



Newcastle Coal
INFRASTRUCTURE GROUP

SUSTAINABILITY REPORT 2020

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Our 2020 NCIG Sustainability Report describes our performance during the twelve month period to June 2020, aligning with the Australian financial year. The report is structured around our Key Result Areas of Customer Focus, Operational and Engineering Excellence, Financial and Governance, Safety, Environment and Community, and People.

The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option. This report is not externally assured against GRI Standards. A GRI Standards content index can be found on page 42 of this report. The report does not include consolidated financial statements, which are reported directly to shareholders, investors and regulators.

For more information about NCIG, or to read our Sustainable Development Policy, please visit our website www.ncig.com.au. We welcome feedback on our reporting and public information. Simply email us at enquiries@ncig.com.au.

CEO Message



Newcastle Coal Infrastructure Group (NCIG) reached a significant milestone in 2020 when it marked ten years of operation. In its relatively short history, NCIG has established itself as a critical link in the Hunter Valley export coal supply chain.

Record achievements

The year was also one of record achievements for both the business and our employees, and I am pleased to reflect on a few of them below.

In May we delivered inbound tonnage records, and in June we achieved our first ever month of loading at an annualised rate above the 66Mtpa nameplate capacity, with a 30-day throughput of 5.47Mt. Through these successes, we have yet again demonstrated our ability to flex up when needed, thereby helping our customers achieve their objectives, and at the same time signalling to other stakeholders that we are capable of handling throughput tonnages significantly above current levels if required.

Continuous improvement and innovation

At NCIG we have an inherent drive to continuously look for ways to improve our terminal's performance and the service we provide to our customers. In FY20, we implemented the changes required to automate the dump station train unloading process, with the aim of increasing productivity and improving the utilisation of terminal labour resources.

Our Stockyard Capacity Increase Project is another example of how our drive for continuous improvement and innovation generates real value to our customers. During the year, we completed a number of control system and low capital cost civil changes within the current stockyard footprint to increase stockyard storage volume, which ultimately benefits our shippers.

I am proud that this project originated from improvement ideas generated from within our own workforce, and it is a testament to our culture and the commitment of our people.

Modified Project Approval

During the year, we applied to the NSW Department of Planning, Industry and Environment (DPIE) to modify our Project Approval to increase our approved maximum annual throughput. Through the implementation of a number of minor optimisation projects, NCIG has determined that an increase in operating capability to 79Mtpa could be achieved within the existing footprint and without requiring major capital infrastructure. After extensive consultation with our stakeholders, the application was lodged and placed on public exhibition during the year. Approval was received in August 2020, which is a fantastic result for our employees and customers.

Response to COVID-19

During the initial outbreak of the COVID-19 pandemic, our utmost focus was on the health and safety of our people, while at the same time making all efforts to continue to provide a high quality coal export service that meets our customers' needs. I have been personally humbled and impressed with the flexibility and resilience shown by our people during these trying times - supporting and looking after each other, our customers and our operations.

NCIG has always recognised the importance of supporting our local community. In March during the onset of the COVID-19 crisis, NCIG identified the significant increase in demand on community organisations that provide primary social welfare programs to vulnerable and disadvantaged people. We acknowledged the vital services they deliver and decided to provide them with direct financial support.

Safety performance

The safety of everyone working at our site is paramount and an ongoing focus for NCIG. This is particularly evident at times when one of our employees or contractors are injured at work. Unfortunately we experienced our first lost time injury in 18 months. Thankfully the employee that sustained the LTI has fully recovered and is now back at work on full duties. All other injuries that occurred during the year were very minor in nature, resulting in our lowest annual Total Recordable Injury Frequency Rate (TRIFR) in ten years of operation.

Environmental protection initiatives

Our effort to meet all obligations and expectations of our stakeholders in relation to our impact on the environment is ongoing. Projects that better manage and mitigate the risk of water discharge events and dust exiting the site during unfavourable weather conditions were initiated during the year. We successfully commenced a stockpile veneering program and implemented additional dust management controls, which have resulted in a material reduction of dust emissions from site during adverse wind events. We also completed infrastructure upgrade works within the wharf area as part of our Discharge Water Management Program to reduce business risk associated with water discharge events.

Despite challenging times, I am proud of the many achievements our tenth year of operations has delivered. Of course, this success would not be possible without our employees, investors and shareholders, and I would like to thank all of them for their commitment and contribution.

I hope you enjoy our 2020 Sustainability Report.

Aaron Johansen
Chief Executive Officer



FY20 Highlights

10%
electricity
usage contracted
as Green Energy

\$41.3M
direct economic
investment in
the Hunter Region

49%
water usage
from collected
rainwater

65%
reduction in Total
Recordable Injury
Frequency Rate (TRIFR)

42%
reduction in
waste generated
onsite

\$275k
in community
investment

*Total recordable injuries based on Total Recordable Injury Frequency Rate (TRIFR) = Lost Time + Medical Treatment Injuries per million hours worked

Peter Anderson, Process Leader



Kas Smith, Logistics Planner

Our Business

ABOUT NCIG

Newcastle Coal Infrastructure Group Pty Ltd (NCIG) provides a premier coal export service as a critical infrastructure provider to the Australian coal export industry. Through our people, processes, plant and performance, we consistently enable the delivery of more than 50 million tonnes of product every year to energy and manufacturing markets around the world.

Our core business is to work with producers to safely transport coal from rail to ship, but we also promote and provide innovation, economic stimulus, ecological enhancement and community support. Our service is flexible, agile and considerate of our customers' needs.

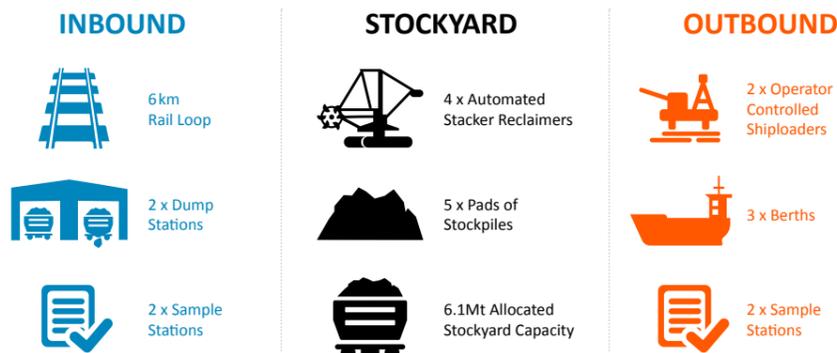
OUR TERMINAL

NCIG operates Newcastle's third and newest coal export terminal located on the South Arm of the Hunter River in the Port of Newcastle. Our terminal is situated in the industrial precinct of Kooragang Island and is directly adjacent to the Hunter Wetlands National Park, including listed wetlands of international significance.

We are a privately-owned business that fundamentally exists for the benefit of our mining sector shareholders, including BHP, Yancoal, Whitehaven Coal, Peabody Australia and Centennial Coal, who each own coal assets in New South Wales, Australia.

The coal we receive predominantly comes from the Hunter Valley, the Western Coalfields and the Gunnedah Basin. It is delivered exclusively by rail and stored in dedicated stockpiles for our customers. Our terminal receives an average of 20 trains per day and has the capacity to store up to 6.1 million tonnes of coal. We load vessels up to 300 metres long that carry up to 165,000 tonnes of coal. Our state-of-the-art coal terminal employs the latest technology and provides high reliability for our customers.

Delivering quality service is an essential aspect of our operation. We facilitate inbound and outbound sampling of the coal stream to provide assurance to our customers that their product is handled in a manner that meets their quality specifications.



54.5
million tonnes loaded

6,998
trains unloaded

541
ships loaded

391,000
hours worked onsite

OUR STRATEGIC FOUNDATION

Our success is the result of how well we deliver on our strategic approach. Our vision, mission, and values form the core of our business and guide our everyday actions and interactions. As foundation stones, they underpin how we manage and measure our performance, and are embodied in our Key Result Areas, which keeps us focused on the issues that matter most to our customers and other stakeholders.

KEY RESULT AREAS

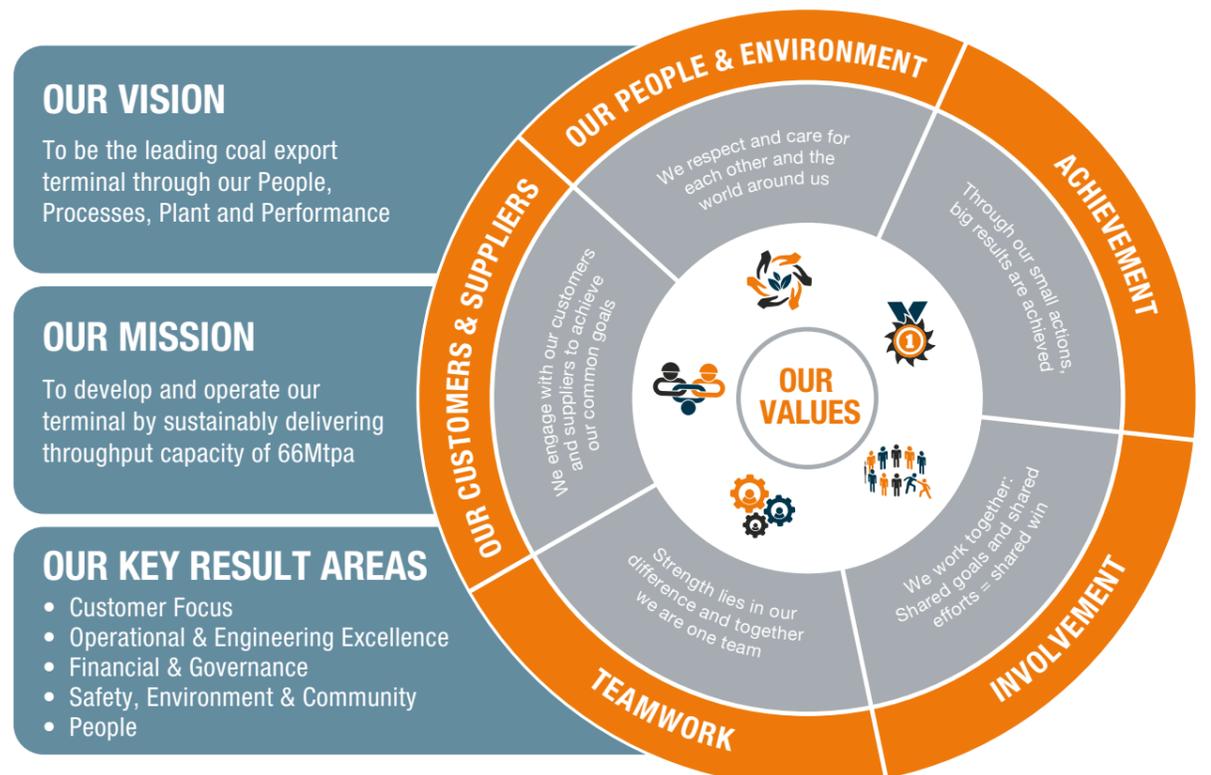
CUSTOMER FOCUS – NCIG is a service business; we exist to add value to our customers' businesses. We recognise that our customers are individual and their needs will change with time. We strive to obtain the best possible outcomes for each individual customer, whilst balancing the interests of the collective customer group.

OPERATIONAL & ENGINEERING EXCELLENCE – NCIG has modern, highly automated operations that can run effectively with a lean workforce due to our focus on strong operating and asset management practices. This is evident through our consistently robust plant and operational performance, as well as our innovative approach to continuous improvement that ensures we provide a world class service to our customers.

FINANCIAL & GOVERNANCE – NCIG endeavours to ensure the long-term financial sustainability of the terminal combined with the lowest long-term average toll charge for our shippers. We focus on disciplined and prudent capital, cost and risk management and ensure all financial activities are conducted within a strongly governed working environment.

SAFETY, ENVIRONMENT & COMMUNITY – At NCIG we care about the safety of all people working on and around our site. We make every effort to meet all obligations and expectations of our stakeholders in relation to our operations' impact on the environment around us. We strive to build strong relationships with local community and to maintain our social licence.

PEOPLE – NCIG aims to have a high performing workforce where employees fully understand and are committed to achieving the company's objectives. Our people's commitment to these standards will ensure NCIG sustainably meets the requirements of our customers. We also respect the personal aspirations and ambitions of our employees, providing the tools and resources for them to achieve their personal and professional best.



Our Markets

INTERNATIONAL MARKETS

NCIG services the seaborne coal market, connecting our customers' coal from the Hunter Region and broader NSW to overseas energy generators and steel producers. The majority of our export destinations are major markets across Japan, China, South Korea and Taiwan. There is also increasing demand from India and Southeast Asian countries such as Thailand and Vietnam. These export destinations are steady or growing, and therefore they represent a strong future position for NCIG and our customers.

ABOUT THE COAL WE HANDLE

The largest proportion of coal handled by NCIG's terminal is thermal coal, which is specifically used to produce energy. Hunter Valley thermal coal is a highly reliable source of energy for many nations, and compares favourably to other producing nations such as Russia and Indonesia. The mines serviced by NCIG customers are also traditionally strong performers on cost when compared to their competitors on the global seaborne market.

A portion of coal exported from our terminal in FY20 was metallurgical coal, primarily exported to South Korea. Hunter Valley metallurgical

coal producers, while not as large as producers in Queensland, are competitive on cost, with some coal types such as semi-soft coking coal being suitable for steelmaking and energy generation. This provides a distinctive advantage for these producers as market dynamics change into the future for both thermal and metallurgical coal.



Coal Export Data

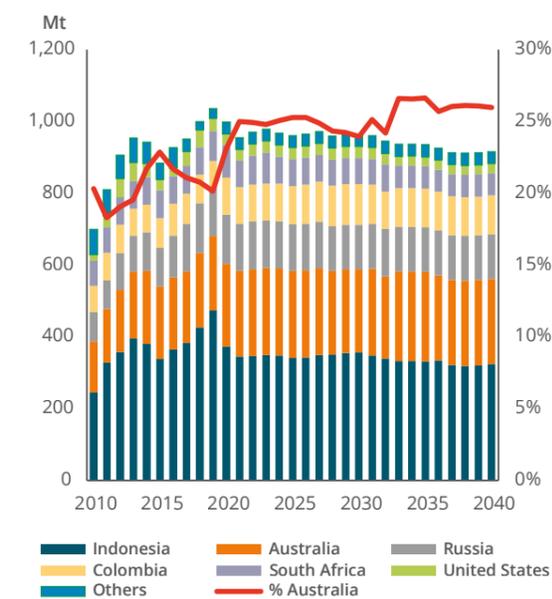
- China 30%
- Japan 26%
- Korea 15%
- Taiwan 9%
- Other 20%

DELIVERING VALUE TO THE WORLD'S ENERGY MARKET

The world's energy market is transitioning and gradually replacing fossil-based energy generation with alternative renewable fuel sources. At present however, coal remains a critical component of meeting the world's energy needs, particularly in developing countries. The BP Statistical Review of World Energy 2020 also notes nearly 65% of global coal production is consumed in the process of electricity generation and almost 40% of global electricity generation is fuelled by coal¹. According to the International Energy Agency (IEA), in 2019 more than 37% of the world's electricity was produced using coal, and projections are for just a modest decline in demand to 2040². Strong regional economic growth and subsequently large power demand growth in South East Asia (SEA) and India will offset declines in China. Coal was the dominant fuel source in the Asia Pacific region during 2019. New technologies and fuel efficient Supercritical and Ultra-supercritical coal-fired power plants are also projected to increase over the short to mid-term³, particularly in Asia. We expect this to influence the demand for high quality, low emissions coal, such as that exported through the Port of Newcastle, in particular from countries such as Japan, Korea and Taiwan (JKT).

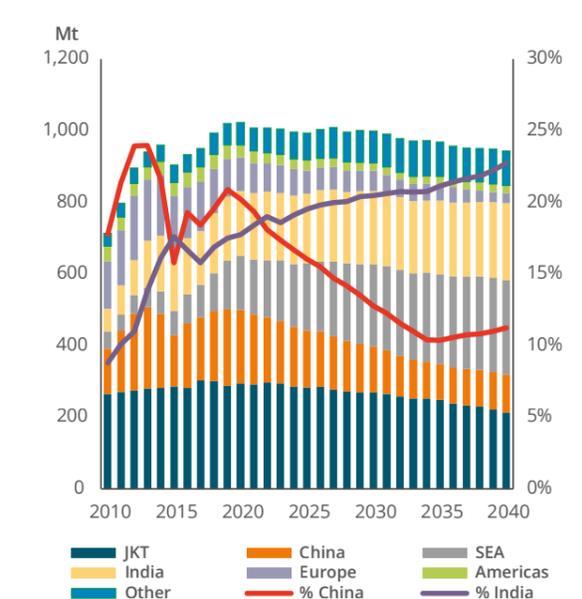
The global economy slow-down caused by COVID-19 had a profound effect on the world's energy market, however demand for coal exported from our terminal remained consistent. In the face of a potential lag in economic recovery, the relatively low cost, high quality of NSW producers' coal has also strengthened demand for their product.

GLOBAL SEABORNE THERMAL COAL EXPORT SUPPLY BY COUNTRY



Source: Wood Mackenzie⁴

SEABORNE THERMAL COAL DEMAND BY COUNTRY



Source: Wood Mackenzie⁴

¹ BP Statistical Review of World Energy-2020/ 69th Edition.

² IEA reference - <https://www.iea.org/reports/world-energy-outlook-2020>, "World Energy Outlook 2020"

³ IEA reference - <https://www.iea.org/reports/coal-fired-power>, "Coal-Fired Power".

⁴ Wood Mackenzie - Coal Market Service Thermal Trade, NCIG Throughput Study, April 2020 (Wood Mackenzie Base Case).

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Sustainability

OUR SUSTAINABILITY COMMITMENT

Societal expectations of sustainable development and a unified set of objectives have increased worldwide. The reduction of inequality, increase in education opportunities, bringing people out of poverty and addressing environmental challenges, are all issues governments, communities and businesses must take action on.

As a single-site operation, NCIG does not overstate our ability to influence these global issues, and recognises that a collaborative effort is required to create a more sustainable world. For this reason, we consider the UN Sustainable Development Goals (SDGs) critical guidance for how we, and others, can help tackle some of the most pressing and largest challenges the world is currently facing.

In FY20, we further assessed NCIG's business drivers and activities, and mapped them against the SDGs. We identified that our greatest opportunities to contribute to the achievement of the global goals are in SDG 3 Good Health and Well-being, SDG4 Quality Education, SDG9 Industry, Innovation and Infrastructure, SDG11 Sustainable Cities and Communities, SDG15 Life on Land and SDG 17 Partnerships for the Goals. We also undertook considerable engagement with key stakeholders, especially our employees and community members, to identify new projects and initiatives that could further contribute to sustainable development. A variety of ideas were raised around resource efficiency, emissions reduction, circular economy, community support and employee skills development. Many of the suggestions were implemented, while others, those more substantial or multifaceted, will require integration into our long-term strategic business planning. In FY21, we will mature our sustainability strategy, articulate our sustainability drivers and areas of influence, and identify key projects and targets across the business.

MAPPING OUR BUSINESS DRIVERS AND ACTIVITIES AGAINST THE SDGS



GOAL 3 – GOOD HEALTH AND WELLBEING



NCIG is committed to employee health and wellbeing. For more than ten years NCIG has participated in Bounce, a leading workplace health and well-being program. Some notable milestones achieved during the program include obtaining 98% employee participation, maintaining an average health score of 75 through biennial employee health assessments (which is indicative of excellent health for a workplace cohort), and being recognised by the NSW Minerals Council at their annual HSEC awards. We have also evolved the program to include mental health initiatives such as Move for Your Mind, which focusses on mindfulness, physical movement and breathing practice to assist our employees in managing their stress levels.



GOAL 4 – QUALITY EDUCATION

NCIG is committed to supporting young people in our community and provide opportunities for future success in a highly dynamic and changing workplace. Since 2019,

NCIG has partnered with HunterWiSE, a program developed by academics and teaching professionals at the University of Newcastle. It supports Year 8 female students from the Hunter Region to develop engineering and technological skills and exposes them to local workplaces. NCIG also provides opportunities for its employees to participate in further education by contributing to tuition costs. In FY20, we extended our workplace apprenticeship and graduate program by three additional roles, specifically targeting women to fill these roles.



GOAL 9 – INDUSTRY, INNOVATION AND INFRASTRUCTURE



Our approach to continuous improvement is based on employing innovative technologies to solve operational challenges. We have developed one of the most advanced and highly automated industrial facilities in our region. In FY20 we enhanced our processes to deliver an even higher quality and more reliable service to our customers. This included automating our train unloading station and rolling out a bespoke Logistics Management System (LMS), which provides an enhanced customer experience - from providing operations instructions to reporting on terminal performance. We believe these changes will enable NCIG to remain a benchmark for industry in the Hunter Region and across NSW. For more information about these plant and process developments, see page 23 of this report.



GOAL 11 - SUSTAINABLE CITIES AND COMMUNITIES

NCIG has a strong history of supporting the local community. This tradition continues with a focus on building community resilience and working with local groups to develop organisational sustainability. We provide financial and in-kind support to important local organisations such as Soul Café, Newcastle Meals on Wheels and Zara's House, to support vulnerable and marginalised groups. Since 2018 we have participated in the Plastic Police Program, closing the loop on resource consumption and landfill. The program repurposes soft plastic waste into reusable products.



GOAL 15 - LIFE ON LAND

NCIG is responsible for managing ecological values at our terminal site and at adjacent environmental-zoned land. As a result of our terminal's development, a series of mitigation and land based offsets were required to ensure the site was sympathetic to existing biodiversity, and to provide additional biodiversity outcomes in the adjacent areas including the Hunter Wetlands National Park. Through our strong collaboration with community-interest groups, academics and government representatives, our efforts have resulted in award-winning habitats for both the endangered Green and Golden Bell Frog and migratory shorebirds. We maintain our commitment to ensuring the best possible outcome for these species in the local area.



© Nathan Juchau, Manager HSEC



GOAL 17 - PARTNERSHIPS FOR GOALS

We collaborate with many partners to deliver on sustainability outcomes both within and outside our terminal. This includes with our: customers and other coal chain stakeholders to realise innovations in delivering product to the seaborne market; research partners to enhance productivity and environmental outcomes that affect our business objectives; and local organisations to build stronger and more resilient communities in the Hunter Region. Seeking and embracing new partnerships is a feature of our strategic plan.



© Jordan Dutcher, Electrical Technician

Materiality

OUR STAKEHOLDERS

Our stakeholders are central to our business and our success, so we work closely with them to understand their concerns and expectations. Understanding and meeting stakeholder requirements and expectations was critical to NCIG's overall success in FY20. Our stakeholder groups have been selected based on a combination of our business values, strategic relationships and our commitment to working sustainably.

In FY20 dialogue continued with our Community Engagement Group in a series of meetings held throughout the year to receive feedback from the community and allow NCIG to provide updates on our operational and environmental performance as well as our community support activities. Consultation was carried out throughout the year with our customers, particularly regarding the roll-out of the Logistics Management System (LMS). Several contractor communications sessions discussed workplace safety, operational performance, major shutdowns and

other critical maintenance activities. We also consulted closely with our employees on future sustainability initiatives, both through online surveys and face-to-face workshops. Our employee engagement extended to a renewed round of employee surveys, which saw strong participation across the business. Our finance team also worked with representatives of our major investors to deliver on renewed financing arrangements, in continuation of our long-standing partnerships.

Important themes and information from stakeholder consultation processes are provided to our Board through monthly and quarterly update reports. We look forward to continuing our close working relationship with major stakeholders and to delivering on mutually beneficial outcomes.

In 2020 we reviewed our material issues, rationalising those we consider most important to our business. With the assistance of sustainability consultants and input from key stakeholders, we consolidated issues identified in previous assessments and created

a simple snapshot of where our business lies relevant to contemporary sustainability issues. The table on page 15 highlights our material themes and underlying topics, and reflects on the context of the issues as they relate to our operations. The table also highlights where further information can be found in this report.



Material Themes	Topics	Context	Chapter
Safety	Safety of our People	The safety of our employees, contractors and visitors is of paramount importance. We focus on maintaining a strong safety culture at NCIG.	
	Security	We respect the right of people to protest, but do not support illegal trespassing, particularly onto industrial sites with inherent safety risks. Site security remains a strong focus for NCIG.	
Responsible Business Leadership	Robust Governance	Robust governance spans data integrity, transparency, risk management, strategy, reputation and ensuring sufficient outlet for grievances. Through effective governance structures NCIG will maintain good relationships with its stakeholders.	
	Financing	Access to finance and prudent financial acumen contribute to this topic. NCIG continues to work extensively to ensure finance is accessed at a competitive rate and company spending is responsible.	
	Regulation	NCIG is subject to extensive regulation, from business management to environmental protection. We commit to operating within current legal frameworks and to monitoring changes in the regulatory landscape.	
	Cyber Security	With an increasingly connected world, there are increasing cyber threats for business. We commit to having effective cyber security systems that protect critical information, our employees and our stakeholders.	
Climate Change Response	Transitional Climate Risk	The world energy market is in transition. While coal from our region will be in demand into the future, we commit to actively monitor and manage the risk this transition poses to our business. We also commit to reducing greenhouse gas emissions from our operation into the future.	
Customers	Customer Experience	NCIG offers wide-ranging services to its customers. They include plant capacity, productivity, vessel turnaround times, stockyard capacity and quality customer relations. These are all factors that contribute to our customer experience.	
	Asset Management	We want to ensure we continue to service our customers well into the future. For this, we must ensure long-term operability, care for our assets and be innovative. We are a vital cog in the Hunter Valley Coal Chain.	
People	Supporting our People	We commit to caring for our people. We acquire the best talent, provide competitive remuneration and recognition and continue to build capacity through training.	
	Health & Wellbeing	The health and wellbeing of our people is critical to our operation. This contributes to a safe work culture and has a positive impact beyond the workplace.	
	Diversity & Inclusion	Diversity of the workplace is an increasingly important sustainability issue. NCIG will continue to support a more balanced workforce in industry.	
Community	Local Economic Health	NCIG continues to be a strong contributor to the local economy. Since construction we have injected hundreds of millions of dollars into the Hunter Region, and we will continue to be a major user of local goods and services.	
	Supporting our Community	Our Community Support Program began in 2010 when we started operations. We have now enhanced our community investment with targeted partnerships and focus on the areas of need within our local community.	
Caring for our Local Environment	Air Quality	The NCIG operation carries inherent risks to local air quality. We have a strong record in managing these risks and will continuously improve our performance, particularly during extreme wind events.	
	Water	Water is a valuable resource and requires protection for our environment and communities. NCIG is a large water consumer, with operations having the potential to impact water resources. These both provide a focus for our business into the future.	
	Land Use & Biodiversity	NCIG responsibly manages the land it occupies, including the terminal and offset sites. We have a strong record in biodiversity management and will continue to be stewards of the ecological values we manage.	
	Resource Management	NCIG is a large consumer of energy. We also produce waste as part of our operations. We have a tradition of pushing the boundary to reduce waste to landfill. While our plant and machinery are state-of-the-art, we will continue to look at ways to reduce our energy consumption.	
	Noise	NCIG is geographically located to avoid noise impacts to sensitive residential areas. The design and maintenance of our equipment supports this measure.	

key

- Our Business
- Our People
- Our Customers
- Our Environment
- Our Community
- Our Suppliers

Governance & Risk

GOVERNANCE STRUCTURE

NCIG has a governance structure to manage its operational business and finance. It includes a constituted Board of Directors from each of our shareholder companies, with an independent Chairperson. The Board is consulted on, and ratifies, strategic decisions by the business, including our purpose, values and sustainability-related decisions.

NCIG's sustainability footprint is overseen by the Board's Audit and Risk Committee, which ensures the business has processes to manage risks and opportunities as they relate to environmental, economic and social issues.

Strategically we follow a rigorous annual budget and business plan process, the results of which provide the content of this report. The executive level of the business is accountable for implementing the strategic direction across the business via collaboration between Operations, Assets, Commercial, Health, Safety, Environment & Community (HSEC) and People & Culture functions.

CONTINUOUS IMPROVEMENT

One of our management principles is to foster a continuous improvement culture. It is important that we continuously assess our business risks and opportunities beyond our day-to-day terminal operations.

In October, the annual NCIG enterprise-wide risk assessment was undertaken by NCIG management and other key personnel, and was facilitated by an external party. The primary risks to the business identified during this process relate to finance and insurance, safety and social licence.

MANAGING COVID-19

Risks relating to COVID-19 were assessed as material on both an inherent and residual basis and were added to our corporate risk register in the second half of the year. A detailed risk control action plan was put in place, including a Business Continuity Plan and a Trigger Action Response Plan (TARP). Key controls to manage health risk and ensure business continuity include: implementation of social distancing in operational and administrative tasks; separation of teams and rosters; working from home arrangements; additional PPE requirements; workplace hygiene practices; a review of critical stores items and supplies; and assessment of activities and critical tasks to ensure continued operations and service delivery in potential outbreak scenarios. Further controls that may be implemented to ensure the long-term financial stability of the business through long term customer contracts tied to capacity were also identified. There was no impact on terminal throughput as a result of the COVID-19 pandemic.



CLIMATE RISK

NCIG increasingly recognises the impacts that climate change is having on businesses. These include transitional and economic risks to traditional ways of working, particularly to those with businesses with exposure to fossil fuels. For NCIG these risks are partly offset by the particularly high quality of coal that we handle, which our customers increasingly prefer over lower quality coals.

There are also physical risks created by more volatile weather, for example water scarcity and increased frequency of extreme weather events. These have an impact on businesses operating throughout Australia. NCIG carefully monitors these risks due to our dust suppression systems which use water, as well as the potential for impacts caused by flooding or extreme winds.

We recognise the importance of climate change reporting to our stakeholders and next year will assess the merits of reporting to recognised climate risk disclosure standards.



© Amanda Pattullo, WHS Officer

LEGAL & REGULATORY RISK

NCIG works within the context of a number of State and Commonwealth regulations and laws. We manage our business-critical compliance obligations through our corporate compliance system, an approach that has proven to be effective. While maintaining a strong compliance record is important to NCIG, we aim to operate beyond compliance. This is important for maintaining our social licence, building a strong rapport and maintaining credibility with our stakeholders.

FINANCIAL AND CAPITAL MANAGEMENT

NCIG manages its capital structure in accordance with principles agreed in a Long Term Financing Strategy (LTFs), which has been agreed to by our Board. In accordance with this strategy, refinancing activities undertaken in 2019 were increased to take advantage of strong demand for NCIG credit and to refinance all debt facilities maturing in FY20 and FY21. On this basis, there was no requirement to refinance during the reporting period. However, we continued to maintain and develop

relationships during the year across a variety of finance markets, placing NCIG in a strong position to adapt to changes in the future.

We place emphasis on strong financing arrangements so we can ensure the stability of our operational toll charge, the fee payable by our customers based on cash costs and available capacity. Our financing strategy delivers on the requisite robustness through a variety of financing arrangements. Our current credit rating with major agencies also indicates that NCIG represents a strong investment proposition moving forward.

Upcoming debt maturity is due in June 2022. Consistent with our current financing strategy, we intend to refinance debt well in advance of the stated maturity.

PRUDENT COST MANAGEMENT

NCIG provides its shippers with one of the lowest operating cost coal export terminal services in the industry. In FY20, we again demonstrated our prudence in budget management, ensuring that costs remained within budget levels. This result is largely

consistent with the previous five years, and is a notable achievement for a plant that has operated for more than 10 years and has had major components, such as belts, reach the end of their useable life. Importantly, reliability levels remain high and future terminal sustainability ambitions remain intact.

SITE SECURITY

We recognise that some members of our local community are fundamentally opposed to the coal industry. We respect these views but strongly denounce protest activity, which has the potential to cause harm to the public, our people and our infrastructure. Our site is a secured site and is only open to authorised visitors. We work with government authorities and security personnel to deter unauthorised access. Our site security is delivered by Certis Security Australia, a national security service provider.



Our People

WHO WE ARE

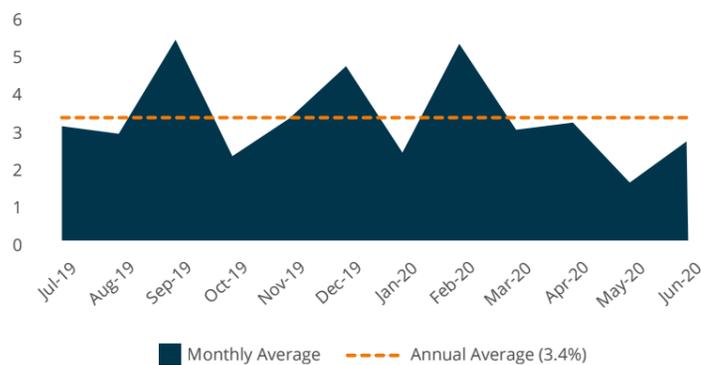
NCIG has a lean and highly productive workforce of 105 employees, which is supplemented by contracted labour to support our operations and maintenance activities during peak periods. Of the 105 employees, 44 Technicians are covered by the Coal Export Terminal (CET) Operations Workplace Agreement. Our executive team is predominantly sourced from our local area, with six of seven executive staff residing in the Hunter. Our FY20 voluntary turnover remained steady at 2.8% and our absenteeism rate low at 3.4%.

During the 2019 calendar year 18 employees celebrated ten years of service with NCIG. Their long tenure indicates our positive culture and effective employee engagement. This milestone was celebrated at a special dinner with their partners and the Executive Leadership Team.

SUPPORTING OUR PEOPLE IN UNCERTAIN TIMES

With the outbreak of COVID-19 in the second half of FY20, NCIG made all efforts to maintain business as usual operations and continually meet our customers' needs, while also placing utmost focus on maintaining the health and safety of our people. As a primary control, consistent with governmental recommendations, a large proportion of NCIG employees adapted to working from home arrangements where their roles allowed. The NCIG workforce adjusted and adapted well, which assisted us in reducing the health risk to our employees. NCIG continues to closely monitor the COVID-19 situation and adjusts controls accordingly.

UNPLANNED ABSENCE | % OF TOTAL HOURS

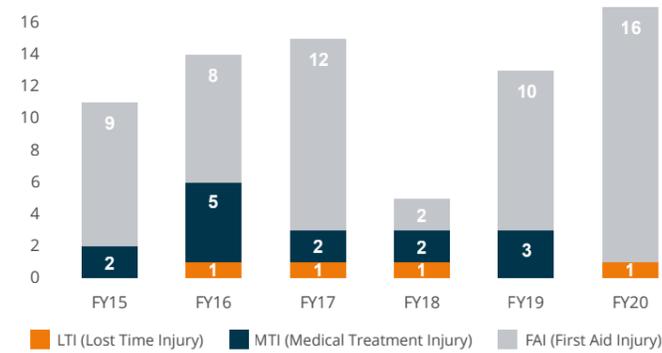


KEEPING OUR PEOPLE SAFE

The health and welfare of our people is a primary focus for NCIG. The prevention and active management of injuries at work for employees and contractors is paramount. NCIG encourages active reporting of all injuries and incidents, no matter how minor. This helps us to identify areas of focus to continue to provide a safe workplace.

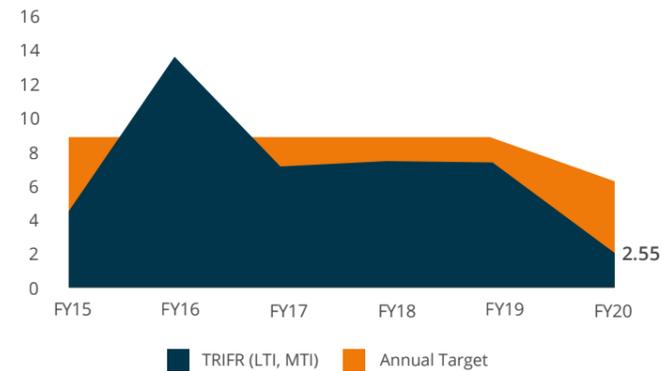
In FY20 there was a total of 17 injuries recorded. This is an increase compared to FY19, however the majority of the injuries were minor in nature, and there were no medical treatment injuries. There was one lost time injury and 16 first aid treatment injuries. The low severity of these injuries is illustrated by the reduction in the Total Recordable Injury Frequency Rate (TRIFR) for FY20, and is a good indication of NCIG's ongoing focus on management of high potential hazards, and that a good reporting culture exists with site personnel.

ALL INJURIES (LTI, MTI, FAI)



NCIG's All Injuries metric includes Lost Time Injuries (LTI - An injury that results in absence from work for at least a full day/shift), Medical Treatment Injuries (MTI - An injury that requires attention from a medical professional) and First Aid Injuries (FAI - An injury that can be treated on site with immediate return to work).

TOTAL RECORDABLE INJURY FREQUENCY RATE (LTIFR / MTIFR) | INJURIES PER MILLION HOURS



The Total Recordable Injury Frequency Rate (TRIFR) is a standard safety metric that includes the number of Lost Time Injuries (LTI) and Medical Treatment Injuries (MTI) per million hours worked on site. NCIG includes both employees and contractors in all our safety metrics and reporting.

FATAL RISK MANAGEMENT

An overhaul of the NCIG fatal risk approach was conducted in FY20 and the new "Safety Vitals" program was launched. A site-wide awareness and promotion campaign was conducted and mandatory regular verification audits of critical controls to fatal risks was introduced. The Safety Vitals are also being incorporated into a number of processes throughout the safety management system to ensure the initiative is sustained.

CREATING A POSITIVE SAFETY CULTURE

The Zero Incident Process (ZIP) behavioural safety program is a critical element of the ongoing development and improvement of the NCIG safety culture. Following last year's ZIP training for leaders, in FY20 all NCIG employees and site-based contractor supervisors also received training. This ensures continued understanding of their role in the effectiveness of our safety culture, and provides consistency in site personnel appreciation of the importance of this element of our safety system. We will continue to implement the ZIP Program in 2021 as part of our three-year strategy towards Safety Citizenship.



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IMPROVING THE HEALTH OF OUR PEOPLE

We care about our people. NCIG's health and wellbeing program, Bounce, continues to lead industry best practice. Throughout October and November 2019 our biennial health assessment process was conducted onsite. The assessments comprise of four components: pre-screen questionnaire, health screening, medical screening and audiometry assessment.

Participation was outstanding with 92% of employees completing the voluntary process. This high level of engagement is testimony to the sustained success of the Bounce program. The results and data collected from the assessments are used to determine our workforce health priorities for the next two years and shape our Bounce health and wellbeing program for the future.

BUILDING AN ENGAGED WORKFORCE

NCIG highly values its workplace culture and recognises that the people working for NCIG and the culture fostered in our workplace has been integral to all our success to date. We are now a well-established business, and our focus has turned to ensuring our culture is maintained and developed. We are implementing systems and processes to ensure our long-term success and sustainability, and in FY20 we continued work on our People and Communications Plan for the 2020-2023 period. This plan sets the direction for people related activities across the business, and identifies four key objectives, which are:

- Develop a positive workplace culture that aligns to our company values;
- Create an environment for a stable and engaged workforce;
- Ensure the workplace is capable of continuous improvement; and
- Develop a flexible workforce able to respond to the changing needs of the business.

During the year we also undertook an engagement and retention survey of our people utilising the Workplace Relationship Development Indicator (WRDI®). The information gathered from the survey is used to inform future strategies.



DEVELOPING OUR PEOPLE

Despite the significant impact of COVID-19 restrictions on training and development activities, we managed to adapt some of our programs by moving them to a virtual platform. Our focus remained on ensuring site competencies were maintained, and by the end of FY20 our mandatory site competencies were 100% compliant.

NCIG leaders are integral to realising our people and culture objectives. We want to develop them so they can facilitate the execution of our strategic and cultural aspirations through alignment, relationship building and growing the capability of their teams. We have therefore committed to significant investment by commencing a two-year leadership program.

We are also committed to providing opportunities for new entrants to our industry, and we do this through our graduate and apprentice programs. This year NCIG appointed a graduate in the field of civil engineering. The two-year program will provide them with exposure to all aspects of engineering within our organisation.

Our well-established apprenticeship program is a partnership with Hunter Valley Training Company (HVTC). We currently have two apprentices (one electrical, one mechanical) in their third year. In January 2020 we also engaged our first two female apprentices (one electrical, one mechanical) in a drive to increase diversity in our technical and trades-based roles.

Both the graduate and apprenticeship programs provide the participants with invaluable experience in a working coal terminal and a large industrial setting.

REVISED APPRAISAL SYSTEM

During FY20, NCIG implemented Q Review, a revised performance appraisal system. Q Review centres on the development of Success Profiles and defines key measures of success for individual roles in the business. A framework of behaviours expected for each role has also been established with the intention of ensuring we focus equally on the behaviours that underpin our culture, as well as the outcomes we deliver. The system has been implemented for all Senior Leaders and will continue in 2021. The implementation plan incorporates additional roles within the business onto the new performance appraisal system.

MAINTAINING OUR SYSTEMS

Highly effective systems and procedures form the foundation of NCIG's safety performance. The status of the NCIG Health & Safety Management System is confirmed through an annual accreditation process in accordance with international standards. A certification audit against the international standard ISO 45001:2018 Occupational Health and Safety Management Systems was undertaken in June 2020. This was the first audit conducted of NCIG's systems against the new safety standard. The audit process found that NCIG's safety systems conformed to the applicable standards, with only a minor non-conformance relating to an untreated trip hazard identified. Certification of the NCIG Health & Safety Management System was achieved against the targeted standard.



CASE STUDY

INCREASING GENDER DIVERSITY

In FY20 NCIG took further steps to provide opportunities to females in our industry. A female Engineering Graduate role was offered within our Assets Department, supporting a number of important projects, including major refurbishments to the Stacker Reclaimers and Wharf facilities.

We also furthered our gender diversity initiatives by recruiting two female apprentices. In partnership with the HVTC, NCIG will provide four-year apprenticeships in mechanical and electrical trades to young women to provide them with important workplace experience in industry, and a recognised qualification that will enhance future career opportunities.

We are excited to welcome more women into our business, and will continue to look at further opportunities in addressing gender diversity in the workplace.

2020 Performance

Performance Item	Goal	Actual	Comments
Total Recordable Injury Frequency Rate (TRIFR)	7.5	2.55	Total recordable injuries (lost time + medical treatment injuries) well below target per million hours worked onsite.
High Potential Incidents	8	2	High Potential Incidents (incidents with a potential risk rating >90) were well below target.
Employee Survey Action Implementation	Full Implementation	Full Implementation	The 2019 Employee Survey highlighted several areas for improvement to assist our people in fulfilling their roles. The actions supporting these improvements were successfully delivered in FY20.
Staff Absenteeism	3.0%	3.4%	Staff absenteeism marginally higher than target. Work will be completed in FY21 to identify ways to reduce our absentee rate.
Quarterly Manager Meeting Completion	100%	100%	NCIG introduced a new system for personal development, including routine development meetings with managers. This was thoroughly completed throughout the year, with all staff embracing the opportunity to develop further.



Our Customers

OUR CUSTOMERS

Our customers include BHP, Yancoal, Whitehaven Coal, Peabody, Centennial Coal, Idemitsu and MACH Energy. Each one produces coal to fulfil long-term contracts and to meet the one-off needs of their international customers. Between them they operate 47 mines, many of which are located in the Hunter Valley, but also extend further to the Gunnedah, Gloucester, Sydney and Western Coalfields regions.

NCIG has an inherent drive to continuously improve our performance and the service we provide to our customers. In FY20 we surpassed many long-held records in pursuit of providing the optimum outcome for our customers.

This included a record annual throughput of 54.5Mt, 100kt above our previous record in FY17. The result is an increase of 3% on last year's result of 53.0Mt. Our growth is reflective of the production growth from MACH Energy's Mount Pleasant coal mine, which commenced operation in late 2018.

THROUGHPUT | MTPA



SERVICE DELIVERY MAINTAINED

During February 2020, NCIG commenced detailed risk control action planning and implementation to mitigate the risks of COVID-19 to employee health and business continuity. A significant amount of work was conducted to develop appropriate plans to ensure that our facility could continue operating during the pandemic. No impact to operational performance as a result of COVID-19 was recorded largely due to the development of robust business continuity plans.

OUR CAPABILITY EXCEEDS DEMAND

NCIG continues to deliver a coal handling service that meets and exceeds the demand of our shippers. The terminal's operating capability is our measure of the potential throughput that can theoretically be loaded if demand were available. In FY20 this amount reached 70.1Mt, equivalent to the previous year. This result is approximately one vessel per month below our target of 71.3Mt but remained well above the FY20 monthly throughput demand. This means our customers have the opportunity to achieve their own throughput goals, and that NCIG can provide sprint capability to achieve rapid train and vessel turnaround times and reduced demurrage costs.

The results represent the culmination of our inherent capability, applied improvement strategies and precision execution. We also acknowledge that our customers and their demand for our services are integral to the result. We are thankful for their trust in choosing NCIG to provide critical coal handling services for their business success.

In FY20, our shippers continued to benefit from our rapid vessel turnaround times, which were maintained at impressively low levels of just 3.4 days on average across all vessels. NCIG also tracks vessel turnaround times, excluding delays associated with vessel commercial terms and coal availability at the port. Shippers who routinely scheduled their trains ahead of vessel arrival enjoyed an average of just 2.3 days from the time of vessel arrival off the port until its departure. This remains consistent with NCIG's intention of providing a demurrage neutral service to our customers.

CAPACITY INCREASED

NCIG applied to the NSW Department of Planning, Industry and Environment (DPIE) during the year to modify its Project Approval to enable increased annual throughput for the terminal. Through the implementation of a number of minor optimisation projects, NCIG determined that an increase in terminal capacity from 66Mtpa to 79Mtpa could be achieved without requiring major capital infrastructure or investment. The modification sought to align the future capacity of the terminal with the approved maximum throughput. In April 2020, the application was placed on public exhibition by DPIE with submissions sought from all stakeholders including the local community. The majority of comments received were supportive of the proposal. NCIG subsequently provided a response to the Department on issues raised by this consultation process, and following a full review of the application, the Department issued the approval for increased throughput in August 2020.

IMPROVEMENT MEASURES

Three significant projects were completed in FY20, which resulted in enhanced user experience of our terminal and improved consistency in performance for our customers.

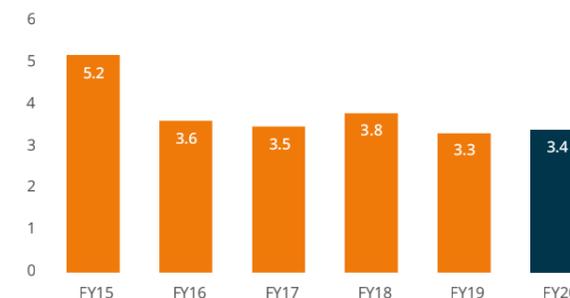
NCIG Logistics Management System

The NCIG Logistics Management System (LMS) now has more than 20 individual modules, creating a comprehensive, integrated system that provides a user friendly one-stop shop for customer transactions with NCIG. Customers can now enter their rail, shipping and stockyard instructions, track terminal performance in real time and will soon be able to manage commercial transactions via the LMS. Industry service providers are using the system to monitor specific coal chain related activities and NCIG internal users are benefitting from reduced manual data transfers and automated workflow processes. The holistic system means customers are assured of a consistent, efficient process which is less prone to human errors.

Stockyard Capacity Uplift

The Stockyard Capacity Uplift project successfully completed implementation of identified control system and civil changes to increase the total coal storage volume at the terminal with low capital spend and without compromising other operating outcomes. Preliminary results from in-field verification surveys on individual stockpiles indicate that the expected volume increase has been realised to the benefit of our customers. This allows the shippers more flexibility in the way they segregate coal types and the speed with which they must turnover their stockpiles to utilise capacity entitlements.

VESSEL TURNAROUND TIME | DAYS



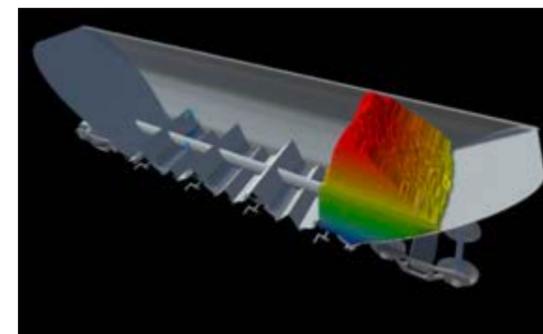
Vessel Turnaround Time is the total time of the vessel loading event, including all delays encountered. The vessel loading event is the time between vessel arrival to the Port of Newcastle and the completion of coal loading at the NCIG berth.

The transition to a revised stockyard allocation approach is underway in close collaboration with shippers. Further verification of the system will continue in FY21.

During the project development and implementation, the allocation of products was also considered in order to improve our management of dust at the terminal. This will ensure we continue to meet our environmental objectives and the expectations of our stakeholders, including our regulators and community.

Dump Station Automation

Implementation of the technical solution and changes to operational practices required to automate the dump station train unloading process commenced in FY20. The aim of the project is to improve productivity and utilisation of terminal labour resources. The technology and supporting infrastructure to enable automation of the dump station were progressively installed and commissioned in February 2020, including control system task management, train consist validation, train speed control and residual coal in wagon detection. These changes have created better consistency in train unloading to ensure the train tips at the right speed to maintain the target unload rate, and to avoid the rail wagon undercarriage ploughing excess discharged coal across the top of full bins - hence reducing the risk of consequential environmental contamination. The planned trial period, involving onsite monitoring and support of the automation solution, successfully commenced in June 2020.



IMPROVED BUSINESS SYSTEMS

NCIG continues to build on its existing foundation as a technically advanced business with state-of-the-art electrical, business and control systems. During the year works continued to improve the IT security posture based on the results of an independent review by an external cyber security specialist in FY19. A centralised Security Information and Event Management (SIEM) solution was implemented and provides real-time analysis of security alerts generated by any application or infrastructure connected to the network.

The user interface implementation for the asset downtime and production reporting applications were developed and deployed in order to replace proprietary software that is no longer supported by the vendor. The new solution is fully integrated with the Logistics Management and Control Systems to provide more granularity of plant performance metrics at plant unit level.



2020 Performance – Customers

Performance Item	Goal	Actual	Comments
Operating Expenditure per Actual Operating Capability Tonne	Corresponding to budget	0.8% above	Ratio of operating expenditure to operating capacity within 1% of budget amount. Capacity was slightly decreased due to opportune maintenance activities.
Material Process Incidents	0	0	Target achieved for material process incidents (an incident that has an actual consequence rating >30, affecting NCIG, customers or other coal chain stakeholder).
Process Incident Management	85%	93%	More than 90% of process incidents (incidents involving coal handling process errors) were completed within seven days, including provision of customer feedback.
Vessel Turnaround Time (VTAT)	3.0 days	3.4 days	Average vessel turnaround time impacted by major maintenance activities, causing tighter outbound plant availability over these periods.



Our Environment

MANAGEMENT APPROACH

The management of environmental risks is a key consideration for NCIG's operations. We commit significant resources to ensure the expectations of our stakeholders continue to be met. Our Environmental Management System (EMS) identifies our major operational activities and assesses associated environmental risks. The system then sets out processes by which risks will be monitored and managed. In FY20 our EMS was reaccredited against ISO 14001. This was the second full accreditation process of the EMS, with the first occurring in FY17. NCIG voluntarily pursues this certification due to the significant emphasis placed on environmental performance of the terminal.

LEGAL AND REGULATORY CONTEXT

NCIG is subject to strict environmental regulation with respect to its operations, land development and construction activities, governed by both NSW and Commonwealth regulators. Environmental management processes were maintained throughout FY20 to ensure continuing compliance with requirements relating to air quality, noise and water quality. NCIG is also obliged to facilitate audits and provide relevant authorities with regular updates on the activities and compliance status of the terminal. While there were two non-compliances recorded against NCIG's environmental protection licence during the period, no significant or material environmental incidents occurred as a result of NCIG activities.

ENVIRONMENTAL PERFORMANCE

Discharge Water Management

Our Discharge Water Management project aims to reduce business risks associated with stormwater discharge events from the NCIG site that result from prolonged or heavy rainfall. The planned upgrade works to existing infrastructure in the wharf area was successfully completed during FY20, further reducing risks related to water discharge events. An engineering investigation and options review of the site-wide water management system was also completed during the year and highlighted improvement opportunities in operational and maintenance practices, including improved site clean-up and stormwater management procedures. Major capital infrastructure works were also considered as a part of this review. While these works ultimately were not adopted, they remain as options for discharge water management should the risk substantiate further management measures.

Dust Management

In order to meet the strict environmental conditions of our Development Consent and Environmental Protection Licence, NCIG employed an award-winning control system to manage air quality impacts from the Terminal. This system is referred to as our Integrated Dust Management System (IDMS). Further enhancements were made to our IDMS during FY20 to improve its performance. A trial program of veneering coal stockpiles with a surface binding product was successfully completed during the spring period when strong prevailing winds were experienced. A formal review was undertaken at the completion of the trial confirming a material improvement in dust management during adverse weather conditions.

As a result, the veneering program and associated dust management processes have now been integrated into our operations and stockyard management processes.

In addition to the veneering program, a major re-arrangement of the stockyard was conducted throughout the year. One of the prime objectives of the re-arrangement was to relocate inherently dustier coal types away from downwind receivers. With the cooperation of our customers, and in close consultation with our neighbours and relevant internal stakeholders, a number of key dedicated stockpiles were moved to locations in the yard away from neighbouring industries. This means that when strong westerly winds blow, our nearest neighbours will be less affected by particulates potentially generated from site activities.

Water Management

NCIG utilises water for a number of processes onsite, including dust suppression. Water captured in onsite dams from rain and other water-consuming processes is used preferentially for process purposes. There are times of the year when dam water is excessively low and potable water must be used instead. Since 2019, NCIG has averaged less than 800ML of water consumption per year, of which approximately 50% is captured from onsite dams. In FY20 the use of captured water remained at the same rate of 49%, however more water in total was used than in previous years, with 1035ML used. The requirement to use more water throughout the year was largely due to the very hot, dry conditions associated with the drought in the region, particularly during the warmer months over Spring and Summer.

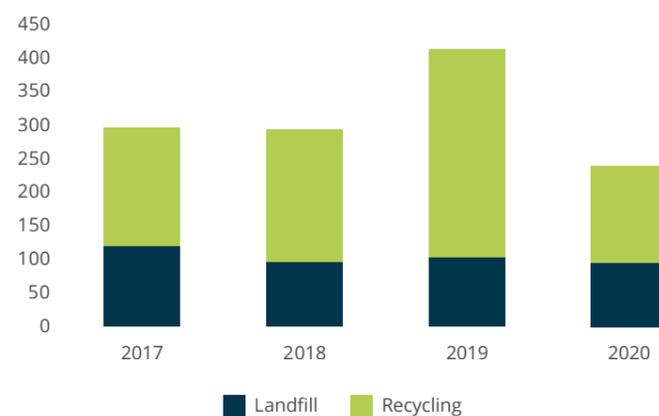
Avoiding Waste to Landfill

NCIG has a strong tradition in working towards limiting waste to landfill and promoting the reuse and recycling of materials generated onsite. FY20 was another year in which we recycled a high volume of material. Just over 60% of waste handled did not go to landfill, making FY20 the fourth year in a row in which our recycling rate exceeded 50%. During the year just 240 tonnes of waste was generated onsite, which is a 42% reduction on the previous year. This is our lowest volume in four years and represents less than three tonnes of waste per million tonnes of throughput.



© Hayley Ardagh, Environmental Officer

WASTE GENERATED | TONNES



COMMITMENT TO REDUCING GREENHOUSE GAS EMISSIONS

A major sustainability initiative in FY20 involved incorporating renewable energy sources into NCIG's power supply. NCIG is a major electricity consumer and an opportunity was identified during the negotiations of our latest power supply contract to support the ongoing development of renewable energy generation in Australia. Certified Green Energy was therefore incorporated into the new contract with 10% of NCIG's power now being supplied by renewables, resulting in an equivalent reduction in Scope 2 greenhouse gas emissions (off-site emissions from the generation of purchased electricity). Based on NCIG's 2020 electricity consumption, this equates to an emissions reduction of more than 6,700 tonnes of CO₂.

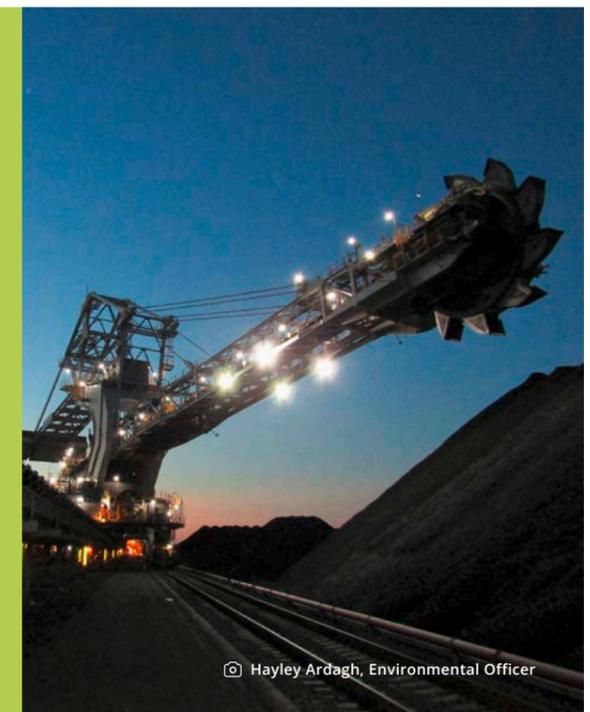
We also continued to measure energy consumption and greenhouse gas emissions generated as a result of our operational activities. Energy consumption increased during the year (305,942 GJ) due to increased throughput, however, greenhouse gas generation per million tonnes of coal exported remained approximately the same as FY19 (1247 tCO₂e/Mt). Due to the purchase of Green Energy from the grid, we expect to see a subsequent material reduction in our Scope 2 greenhouse gas emissions next year, which will completely offset our Scope 1 emissions.

LED LIGHTING

As part of our continuous improvements across our site, NCIG's Assets Department looks at ways to maintain the standards we expect of our plant, while lowering our demand for electricity. One simple, but effective way to reduce power consumption is using more efficient light fittings. During the commissioning and construction of the plant, the standard light fittings installed across the site were sodium vapour bulbs. During routine maintenance activities, we are now swapping out the existing light fittings with LED fittings.

In FY20, our Assets team conducted LED lighting installs across the Stacker Reclaimer 1 network. It is expected that this will result in a 55% reduction in power consumed for lighting. We will continue to gradually swap old lighting for LEDs in our efforts to make the terminal more energy efficient.

CASE STUDY



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ENHANCING LOCAL BIODIVERSITY

NCIG continued its commitment to enhancing the local environment, both within our boundaries and on the land surrounding the terminal site. For many years, our efforts have been targeted at improving local biodiversity, primarily through enhancing outcomes for the endangered Green and Golden Bell Frog and providing more suitable habitat for migratory shorebirds - a group of birds protected under international agreements.

FY20 was a fantastic year for the Green and Golden Bell Frog (*Litoria aurea*) in the Hunter Estuary. NCIG contributes, along with other local industry supporters, to a long-standing monitoring program conducted by the University

of Newcastle. This program has closely surveyed the local population of the frogs in and around the industrial area of Kooragang Island since 2010. Over this period, the population has gradually increased, due in part to the efforts of NCIG and other industries in appropriately managing land used by the frogs. This was through habitat management, disease control and support of breeding programs.

Thanks to a number of breeding events in early 2020, including several that took place on the NCIG terminal site, it is estimated the current Kooragang / Ash Island population numbers of the Green and Golden Bell Frog is approximately 3,000, which is considered to be one of the largest and most stable populations in the country.

NCIG also manages more targeted efforts in supporting the Green and Golden Bell Frog in our local environment. A dedicated biodiversity offset is managed by NCIG on Ash Island, including 78 hectares of wetland, foraging and overwintering habitat. NCIG conducts specific management activities on these portions of the island, in consultation with the NSW National Parks and Wildlife Service, including vegetation management, pond cleaning, pest management and other ancillary activities. The habitat continues to support a population of bell frogs, which has been monitored closely by an NCIG funded PhD candidate from the University of Newcastle. We are committed to assisting in maintaining a sustainable population of Green and Golden Bell Frogs in the Hunter Estuary.

Migratory shorebirds are an important ecological feature in the Hunter Estuary. These birds visit the estuary each summer, returning from a journey that takes some birds as far north as Siberia and the Arctic Circle. NCIG manages a refuge for many of these birds within the Hunter at an area known as Fish Fry Flats. This wetland is an intertidal mudflat, which receives water from the river on each tide.

Tidal water passes through Fish Fry Creek from the Hunter River, with tide height managed by automated flood gates. These gates, along with fixed screens that block floating seeds but allow fish passage, restrict the establishment of mangroves. While mangroves are an important feature of any tidal wetlands, this is often at the expense of more sensitive wetland vegetation communities, including coastal saltmarsh. One of NCIG's main goals is to allow the re-establishment of saltmarsh in Fish Fry Flats. Through targeted management activities, including annual removal of mangrove seedlings, NCIG will continue to provide suitable habitat for returning and endemic shorebird species.

Since NCIG commenced management of Fish Fry Flats, there have been 11 species of migratory shorebird return to this part of the estuary. Species such as the critically endangered Eastern Curlew, and the Sharp-tailed Sandpiper have been observed using the habitat increasingly for feeding and roosting.



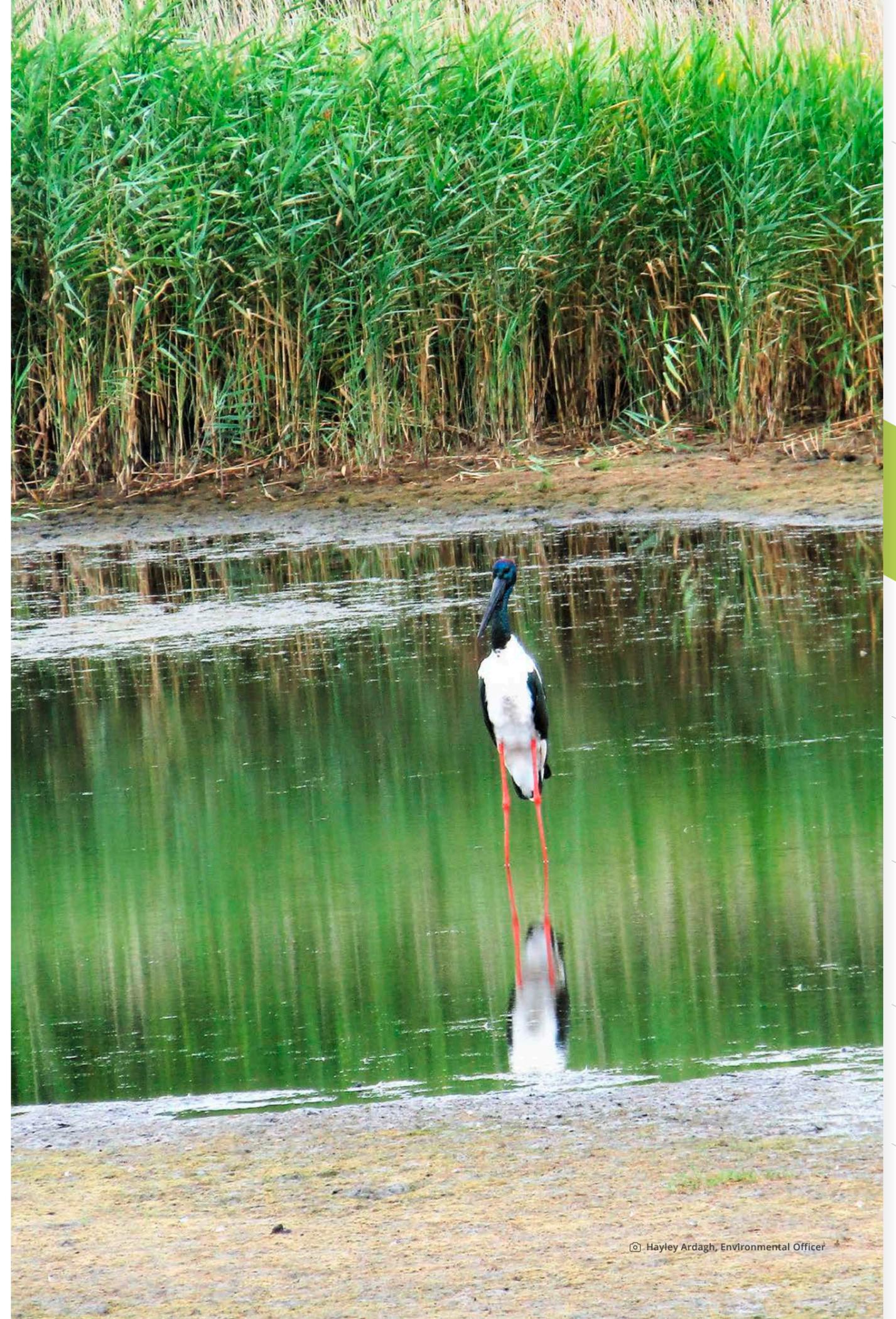
CASE STUDY

BUSINESS ENERGY COACHING

In our efforts to further reduce energy consumption, NCIG is now a participant in the NSW Department of Planning, Industry and Environment's Business Energy Coaching Program. The program aims to provide participating industries with policies and plans to reduce energy consumption used in their operation. This is done through the development of energy management policies, auditing, metering and monitoring, advising on procurement and establishing performance indicators and targets. Previous participants in the program have been able to achieve reductions in energy consumptions of up to 20%. We look forward to working with energy professionals in the program and finding further ways to reduce our energy demand.

2020 Performance – Environment

Performance Item	Goal	Actual	Comments
No material reportable environmental incidents	0	0	Target achieved – no material reportable environmental incidents occurred throughout the year.
Environmental Lead Indicator	90 µg/m3	63 µg/m3	Our net contribution of total suspended particulates during adverse weather events (westerly winds above eight metres per second) remained below the relevant guideline and business target for the period.





Our Community

ENGAGING WITH STAKEHOLDERS

In addition to our regulatory obligations, we strive to meet the expectations of our stakeholders in relation to our service, and the impacts we create on the environment around our site and our local community. We always welcome constructive interaction and aim to proactively communicate and engage with our stakeholders.

NCIG operates a community complaints and enquiries service for concerned and interested members of the community. During the year, there were two registered complaints received that required NCIG to modify operational activities. Both of these were related to air quality concerns raised by an immediate industrial neighbour.

NCIG engaged with stakeholders in a number of communication forums throughout the year. These opportunities allowed both direct and indirect feedback to be shared by key individuals and groups. Our presence on social media platforms, including Facebook, enables community members to view our activities in a more interactive way. We continue to receive positive feedback about our social media content, which largely focuses on community, environment and people related topics.

The NCIG Community Engagement Group (CEG) met three times during FY20. We proactively discussed and consulted on our operational activities and environmental performance.

The CEG includes community representatives and NCIG staff, and provides an opportunity to provide information and receive feedback from community members. The meetings are well received and often elicit positive feedback in relation to our site operations.

During FY20, NCIG introduced community site tours providing members of the public an opportunity to gain a greater understanding of our terminal operations. Individuals can book to be part of community or group tours via our website. Mindful of COVID-19 restrictions, a number of tours were able to be conducted during late 2019 and early 2020, and the open access provided to visitors was well-received.

REGISTERED ENVIRONMENTAL COMPLAINTS



GIVING BACK TO OUR COMMUNITY

Actively supporting the local community is an important aspect of NCIG's operations. Through our Community Support Program (CSP) we provide financial and technical assistance to groups that work hard to help our community. Our CSP was established in 2010 and has contributed approximately \$2 million to more than 350 local projects that aim to improve facilities and social connection in our community.

We seek to partner with community-based organisations via an application process that opens twice yearly and is accessible on our website. In September 2019, we supported 15 community projects associated with local sporting clubs, community involvement and welfare groups, environmental projects, schools and other community support organisations.

With the unexpected impacts of COVID-19, we identified that the demand on community organisations that provide primary social welfare programs increased significantly. Mental health support and the supply of essential health and wellbeing services to the vulnerable and disadvantaged in our communities was even more vital. NCIG subsequently adapted the focus of its traditional March CSP round to redirect financial support to such organisations. A total of \$145,000 was given to 11 organisations to assist them in managing the higher community demands for their services as a result of the pandemic.

During FY20, we strengthened our commitment to community investment when we announced our second Community Partnership Program (CPP). Since we commenced operations in 2010, NCIG has had an ongoing relationship with The Mission to Seafarers in Newcastle. This organisation provides physical and mental health support to seafarers who arrive by vessel to the Port of Newcastle. The new CPP agreement formalised our support to The Mission over the next three years, enabling the organisation to continue to provide this essential service to anyone who may be on a vessel at the NCIG terminal or any other berth within the port.

ANNUAL INVESTMENT IN COMMUNITY SUPPORT | \$AUD



SUPPORTING OUR COMMUNITY THROUGH COVID-19

FY20 was a challenging year with communities, businesses and governments adapting and managing the impacts of COVID-19. The health and economic impacts of the virus are typically greater for those in our society who are less equipped to respond, including not-for-profits and groups that support the wellbeing of others in our community. NCIG recognised this early in 2020 as the global pandemic started to affect our daily lives. We therefore adapted our Community Support Program (CSP) to target those most in need. As a result, our March 2020 CSP round provided direct financial support to 11 groups that were already encountering difficulties in delivering their services. These included groups providing direct support through regular meals, such as Soul Café and Meals on Wheels, as well as organisations such as Lifeline, Jenny's Place and Zara's House, who provide emotional support and shelter to people in difficult situations.

In total, our March round provided \$145,000 to these groups, well above our average round funding value. NCIG recognises the role it plays in the local community and will continue to respond to the needs of those who provide highly valued services to Newcastle's most needy.

CASE STUDY



CELEBRATING 10 YEARS OF COMMUNITY SUPPORT

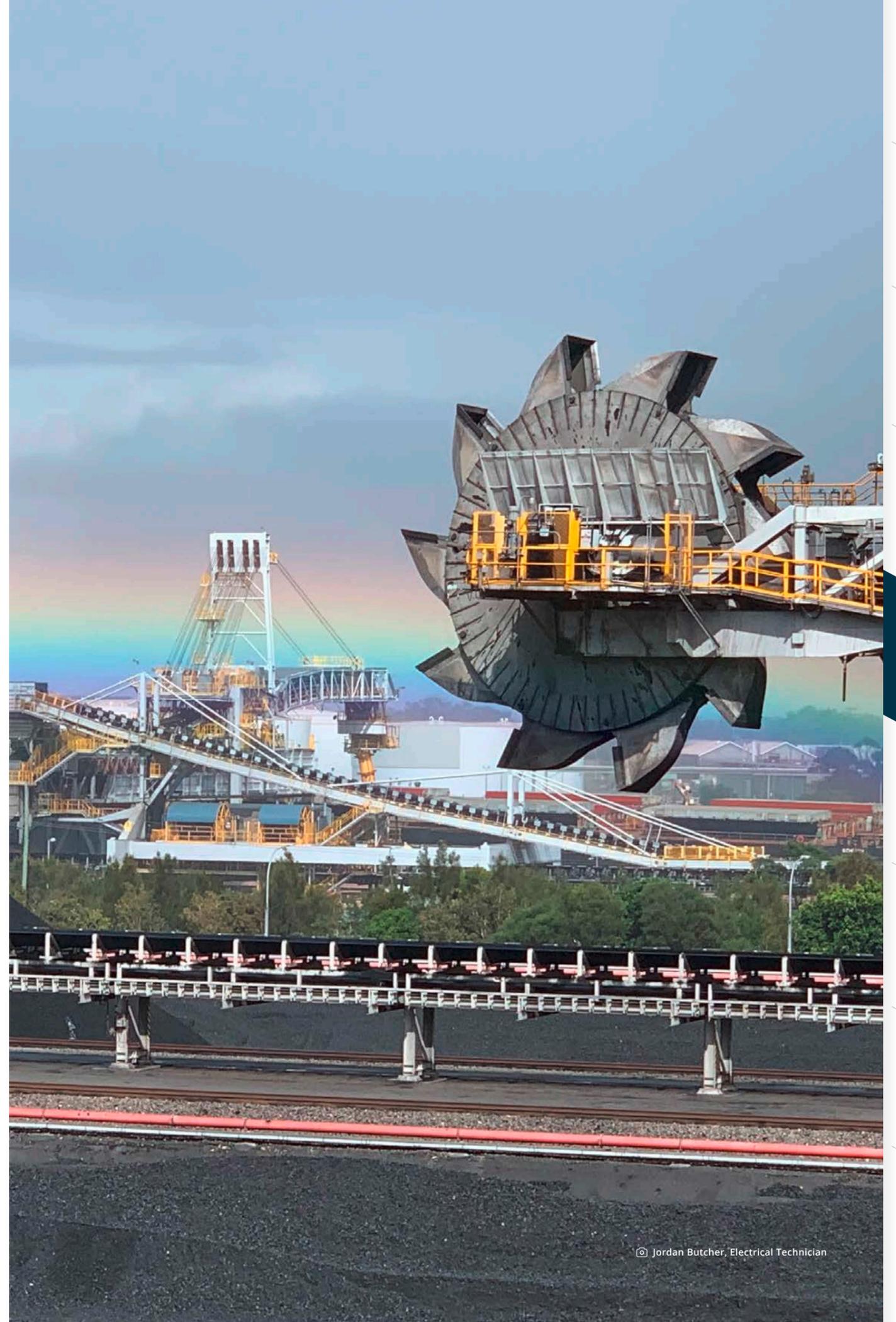
Since 2010, NCIG has provided direct and indirect support to more than 350 community groups across Newcastle and the broader Hunter Region. When we first began operating, our business understood the importance of a strong and vibrant local community. We ensured that this flowed through into a meaningful community support program, which provides direct financial support to organisations that are valued by the broader community, and which required some extra assistance to ensure their financial sustainability.

To date, we have given more than \$2 million in community support funding, which has been dispersed to a variety of community services, environmental conservation, health, wellbeing and sporting organisations. Through the program, NCIG has developed some enduring relationships, something that our business and our people value greatly. In 2020, we celebrated 10 years of our Community Support Program (CSP). We look forward to continuing to support our community through partnerships, project funding and in-kind support over many years to come.

CASE STUDY

2020 Performance - Community

Performance Item	Goal	Actual	Comments
Environment/ Community Registered Complaints	2	2	Target of two registered environment or community-related complaints achieved for the period. These complaints were air quality-related.





© Peter Anderson, Process Leader

Our Suppliers

PROCURING AND CONTRACTING

NCIG relies heavily on the supply of products and services from local businesses. We have a strong tradition of engaging local contractors, across maintenance, engineering, human resources and other specialist services. Many of our critical supply partners are based in Newcastle and the broader Hunter Region.

The daily operation of NCIG relies on the critical role played by a number of key contractors, particularly in maintenance functions across several specialised technical disciplines. Representatives from contracting organisations such as Downer, Port Hunter Conveyors,

Cleanaway, Doito, Goldspring and Wheeler Cranes, were familiar faces within our business throughout the year, and are an important part of the NCIG team.

NCIG's contracting philosophy is critical to a responsive and agile workforce. We will continue to support local businesses in this endeavour, a key principle in our sustainability approach.

SUPPORT FOR LOCAL ECONOMY

We aim to source as much as possible from local businesses and make a substantial contribution to the local and regional economy through the

procurement of goods and services. In FY20, NCIG spent more than \$41 million on goods and services in the Hunter Region and more than \$47 million in New South Wales.

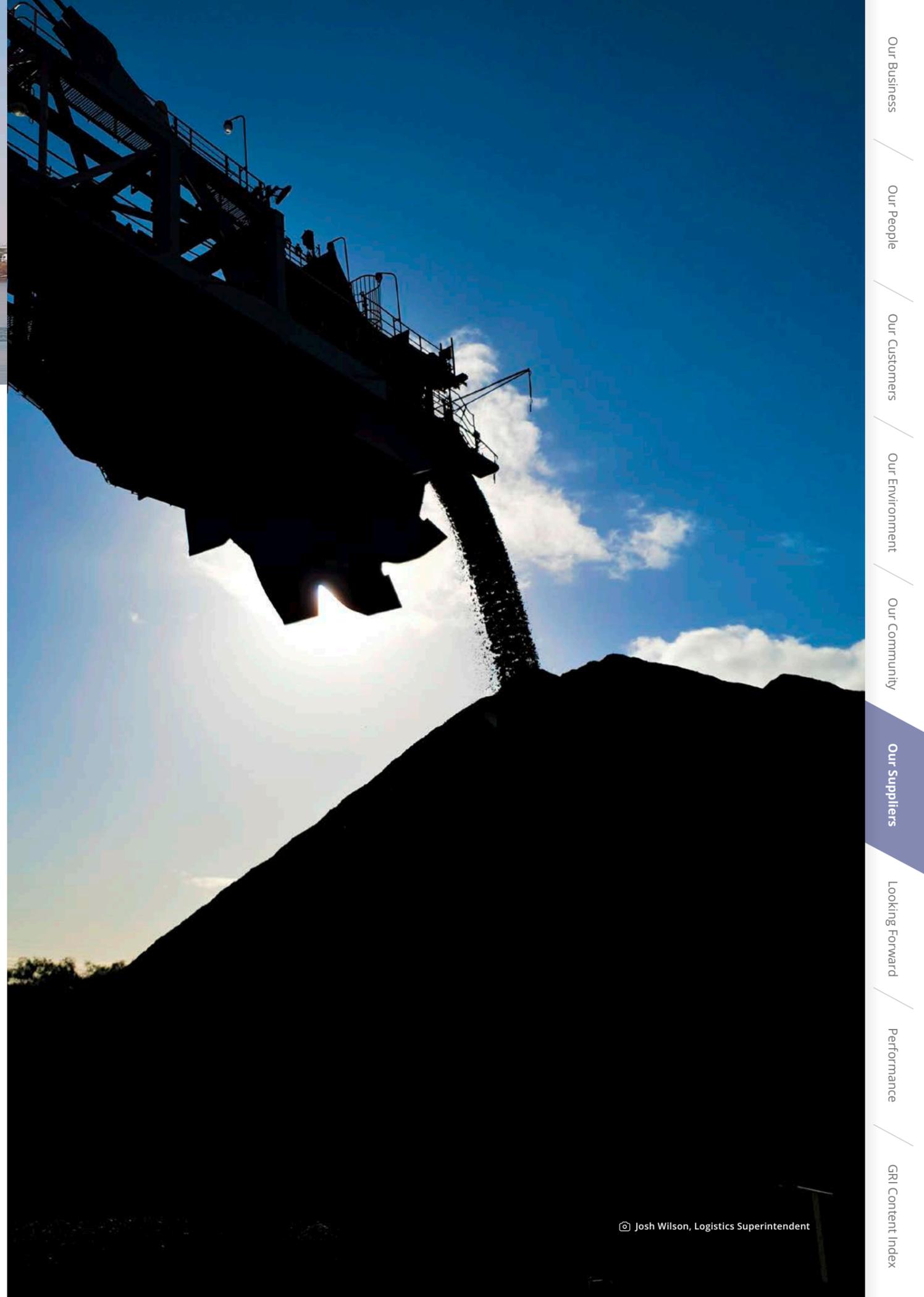
NCIG has continued to work closely with its key suppliers throughout the year. Routine quarterly update meetings and collaborative contract reviews are a continuous feature of the NCIG-contractor relationship. We believe this process is a strong outcome for both parties and leads to successful business practice. We engaged in business with almost 270 suppliers throughout the financial period, including 166 from the Hunter Region.



FY20 ECONOMIC INVESTMENT

- HUNTER REGION - \$41.3M
- REST OF NSW - \$6.5M
- REST OF AUS - \$5.7M
- REST OF WORLD - \$0.2M

**The above excludes major utility costs and royalties/taxes*





© Hayley Ardagh, Environmental Officer

Looking Forward

We believe constant review of our measures and targets into the future will ensure we are a sustainable business. Our key performance measures will carry through to FY21 and several other key projects are also planned for the new year. These are listed below.

LOGISTICS MANAGEMENT SYSTEM (LMS)

We plan to roll out of all LMS modules as per our original project scope. This will greatly enhance the experience for our customers and finalise the project as originally envisaged.

DUMP STATION AUTOMATION

Operational automation of our dump station is planned to be fully implemented. This includes a fully automated inbound service, reporting to customers and dust detection system to identify dusty train loads as they are unloading.

CYBER SECURITY PROGRAM

We will implement a number of cyber security improvements, including updates to operating systems, network segregations, security arrangements to be compliant with recognised independent cyber security standards, an audit program and updates to NCIG's existing IT policies and procedures.

RECYCLED WATER

A justification phase will be completed on the potential use of recycled water from offsite, for dust suppression and other process uses. Several discussions have been held with long-term recycled water providers. If feasible, this project would reduce NCIG's reliance on potable water use.

EMPLOYEE ENGAGEMENT

New ways will be developed to measure the professional development of our people. A focus will be placed on this by our People and Culture department, with a consistent measure on personal development outcomes across the business.

ENVIRONMENTAL INDICATORS

A series of environmental performance indicators will be measured at a corporate level by the business. These include electricity consumption, water consumption, recycling and peak particulate emissions. This highlights the increased focus NCIG places on sustainability performance and supports the ongoing development of the business sustainability strategy.



Performance

Generic Metrics

	FY20	FY19	FY18	FY17
Throughput (Mtpa)	54.5	53.0	53.4	54.4
Inbound Unload Rate (tph)	8,680	8,773	8,572	7,990
Outbound Load Rate (tph)	5,080	5,206	5,422	5,400
Operating Capability (tpa)	70.1	70.1	71.7	69.4
Vessel Turnaround Time (days)	3.4	3.3	3.8	3.5

Health and Safety

	FY20	FY19	FY18	FY17
Fatalities	0	0	0	0
Lost Time Injuries	1	0	1	1
Medical Treatment Injuries	0	3	2	2
Lost Time Injury Frequency Rate (LTIFR)	2.55	0	2.53	2.42
Total Recordable Injury Frequency Rate (TRIFR)	2.55	7.52	7.58	7.27
Hours Worked (Employees + Contractors)	391,456	399,178	395,959	412,531

Environment

	FY20	FY19	FY18	FY17
TOTAL EMISSIONS (tCO2e)				
Total Scope 1 + Scope 2	67,923	66,258	68,117	67,173
Scope 1	333	349	368	223
Scope 2	67,590	65,909	67,749	66,950
Throughput	54.5	52.3	53.4	54.4
Emissions intensity (tCO2e/Mt throughput)	1247.4	1250.9	1276.3	1235.9

ENERGY

Total energy consumption (GJ)	305,942	295,258	299,943	291,122
Transport fuels (GJ)	4,503	4,795	4,700	3,051
Stationary fuels (GJ)	1041	1105	1393	1143
Electricity (GJ)	300,398	289,358	293,850	286,928

WATER

Potable water consumption (ML)	530	440	468	382
Captured water consumption (ML)	505	424	437	472
Recycled water consumption (ML)	0	0	0	0
Captured water as proportion of total consumption (%)	49	49	48	55
Water usage intensity (ML/MT throughput)	19	16	17	16

BIODIVERSITY

Successful Green and Golden Bell Frog breeding events in NCIG biodiversity offset habitat	1	2	1	4
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INCIDENTS AND COMPLAINTS

Material Reportable Environmental incidents	0	0	0	0
Registered Environmental Complaints	2	0	1	0

AIR EMISSIONS (KG)

Particulate Matter 10 um	66,400	59,885	71,047	73,543
Particulate Matter 2.5 um	57	58	66.4	68

WASTE (TONNES)

Recycling	145	311	198	150
Landfill	95	104	96	99
Total waste recycled (%)	61	75	67	60
Waste generation capacity (t/MT throughput)	2.9	3.4	3.1	2.9

Performance

People

	FY20		FY19		FY18		FY17	
	M	F	M	F	M	F	M	F
Employees - full time	88	11	87	10	88	11	88	9
Employees - part time	0	7	2	7	0	5	0	6
Fixed term - full time	1	1	1	2	1	2	3	0
Fixed term - part time	0	0	0	2	0	0	0	1

BY AGE

<30	1	5	1	5	2	2	1	1
30-50	62	13	62	14	60	14	61	13
>50	26	1	27	2	27	2	29	2

BY CATEGORY

Executive Leadership Team (including CEO)	5	2	5	2	5	1	5	1
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DIVERSITY

Number of female employees	19	21	18	16
% women in total workforce	18%	19%	17%	15%

RECRUITMENT AND RETENTION

New hires	4	6	8	6
Employee turnover (%)	2.80%	4.50%	2.80%	2.80%
Unplanned absenteeism (% of total hours)	3.40%	3.20%	2.80%	3.10%

TRAINING

Total average hours of training per employee	47	30	N/A	N/A
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Customers

	FY20	FY19	FY18	FY17
Material process incidents	0	0	0	N/A
Process incident management	93%	87%	90%	N/A

Community Investment

	FY20	FY19	FY18	FY17
Total community investment (AUD)	275,000	280,000	240,000	220,000
Number of community groups supported	30	39	54	40

GRI Content Index

This table provides details of report content that aligns with the GRI Global Reporting Standards. This is the second NCIG Sustainability Report developed to align with GRI and is in accordance with the GRI Standards: Core Option.

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			Information on the NCIG Board of Directors can be obtained at www.ncig.com.au/business/for-investors . The age of current board members was not available for this report.
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