blending processes, ensuring that the coal delivered at our terminals for export is blended into an homogenous product.

Performance

As the weather pattern moves toward an El Niño cycle, we experienced more stable port operating conditions. Our customers' mining operations in the first half of 2023, continued to experience residual water impacts associated with the previous La Niña weather pattern. These impacts reduced during the second half of the year, resulting in higher demand for our services. Vessel turnaround times reduced in 2023 to 2.8 days compared to 5.4 days last year. The reduction in weather impacts enabled better synchronisation between coal availability and the vessel arrival time, achieving greater loading efficiencies.

Customer and Industry engagement

We are committed to delivering superior services to our customers and acting in their best interests with continuous improvement at the heart of our customer service processes. All planned 51 formal customer discussions were achieved in 2023, demonstrating our ongoing commitment to our customers. We also led and participated in many coal chain stakeholder activities, strengthening relationships across the coal chain.

In 2023, stockpile coal temperature information was integrated into customer reporting to support our customers to comply with International Maritime Organisation requirements. Further work integrating inbound coal temperature information is underway, which will support our customers to comply with amendments to the Australian Dangerous Goods Regulation. Throughout the year, we continued to work with other port and shipping stakeholders to improve the safety of vessel loading by ensuring our vessel vetting process review considers the most accurate information prior to any vessel being approved to load at Port Waratah.

A key indicator of future demand are our customer contracts. These contracts are enabled by the Capacity Framework Arrangements, authorised by the Australian Competition and Consumer Commission from 2010 until December 2024. We have been actively engaging with our customers and industry co-service providers

over the last two years about future contracting arrangements. We propose to maintain the benefits of the current arrangements while evolving the contracts to meet the future needs of the industry and introduce increased flexibility. This review and consultation process will conclude with amended arrangements anticipated in 2024.

Market conditions

Japan remained the largest export destination in 2023, with 50 per cent of terminal throughput. China re-emerged as a coal export destination during the year, with a throughput of 23 per cent, while Columbia and Saudi Arabia were new coal export destinations. Thermal coal used for energy production accounted for 92 per cent of the annual terminal throughput. We continue to see a diverse range of alternative powered vessels with both liquefied natural gas (LNG) and wind-technology assisted vessels loading at Port Waratah. Vessel lines continue to seek Port Waratah's assistance in alternate powered vessel design.



CASE STUDY

Supporting shipping transportation advancements to reduce emissions

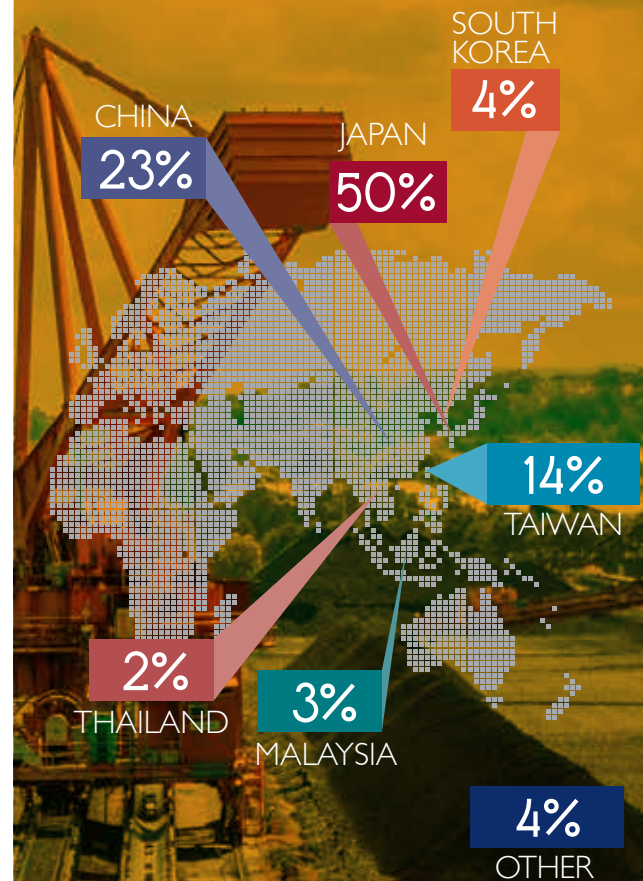
Port Waratah supports supply chain partners around the world to design vessels aimed at reducing greenhouse gas emissions. Our range of shiploading and wharf assets provides a benchmark for testing trial designs for use in a high-capacity terminal.

In July, the TR Lady bulk carrier was received at our Carrington Terminal wharf. The vessel has been fitted with three huge rotor sails that spin, capturing wind power to add thrust and propel the vessel forward reducing fuel consumption and emissions.

In November, NYK Line's LNG-fuelled vessel, 'Shoyo', arrived at the Kooragang Terminal wharf on its maiden voyage. The use of LNG fuel significantly reduces sulphur oxide, nitrogen oxide and carbon dioxide emissions improving environmental performance.



WHERE THE COAL GOES



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

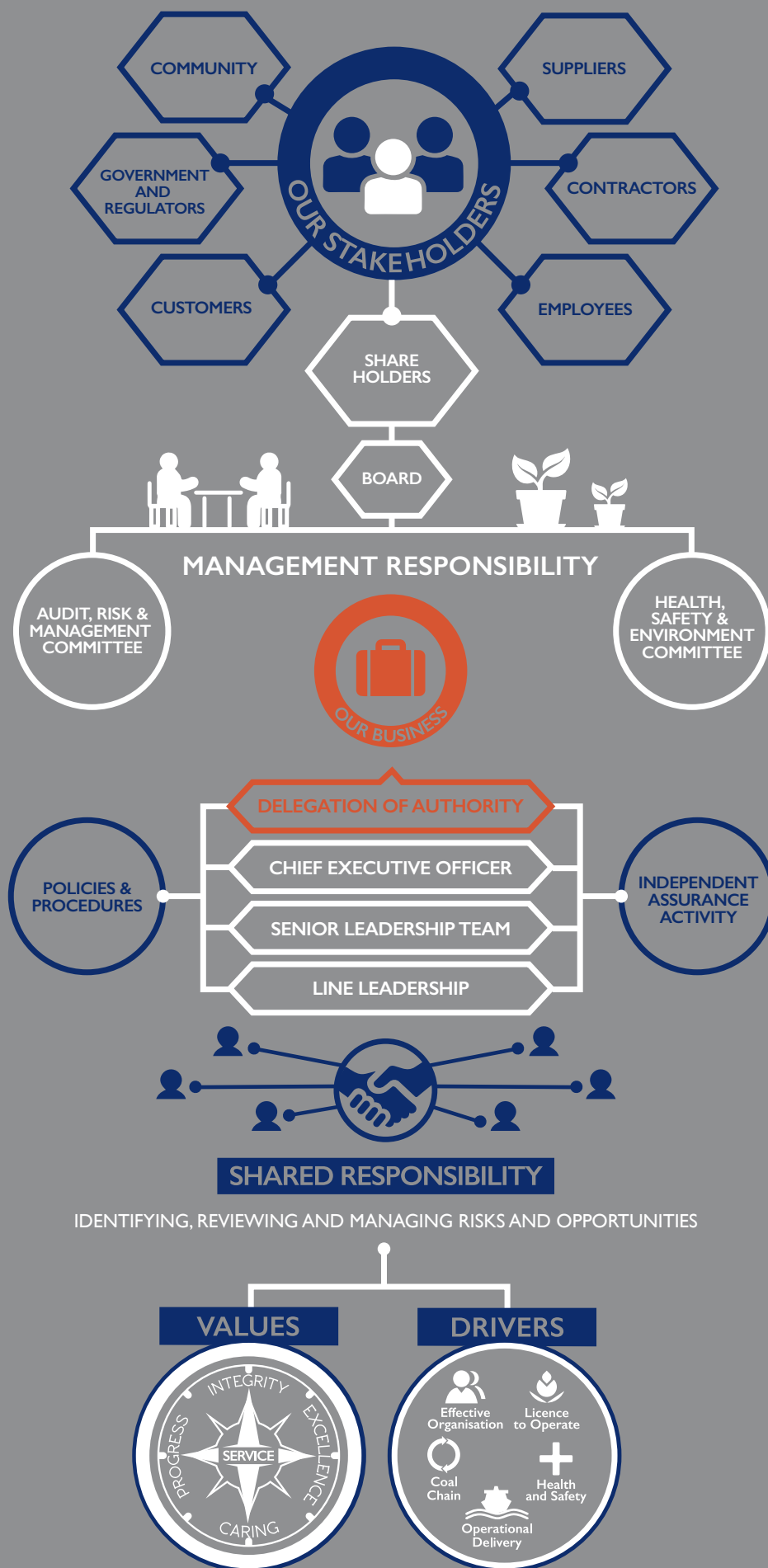
A DIVERSE CUSTOMER BASE

with
shipments
being
made for

34

different producer
or trading companies

OUR GOVERNANCE FRAMEWORK





OUR COMMUNITY PARTNERS

PORT WARATAH
COAL
SERVICES
KOORAGANG

PORT WARATAH
COAL
SERVICES
CARRINGTON

Diversity

- Arnetts Football Programme
- Equal Futures Project
- FirstChance
- Grainery Care
- Hunter African Communities Council
- Hunter Homeless Connect Day
- Jenny's Place Inc.
- Kiwanis Beachside-Newcastle Inc.
- Kwila Community Based Rehabilitation
- LIVEfree Project
- Making Waves Foundation
- Polished Man
- Saltwater Veterans
- Samaritans Christmas Lunch In The Park
- Soul Café
- Variety The Children's Charity
- Zara's House

Youth Sport In Portside Suburbs

- Bar In Water Polo Club
- Fern Bay P&C Association
- Girls Day Out
- Hillcrest Tennis Club
- Hunter Volleyball
- Mayfield Diggers Netball Club
- Mayfield West Bowling Club
- Newcastle Bodyboarding Club
- Newcastle City Little Athletics

- Newcastle City Touch/Newcastle City Knights Junior Touch
- Newcastle Junior AFL Club
- Newcastle Junior Oztag
- Newcastle Rowing Club
- Newcastle Wolves Softball Club
- Stockton Junior Cricket Club
- Stockton Junior Rugby League Football Club
- Stockton Peninsula Netball Club
- Stockton Sharks Junior Football Club
- Tighes Hill Public School

Education

- Callaghan College Waratah Campus
- Career Links
- Carrington Public School
- Dads & Daughters Active and Empowered (DADAE)
- Fern Bay Public School
- Islington Public School
- Mayfield East P&C Association
- Mayfield East Public School
- Mayfield West Demonstration School
- Merewether High School
- Newcastle East Public School
- Newcastle High School
- Newcastle Writers Festival
- San Clemente High School

- St Columbans Primary School
- St Dominics Centre
- St Peter's Primary School
- Stockton Public School
- Tighes Hill Public School
- University of Newcastle

Environment

- Hunter Region Botanic Gardens
- Hunter Wetlands Centre
- OzHarvest
- Trees in Newcastle (National Parks & Wildlife Service)

Community Vibrancy

- Bayway Village Mens Shed
- Bikers for Kids
- Carrington Community Garden
- City of Newcastle TRSL Sub-branch
- Family Support Newcastle
- Girls Day Out
- Hamilton Hawks Rugby Union Football Club
- Hunter Surf Lifesaving
- Kokoda Youth Foundation
- Mission To Seafarers Centre
- Newcastle Fringe Festival
- Newcastle Italian Film Festival
- Newcastle Rowing Club
- Rotary Club of Newcastle

- Salvation Army
- Share the Dignity
- Society of Artists
- Stockton Historical Society
- Stockton Surf Life Saving Club
- Volunteer Marine Rescue
- Westpac Rescue Helicopter Service

Health

- Calvary Mater Hospital Auxilliary
- Camp Quality
- Charlie's Run 4 Kids
- Great Cycle Challenge Australia
- Hunter Breast Cancer Foundation
- Hunter Medical Research Institute (HMRI)
- John Hunter Children's Hospital
- Lifeline
- Mark Hughes Foundation
- Prostate Survival Alliance/Procure Mental Health Services
- Push Up Challenge
- RUN DPG
- Tie Up The Black Dog
- Westpac Rescue Helicopter Service

Partnerships for Reconciliation

- Clontarf Foundation
- Newcastle All Blacks
- Newcastle High School
- University of Newcastle



PORT WARATAH

COAL SERVICES

24-hr Community Enquiries Line (02) 4907 2280
contact_us@pwcs.com.au
PO BOX 57 Carrington NSW 2294
pwcs.com.au

