

# 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

