



Newcastle Coal
INFRASTRUCTURE GROUP

Modern Slavery Statement

Year ended 30 June 2021

2 DECEMBER 2021



NCIG MODERN SLAVERY STATEMENT

(for the year ended 30 June 2021)

INTRODUCTION

This is NCIG'S Modern Slavery Statement for the year 1 July 2020 to 30 June 2021 (**Reporting Period**), which responds to the requirements of the *Modern Slavery Act 2018* (Cth). It describes the risks of modern slavery in our operations and our supply chain, and the actions we have taken to address those risks over this Reporting Period, based on the action plan and steps that were laid out in NCIG's first Modern Slavery Statement.

It also provides details of our assessment, governance and risk management processes and sets out our performance on our identified actions and future action plan.

NCIG respects universal human rights and manages the risks of modern slavery in its own operations and in its supply chain. We work hard to provide a healthy, safe and sustainable workplace and will not tolerate any instances of modern slavery. We expect the same high standards from all of our contractors, suppliers and other business partners, and are committed to continuously improving transparency in our business, and to managing the risk of modern slavery in our supply chain.

ABOUT US

Our structure

Newcastle Coal Infrastructure Group Pty Ltd (**NCIG**), which is a wholly owned subsidiary of NCIG Holdings Pty Ltd, owns and operates the Newcastle Coal export terminal. It is the sole business of NCIG. NCIG does not own or control any other entities.

NCIG Holdings Pty Ltd is a privately held corporation owned and governed by a shareholder group that is solely comprised of coal companies and exporters in the Hunter Valley Region, specifically including Hunter Valley Energy Coal, Yankuang Group Co (Yancoal), Whitehaven Coal, Banpu Public Company (Centennial), and Peabody Energy. All shareholders are affiliates of shippers, which have long term capacity contracts at the terminal for the majority of capacity at the terminal. NCIG Holdings Pty Ltd is a holding company and does not conduct any operations.

Our operations

NCIG has operated one of Australia's major coal export terminals on Kooragang Island within the Port of Newcastle since 2010. We have a lean and highly productive workforce of 107 employees, which is supplemented by contract labour to support our operations and maintenance activities. Of our 107 employees, NCIG's Technicians are covered by the Coal Export Terminal (CET) Operations Workplace Agreement. We also have approximately 100 contractors who support our maintenance and operations functions. NCIG is committed to and proud of providing conditions for employees that are largely above award conditions.

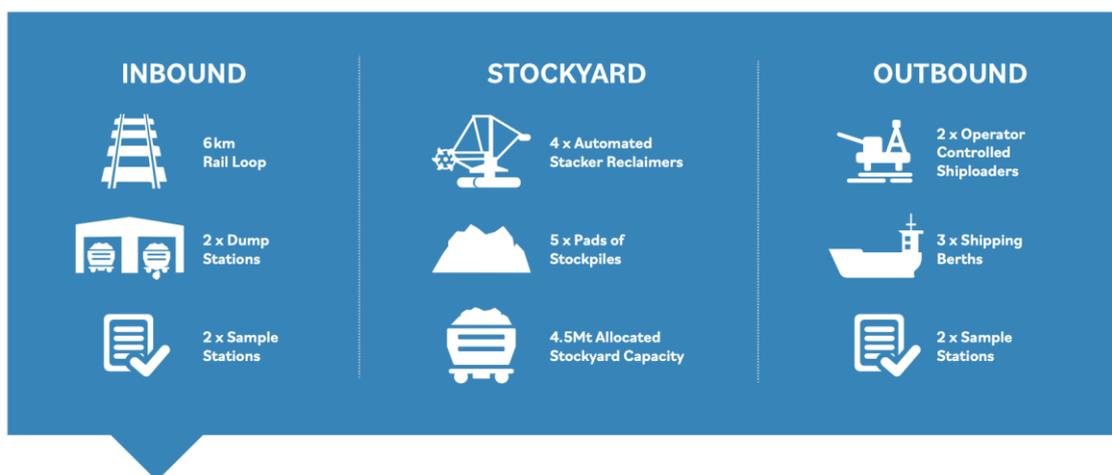
The terminal has an approved capacity of 79 million tonnes per annum (mtpa) and in FY21 we exported 44.7 million tonnes. This was a reduction compared to the previous year, largely due to a storm event which damaged one of our shiploaders.

NCIG is one of three coal export terminals in the Port of Newcastle, which in FY21 had a total throughput of approximately 150 mtpa, making it the largest coal export port in the world.

Our service is flexible, agile and considerate of our customers' needs, and we work closely with producers to safely transport coal from rail to ship. As part of our approach to sustainably manage our business, we also promote and provide innovation, economic stimulus, ecological enhancement and community support. This is enhanced by our continuing commitment to sustainability across the organisation.

The primary infrastructure at NCIG is located in three operational and geographical areas being:

- Inbound – consisting of 16 km of privately owned rail, two dump stations (coal unloading stations), an inbound sample plant and associated conveyor infrastructure;
- Stockyard – consisting of five 1 km long stockpads, four stacker reclaimers and associated conveyor infrastructure; and
- Outbound – three shipping berths, two shiploaders, an outbound sample plant and associated conveyor infrastructure.

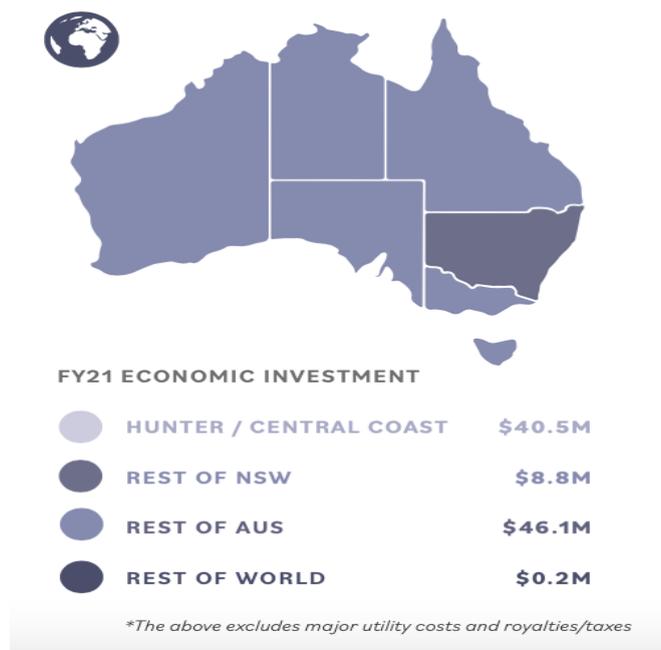


NCIG's coal export terminal is an integral part of Australia's coal supply chain generating strong economic benefits for the Hunter Region and for New South Wales. Our facilities operate 24/7 and include rail, coal storage, ship loading and associated infrastructure, ensuring reliability and continuity of coal supply from the Newcastle, Hunter Valley, Gloucester, Gunnedah and Western Coalfields to the world export market.

Further background information can be obtained on our website: <https://www.ncig.com.au>

Our supply chain

We are a member of a global supply chain and acknowledge we are potentially exposed to modern slavery risks. We aim to source as much as possible from local businesses with many of our critical supply partners based in Newcastle and the broader Hunter Region. In FY21, our total local spend was \$40.5 million. The total amount spent within the rest of New South Wales was more than \$8.8 million. The increase in supplier spend recorded for the rest of Australia compared to FY20 was largely due to expenses associated with restoring Ship Loader 2 to service as the result of the damage incurred in the November 2020 storm event.



IDENTIFYING THE RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAIN

With a largely local and Australian supplier base, and a commitment to fair employment conditions for employees, NCIG's exposure to direct modern slavery risk remains low. Our highest risk areas revolve around procurement and maintenance for our asset base, which includes heavy plant, rubber, IT equipment, cleaning services and PPE. These products are generally considered to be high-risk commodities or are manufactured offshore and in some instances from identified high risk countries.

NCIG is cognisant of other risks that we may be exposed to with respect to our customer operations and being part of an international supply chain. In this regard, NCIG is committed to further identifying these risks with industry partners over the next reporting period and is aiming to take a more collaborative approach across industry to mitigate modern slavery risks.

MANAGING THE RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAINS

NCIG is committed to acting ethically and with integrity in all of our business dealings and relationships. This includes implementing and enforcing effective systems and controls to ensure modern slavery is not taking place within our business and to taking appropriate steps to reduce and mitigate the impacts of modern slavery within our global supply chain.

Governance structure

NCIG's governance structure includes a constituted Board of Directors from each of our shareholder companies, and an independent Chairperson. The Board is consulted on, and ratifies, strategic decisions by the business, including our vision, mission, values and risk management. Our risk to modern slavery is also overseen by the Board's Audit and Risk Committee.

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.

Policies and procedures

NCIG implemented its Modern Slavery Policy during the Reporting Period, which defines modern slavery and the behaviours that could amount to modern slavery, and mandates employee and contractor behaviours

and commitments with respect to the management and mitigation of modern slavery, real or potential, across the organisation.

NCIG's Whistle-blower and Modern Slavery policies which have been in place for some time, provide support for our employees and contractors with respect to the identification of potential modern slavery risks across our business and supply chain. Our Whistle-blower policy provides a framework for confidential reporting of any concerns that staff or external parties may have regarding modern slavery risks within our operation and across the supply chain.

As noted during the previous reporting period, NCIG's standard contracts now have provisions to address modern slavery. All new contracts entered into with NCIG contain these provisions. During the Reporting Period NCIG has introduced modern slavery provisions in our procurement documents. The provisions highlight NCIG's commitment to mitigating modern slavery risks within our business and requires confirmation from respondents that these provisions are acknowledged and can be complied with during the procurement process.

A detailed survey is required to be completed by respondents to procurement processes addressing how modern slavery is managed across their business. Respondents are also requested to provide supporting documentation regarding their modern slavery policies and procedures. This allows NCIG to assess their commitment to mitigating modern slavery and reducing NCIG's exposure to potential modern slavery risks before contracts and relationships with suppliers are formed.

Due diligence and effectiveness

Our due diligence processes have been enhanced over this reporting period by executing new contracts with modern slavery provisions, conducting a modern slavery survey with our key suppliers and the introduction of our Modern Slavery Policy. These actions have provided NCIG with insights into what mitigating actions our suppliers are taking regarding modern slavery risks and enhanced our due diligence and risk assessment processes for existing and new suppliers.

The introduction of modern slavery provisions and requirements in our procurement documents will further increase our ability to identify and address any real or potential modern slavery risks with suppliers at an early stage in our engagement processes.

Commitment to continuous improvement

Our governance framework is supported by a guiding principle of continuous improvement. It is important that we continuously assess our business risks and opportunities beyond our day-to-day terminal operations.

Formalised Sustainability Strategy

During the year NCIG formalised its sustainability strategy, which not only embodies our achievements and ethos to date, but also describes our future direction and ambitions. It demonstrates how we incorporate environmental, social and governance (ESG) considerations across our operations, and how we mitigate and manage our risks. External independent consultants and key stakeholders provided input. Ultimately 12 material performance areas were identified for deeper integration into our strategic planning, including procurement. We have established commitments and goals related to these topics, and work has already commenced to develop our short and longer-term targets, which we expect to finalise in the first half of FY22.

ACTIONS COMPLETED

NCIG committed to completing a number of actions with respect to our management and mitigation of modern slavery for this Reporting Period as part of our commitment to ongoing maturity and development in this space.

The actions and steps we have taken in FY21 are summarised below.

Operational risk management

Awareness training of our Modern Slavery Policy and governance process was rolled out to key management personnel during the Reporting Period. The emphasis was on the modern slavery provisions that exist in our contracts and potential supplier management issues in the event of a reported modern slavery incident. Our position on modern slavery was also enhanced through our supplier risk review in communicating our position to our key suppliers.

Supplier risk review

A high-level supplier risk review was undertaken with key NCIG suppliers and contractors. This process involved a formal survey to the relevant suppliers and contractors, requesting details on their approach to modern slavery, details of how they manage potential direct modern slavery within their businesses and how they manage real or potential indirect modern slavery risks and across their supply chains. The responses received were analysed to determine higher risk suppliers and contractors that will be used to inform ongoing and more detailed risk assessment and profiling within the next reporting period.

Policy and governance development

As noted above, NCIG finalised its Modern Slavery Policy in November 2020. It is available to all staff and contractors across NCIG's business.

From a contractual and procurement perspective, NCIG continued to negotiate and execute all new contracts with the inclusion of modern slavery provisions. In addition to this, NCIG has incorporated modern slavery criteria and requirements across procurement templates and conditions of tender. These conditions and requests for information have a twofold effect:

- highlights to potential contractors NCIG's commitment to the management and mitigation of modern slavery within its business; and
- provides NCIG with the opportunity to review the commitment and maturity of potential contractors to the mitigation and management of modern slavery

NCIG's procurement process now requires all tenderers to understand this commitment and to provide NCIG with relevant documentation and information through a detailed survey, to be submitted during procurement processes for NCIG's consideration and evaluation.

Training

NCIG has provided training to relevant management personnel with respect to NCIG's implementation of modern slavery governance, due diligence, and policy during the Reporting Period. NCIG is committed to expanding its training of all employees and contractors during the next reporting period.

Stakeholder consultation

Through regular contractor meetings and with the actions implemented above, NCIG continues to engage with our key stakeholders to develop seeking opportunities to collaborate.

NCIG's stakeholders extend beyond its personnel, contractors and suppliers, to the local community in which we operate and associated government entities. Our Sustainability Report is another way NCIG communicates with all of our stakeholders and allows NCIG to develop trusting relationships with its stakeholders through transparent reporting of performance. NCIG reports sustainability performance in accordance with the Global Reporting Initiative Standards. Stakeholder engagement, and Modern Slavery performance and initiatives for FY21 are included in NCIG's FY21 Sustainability Report.

For further information NCIG's 2021 Sustainability Report can be accessed [here](#).

FUTURE ACTIONS (FY22)

Notwithstanding the actions that have been completed during this Reporting Period, NCIG recognises there is still work to be done in managing and mitigating our modern slavery risks. Some of the actions that have been completed form the basis for the development and framing of our action plan for FY22 including:

- a) **integrate Modern Slavery into our annual operational risk assessment and our Whistle-blower Policy** – the initial supplier and contractor survey and risk assessment will form the basis for this action during FY22. Further, responses through procurements processes will allow NCIG to be better informed about other potential risks and gaps that exist within our supply chains for further consideration in this process.
- b) **provide training for all NCIG staff and relevant contractors on NCIG’s Modern Slavery Policy requirements** – NCIG has provided high-level training for key management personnel on our Modern Slavery Policy and actions taken to date. NCIG is committed to providing all staff and relevant contractors with information regarding Modern Slavery such as recognition of potential risks, actions that should be taken when a risk, is identified and the expectations of our suppliers and contractors in managing and mitigating modern slavery risks.
- c) **develop a database to identify the location and sources of goods and services to be regularly updated** – through the performance of surveys with suppliers and contractors, procurement processes and review of our spend and source of spend on an annual basis, NCIG will be able to develop a database to track the location and sources of the goods and services that are purchased and consumed across the organisation.
- d) **consult with our customers and other port stakeholders to explore the risks and mitigative practices related to ships that berth at our terminal, and to share and learn best practices** – NCIG recognises that industry collaboration and consultation is an effective measure in the identification, management and mitigation of modern slavery. NCIG operates from the largest global coal export terminal placing us in a unique position with our other industry stakeholders and partners to better understand the role that is played across this supply chain in modern slavery. NCIG will actively seek opportunities to better develop best practice based on the learnings of our partners and stakeholders.

ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

NCIG recognises the importance of regularly assessing the effectiveness of the actions we take to mitigate the risk of modern slavery occurring in our operations and supply chain.

The key ways we are able to assess the effectiveness of our actions are:

- a) Through our grievance mechanisms – we did not receive any reports regarding instances of modern slavery or other human rights abuses within our operations or supply chain during the Reporting Period.
- b) Risk identification process – we received a solid response to our supplier survey request which will be enhanced through our procurement processes
- c) Commercial and procurement processes – our contractual terms are recognised and accepted by our suppliers and contractors.

NCIG will continue to look to ways to improve our assessments and review of the actions we are taking to adhere to our modern slavery commitments.

APPROVAL

This Modern Slavery Statement was approved by the Board of Directors of NCIG on 2 December 2021

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Signed (Director)

Mike Dodd
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Name