



Newcastle Coal

INFRASTRUCTURE GROUP

Corporate Sustainability Report



2016 REVIEW



Newcastle Coal
INFRASTRUCTURE GROUP

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 *This report is printed on sustainably sourced paper*

corporate sustainability

> at Newcastle Coal Infrastructure Group

When it comes to operating a coal terminal, Newcastle Coal Infrastructure Group considers all aspects of its business. We want to make our business sustainable, for the benefit of our shareholders, our people, our local environment and community. This includes careful consideration of the following factors:

- **People** – the health, safety and wellbeing of our people, and creating a positive work culture – Page 4
- **Critical Infrastructure** – the critical role NCIG plays in the Hunter Valley Coal Chain and our contribution to the local economy – Page 10
- **Environment** – the surrounding environment and management of impacts from the operation – Page 14
- **Contribution and Engagement** – meaningful relationships with our stakeholders and investment in our local community – Page 19

For this reason, Newcastle Coal has established a Sustainable Development Policy which guides the development of business processes and the behaviours expected in our business. What is important is that NCIG works towards these policy aims while maintaining our company values. Our values make NCIG what it is.

This 2016 Corporate Sustainability Report is the first sustainability report produced by Newcastle Coal Infrastructure Group. It highlights key achievements consistent with our Sustainable Development Policy. It is our intent that this report will set the platform for a strong sustainability record into the future for our business.



Sustainable Development Policy Creating a Sustainable Business

The Newcastle Coal Infrastructure Group (NCIG) is positioned to play an important role in the coal export industry of the Hunter Valley. In fulfilling this role NCIG acknowledges that it is of vital importance to balance the needs of all stakeholders in our business. Through the consideration of shareholders, employees, contractors, suppliers, the community and the environment, NCIG aims to make a significant contribution to the region, ensuring a sustainable business model.

Critical to the achievement of sustainability is our objective to maintain an environment in which we:

- Commit to zero harm to safety, health and the environment;
- Identify, evaluate and manage risks to employees, contractors, visitors, the environment and our local community that may arise from our activities;
- Meet all legislative requirements and seek to continuously improve safety and environmental systems on our site to meet or exceed industry- and internationally-recognised standards;
- Promote and improve the health of our workplace, positively contribute to the community and protect the environment in which we operate, particularly through the prevention of pollution;
- Achieve our stated vision and mission by upholding our values;
- Promote a positive high performance culture through the support of a work environment where all people are treated fairly and with respect and encouraged to reach their full potential;
- Respect the traditional right of indigenous people and value cultural heritage;
- Regularly review our performance and set and achieve targets that promote the achievement of our stated goals;
- Engage regularly, openly and honestly with all stakeholders and consider any views and concerns raised in decision making; and
- Develop relationships that foster the sustainable development of our local communities.

In implementing this Policy, NCIG will engage with and support our shareholders, employees, contractors, suppliers, customers, business partners and local communities in sharing responsibility for meeting our stated requirements.

We will be successful when our stakeholders determine that our contribution is valued.

A handwritten signature in black ink, appearing to read 'Michael Egan'.

Michael Egan

Chairman

Revision: C 21 June 2016





chief executive officers overview

While the Newcastle Coal Infrastructure Group is a relatively young organisation, we have already established ourselves as a significant link for Hunter coal producers to the Asian energy market.

Our industry is operating in a time of rapid and fundamental change and we believe that we are well placed to deal with the expectations of our stakeholders.

Since commencing operations in 2010, we have demonstrated our commitment to being a responsible organisation, embedding sustainability principles across the organisation.

We place value on our ability to effectively manage and enhance the environment, engage with our community and improve the economy. Central to this is our people, through their actions, we continue to be a socially-responsible organisation with a reputation as a world-class shipping terminal.

It is important for us to report on how we are performing and we hope that this review is useful for anyone seeking to better understand our business. NCIG is in a strong position, not only in terms of our record throughput, but also as a dynamic, innovative and vibrant business.

Our key achievements in 2016 include:

- Record throughput of over 52 million tonnes, the 7th successive year of increased throughput
- Record low operating cost per tonne of capacity, driven by record high workforce productivity
- Construction completed on a compensatory habitat for migratory shorebirds, with endangered bird species now populating this area
- Recognition as a 2016 Employer of Choice from the Australian Business Awards

- Over \$45 million spent on goods and services in the local region, and over \$83 million spent in New South Wales
- Community contributions of more than \$200,000 taking our overall contributions to over \$1.2 million since 2010
- Raised over \$93,000 for the Hunter Women's Centre in Mayfield through fundraising activities
- Successfully completed projects aimed at driving water efficiency and water quality improvements onsite

There is still more to be done. We look forward to working with our stakeholders to develop further measures that add to the environmental, economic and social sustainability of Newcastle Coal Infrastructure Group.

We hope you enjoy reading our 2016 Corporate Sustainability Report and we value your feedback.

Aaron Johansen | CEO

our vision, mission & values

The success of Newcastle Coal Infrastructure Group is underlined by the approach we take to running our business. We are built on a firm understanding of our vision, mission and values, which all our employees and contractors work to. Our vision is to be the leading coal export terminal through our people, processes, plant and performance.

We aim to provide adequate capacity to our users, to ensure that their product is delivered to overseas customers with maximum efficiency. For this reason, we see ourselves as a critical part of the Hunter Valley coal chain.

To measure our internal performance, we monitor some Key Result Areas (KRAs) – Safety, Finance, People, Environment, Operating and Engineering Excellence, and Customer Focus. We see these as the pillars of a successful business.

NCIG's values are a core element of our operating ethos. Our employees developed our values and were

also responsible for designing the value logos and value statements.

Our values are proudly displayed at key locations throughout the organisation. Likewise, the values are integrated into key systems and processes such as policies and the performance appraisal system.



OUR VISION

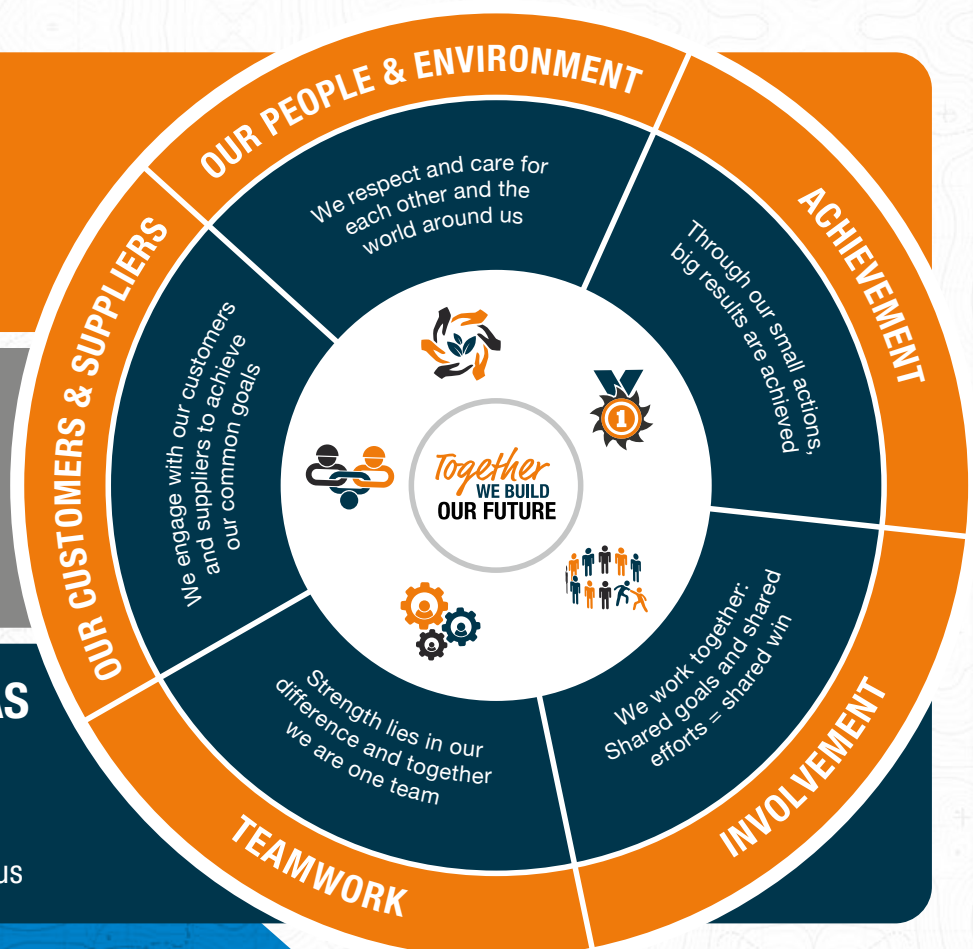
To be the leading coal export terminal through our People, Processes, Plant and Performance

OUR MISSION

To develop and operate our terminal by sustainably delivering throughput capacity of 66MTPA

OUR KEY RESULT AREAS

- Safety
- Financial
- People
- Environment
- Operating & Engineering Excellence
- Customer Focus



people

> safety

We take great pride in our operation and we have total commitment to the safety and health of all employees, contractors, visitors and the environment in which we operate. Our commitment to safety is achieved through the cooperation and teamwork of all people involved with our business. This is underlined by our performance in 2016 with only one lost time injury, where careful injury management meant the worker was able to return to normal duties in a short space of time. Newcastle Coal has developed and implemented an extensive safety system. We recognise that safety is not only a product of the environment and the processes we put in place; it's a product of people's individual behaviours towards safety.

In 2016 we provided refresher training to our people on "Zero Incident Process" (ZIP), following on from the original training provided in 2014. ZIP is a behavioural-based safety program, which solely focuses on individual attitude towards safety. This has had a significant impact on our workforce. The refresher course revisited some concepts covered in the original training, plus examples of real scenarios where ZIP applies at the Terminal.

We also recognise that our contractors play a key role in the success of our business including our safety performance. To that end we have fostered core relationships with key contractors, ensuring they are indoctrinated into our safety culture and the way we safely run our business at NCIG.

In 2016, we conducted over 90 contractor safety systems audits, including third-party providers. Of our Category 3 contractors, the average compliance score exceeded 90%³.



The value of our safety system is shown by our achievements in the area of safety. Throughout the nine years of terminal construction and operation, Newcastle Coal's employees and contractors have worked over 12 million man hours at the terminal with an average Lost Time Injury Frequency Rate of 0.3¹.

In 2016, Newcastle Coal underwent a maintenance audit against the AS/NZ 4801:2001 Occupational Health and Safety Management Systems standard, an accreditation that was achieved in 2015. SAI Global, the certifying body, completed the maintenance audit which included a review of the Newcastle Coal Sustainable Development Management Plan (SDMP) and an onsite visit with a number of employees and contractors.

The outcome saw Newcastle Coal retain certification against both the AS/NZ 4801:2001 and OHSAS18001:2007 Occupational Health and Safety Management System standards, the latter being an internationally recognised certification.



12 MILLION
Man Hours Worked
since 2008 and an
average TIFR of 0.3¹

91

Contractor
Safety System
Audits
Completed



30%
Improvement In Contractor
Safety Systems In 2016²

OVER 90%
Audit Score for Category
3 contractors³



¹ LTIFR – Lost Time Injury Frequency Rate (average lost time injuries per 1,000,000 man hours since 2007). Includes construction hours.

² Average % improvement for companies audited and re-audited in 2016

³ Category 3 Contractors – Companies or individuals engaged under contract by NCIG to conduct specific tasks

people

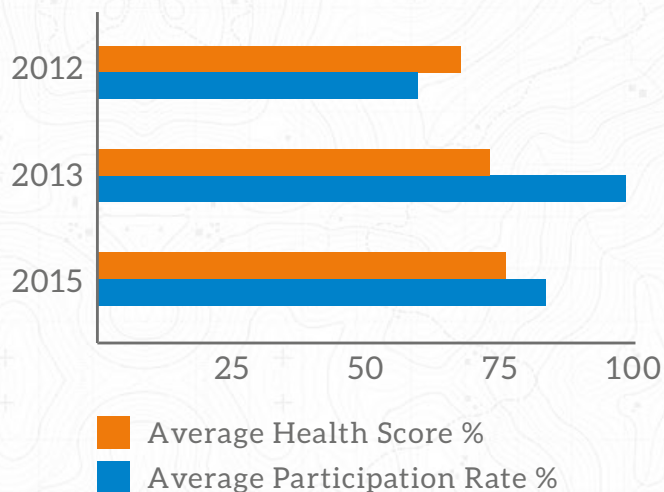
> health & wellbeing

One of the things that sets us apart from other businesses and operations is our commitment to the health and wellbeing of our people.

In 2016, Newcastle Coal continued the Health and Wellbeing program titled 'Bounce', with the goal to positively impact upon the health and productivity of the workforce, their families and the business. The program includes a fully-funded gym program, access to physiotherapy for non-work related injuries, exercise physiologist and dietician services, a vaccination program, pre-employment medicals, voluntary biennial health assessments, periodical health and hygiene monitoring and health initiatives based upon identified workforce health needs.

In 2012, 64 employees participated in the initial voluntary health screening program to establish the key determinants of health. Employee health scores averaged 68 out of 100, with the most significant health risk factor identified as body mass (overweight and obesity). This assessment was then repeated in 2013 with the average health score rising to 73.5 out of 100 (5.5% improvement). Most recently this biennial health assessment program was repeated in late 2015 with an average health score of 76.5 out of 100. This is an overall improvement of 8.5 points since the program commenced in 2012. The workforce remained steady with 100-104 employees retained during the 2012-15 period. This was a positive indication with participation rates rising from 60% in 2012 to over 80 % in 2015.

HEALTH ASSESSMENTS



Following on from health initiatives offered by Newcastle Coal in 2013 and 2014, a new 'Bounce Challenge' was launched in 2016. The results from health screenings indicated areas for improvement in body composition and nutrition which scored the lowest across the holistic health categories. The intention was to build on weight loss challenges offered in previous years and incorporate nutrition and fitness challenges to keep employees engaged in a healthy lifestyle and maintaining their results. In addition to weight loss, waist measurements and gym participation were tracked.



As Newcastle Coal is dedicated to the health and wellbeing of all its workers, the challenge was offered to all full-time and permanent contractors to build comradeship and health culture amongst the workforce.

Sponsorship of employees and contractors to attend local charity fun-run events has also been embedded in the Bounce program. NCIG sponsored employees and contractors in 2016 to participate in the local Harry's House 5km Fun Run and Paddle Race and the Run Newcastle event held at the Newcastle Foreshore.

BOUNCE CHALLENGE 2016 Results

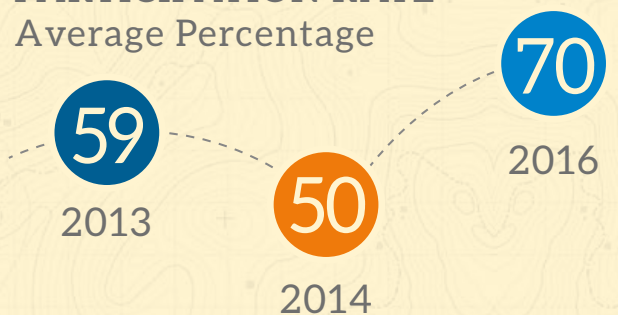


KILOGRAMS
Total Weight
Loss

OVER 25%
of participants
were
Contractors



PARTICIPATION RATE Average Percentage





337kg

Total weight lost by our workforce as a result of the Bounce Challenge

people

> we look after people

NCIG's Vision is ...

"To be the leading coal export terminal, through our People, Processes, Plant and Performance".

It is "our people" who will make our vision a reality.

In our pursuit to build a high performance workforce and achieve superior results across all aspects of the operation, NCIG has individual performance agreements for every role in the business. 100% of our workforce has developed their own performance agreement in consultation with their leader, which provides people with clear accountabilities and reinforces that the success of NCIG relies heavily upon the combined efforts of everyone.

From day one of our operations, the importance of entrusting our people with ownership has been a focal point. We have engaged our people in the commissioning of the plant, the development of key policies and procedures and the training of their peers.

Furthermore, we have successfully established and maintained direct relationships with our people, which has seen no lost time due to industrial action.



The organisation's flat structure and consultative methods of decision making are aligned with the organisation's values. The company values were reinvigorated in 2016, when our employees designed logos and mottos for each of the values.

Newcastle Coal Infrastructure Group offers generous conditions to all employees which includes a bonus system that sees employees eligible for a portion of their total salary as an annual bonus for achievement of key performance indicators. Other employee benefits include a fully funded health program with gym membership, salary continuance insurance, novated lease options, an additional weeks annual leave and discounts to a number of local businesses and services.

Physio for non-work related activities

Weight loss programs

Gym Membership (Caretrac)

Sponsored events such as:

- Run Newcastle
- Harry's House 5km Run/Paddle
- Sparke Helmore

Biennial Health Assessment

Function Fitness Challenge

Bounce Program Weight and BMI Monitoring

Exercise Physiologist

Flu Vaccines and Immunisations

Dietician Services

KNOW YOUR HEALTH

IMPROVE YOUR HEALTH



EMPLOYEE BENEFITS AND REWARDS

OTHER EMPLOYEE BENEFITS

Salary Continuance

Salary Sacrifice

Annual Bonus

Flash Rewards

Additional Annual Leave

Flexible Work Practices

Study Assistance

Charity Ball & Community Sponsorship

Team BBQ's

Uniforms, Equipment and Tools provided

Modern, Clean Facilities

Local Supplier Discounts

Employee Assistance program for employees and their families

Tickets to Sporting and Entertainment Events

people

> training & education

Newcastle Coal Infrastructure Group commits to the education and development of our people on a number of different platforms. From an organisational perspective, the Company has invested significant funds, effort and time into workshops and development days on several site wide initiatives including culture, leadership and teamwork. These have been very well received by the workforce and has promoted interdepartmental awareness and empathy. These sessions have also been instrumental in reinforcing our Mission, Vision and Values.

In 2016, over 5% of salaries were invested into employee development with a combination of competency, compliance and personal improvement training. We also invest in specialised training for our technical staff to ensure that they have the highest skillset possible in order to undertake their work.

NCIG offers a generous study assistance policy to encourage employees to undertake external studies of a nature that will enhance the skills of our workforce. This thereby provides our people with the opportunity to enhance their career development while making a greater contribution to overall company performance. The Study Assistance Policy includes reimbursement of fees, time off for exams and financial support for text books and other materials.



5% 
OF TOTAL SALARIES
Spent on Training in 2016


9 **EMPLOYEES**
Sponsored for Tertiary
Education in 2016


9000
HOURS
Spent on Employee
Training in 2016

*We are committed to the education
and development of our people*



*What sets us
apart from
other businesses
is our highly skilled
and competent
workforce*

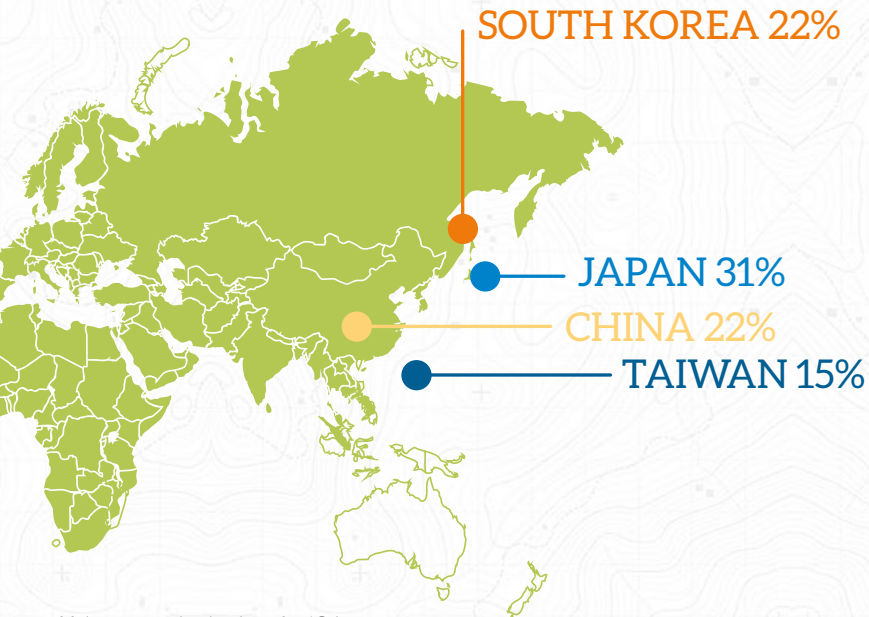
critical infrastructure

> role in Hunter Valley coal chain

As a major Australian coal export terminal, Newcastle Coal Infrastructure Group provides an essential service to NSW coal producers. The 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 include rail, coal storage, ship loading facilities and associated infrastructure. We provide a core element of the coal delivery process linking the mine to the end customer. Key markets for coal passing through our terminal include Japan, Korea and Taiwan.

Newcastle Coal Infrastructure Group will continue to play a critical role in assisting countries in Asia to meet future power demands, utilising cheap, reliable and stable electricity network. Advanced technology power stations require high quality coal such as that produced in the Hunter Valley. This in turn enables other countries to meet their emissions reduction commitments.

OTHER* 10%

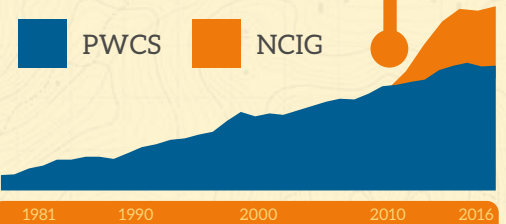


Major export destinations for *Other include Singapore, Thailand, Malaysia, Chile and India

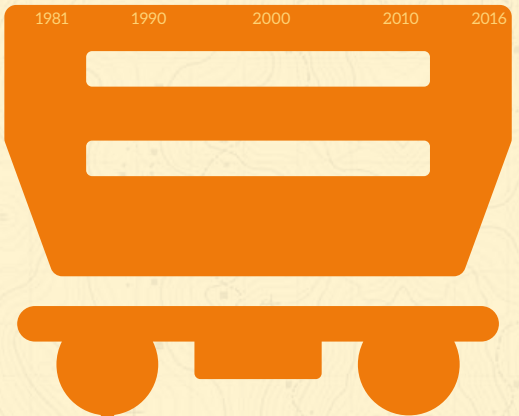
74%

161.5MT

INCREASE in coal export from Newcastle Harbour since NCIG commenced operation in 2010



1981 1990 2000 2010 2016



52

MILLION TONNES in 2016

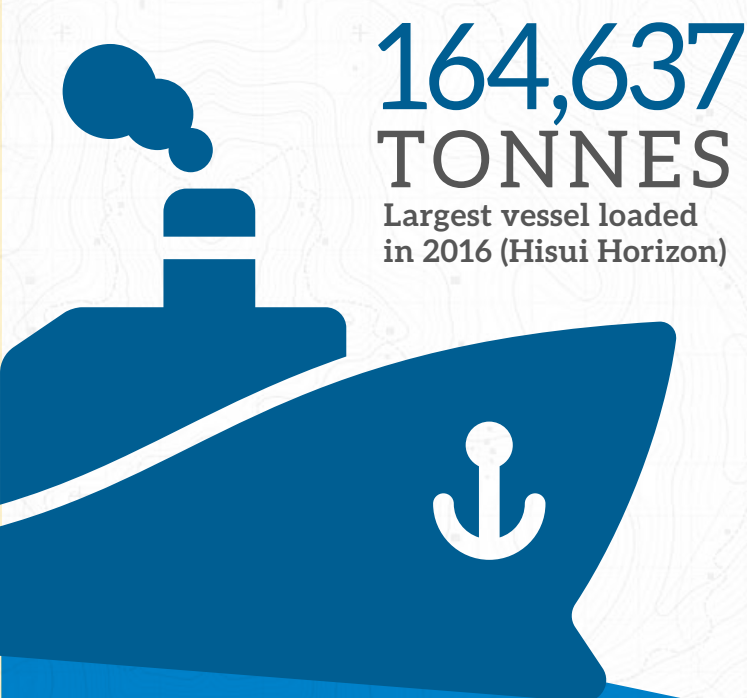


critical infrastructure

> performance

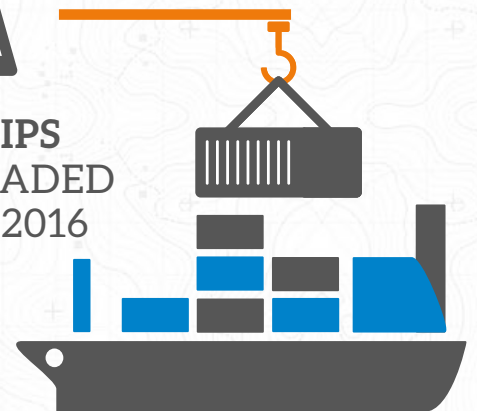
Performance lies at the heart of Newcastle Coal Infrastructure Group. We pride ourselves on continuous improvement. We have progressively exported more coal year after year since we began operation in 2010. We have also grown our market share of total tonnes exported through the Port of Newcastle. In 2016, total throughput through Newcastle Coal Infrastructure Group was 52 million tonnes (Mt) of the 161Mt exported through the port.

The capacity of the Terminal is 66 million tonnes per year (Mtpa). Although demand has kept throughput tonnage to well below this figure, Newcastle Coal has demonstrated consistently that it has the ability to deliver coal at a highly efficient rate, at times greater than an equivalent 66 Mtpa rate over a sustained period. In 2016, Newcastle Coal once again exceeded the previous year's operational performance for Gross Load Rates (train unloading) and Gross Unload Rates (ship loading).

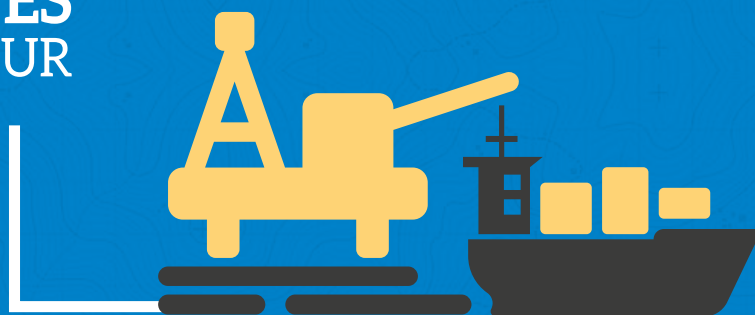


7525
TRAINS
UNLOADED
IN 2016

540 **SHIPS**
LOADED
IN 2016

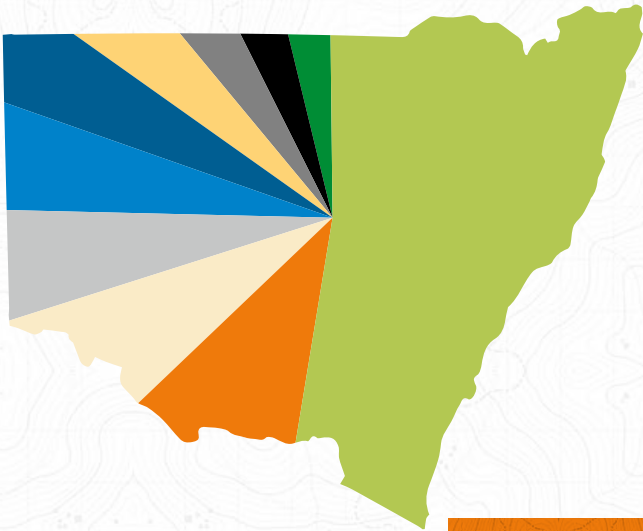


2016 Gross Unload Rate
8079 **TONNES**
PER HOUR



5429 **TONNES**
PER HOUR
2016 Gross Load Rate

NEW SOUTH WALES' MAJOR EXPORTS (GOODS) 2015-16 (A \$m)



Coal	11,487
Copper Ores & Concentrates	2,237
Beef	1,563
Aluminium	1,168
Refined Petroleum	1,070
Medicaments	1,008
Gold	856
Edible products & preparations	813
Medical Instruments	778
Misc manufactured articles	761

critical infrastructure

Coal is New South Wales' (NSW) largest export earner in value terms. According to Commonwealth Government statistics, coal accounts for almost \$11.5 billion worth of exports* in NSW. This is comparable to the value of tourism (\$5.5B) and education (\$7.2B) exports combined – our State's next two largest exports. This makes NSW one of the world's major exporters of coal.

A strong mining industry also generates employment in regional NSW, drives investment in regional communities and increases export growth. Today, the coal industry in NSW directly employs nearly 20,000 and supports around a further 80,000 in mine and non-mine related services^.

Committed to
providing critical
infrastructure to a global market

*Department of Foreign Affairs and Trade (2016), figures may exclude some confidential items

^Department of Industry – Resources and Energy (2016)



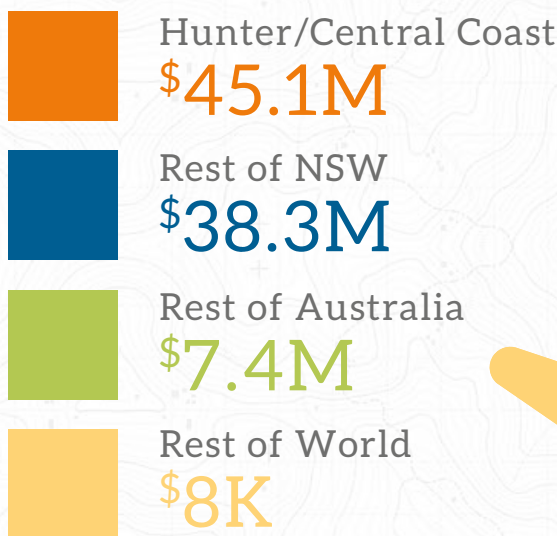
critical infrastructure

> economic impact

Newcastle Coal Infrastructure Group makes a substantial contribution to the local and regional economy through the procurement of goods and services. We have developed strong relationships with local contractors over an extended period, which is a significant source of employment both on and offsite.

In 2016, Newcastle Coal spent over \$45 million on goods and services in the local region and \$83.3 million in New South Wales. Our contractors and suppliers are critical to the ongoing operation of our business and we greatly value the service they provide.

ECONOMIC INVESTMENT



*We understand
the importance
of supporting
the local
economy*

environment

> compliance & emissions

Management of the environment is of the highest importance to Newcastle Coal Infrastructure Group. We continue to strive for the best standards in environmental management and this is most evident in our compliance record to date. Across all of Newcastle Coal's major compliance obligations there have been no infringements since the commencement of construction in 2007, and we continue to demonstrate a high degree of compliance, in particular with our various project approval and Environment Protection Licence (EPL) conditions. This is shown through regular reporting such as our Annual Environmental Management Report, EPL Annual Return, Independent Environmental Audit Report and internal compliance tracking. In fact, our record has been so strong that during 2016 the Department of Planning and Environment agreed to reduce the independent environmental auditing frequency from yearly to 3-yearly.

As we are looking to continuously improve in all areas of the business, Newcastle Coal has committed to obtaining certification of its Sustainable Development Management Plan (SDMP) against the ISO14001:2015 Environmental Management Systems standard. During 2016, plans were in progress to obtain full accreditation, including obtaining relevant Gap Audits of the system to ensure that all provisions of the standard are complied with. We look forward to obtaining certification in 2017.

Perhaps the most critical environmental aspect to Newcastle Coal's operations is the potential for impacts to air quality. We take our obligations around managing dust seriously and have ensured that we develop the most rigorous and cutting-edge systems to tackle this issue.

"We employ an award-winning management system to control dust emissions from the facility. We call it the Integrated Dust Management System"

We have been recognised for our best-practice Integrated Dust Management System previously through industry awards, and we continue to refine the system to continuously improve its performance.

Newcastle Coal has an extensive network of air quality monitoring devices, both onsite and in the surrounding community. In 2016, this monitoring demonstrated that particulates were below relevant State and National Standards.

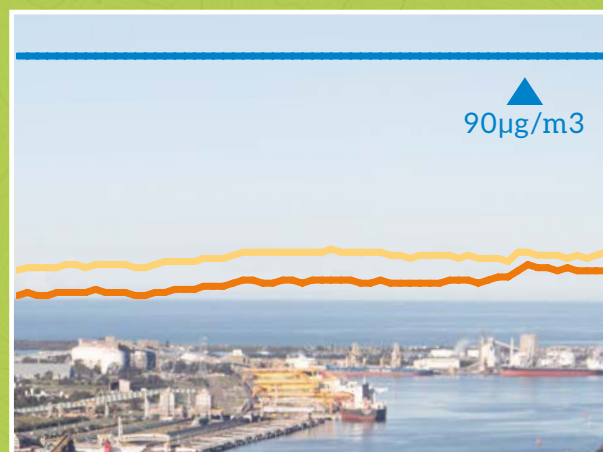
For the second year, Newcastle Coal along with other local industries has contributed to the operational costs of the recently established Newcastle Air Quality Monitoring Network. This is a highly-sophisticated monitoring network operated by the NSW Office of Environment and Heritage, which monitors local air pollutants that are of concern to the local community. The technology used for these monitors is considered the most accurate and provides the community with a real-time picture of various pollutants, including particulates. The network can be viewed online at <http://www.environment.nsw.gov.au/aqms/newcastlelocalmap.htm>.

PARTICULATE LEVELS



JAN 2016 —————> DEC 2016

COARSE PARTICULATE LEVELS



JAN 2016 —————> DEC 2016

■ Annual Average Limit

■ Steel River Rolling 12-month average

■ Mayfield Rolling 12-month average

> water quality

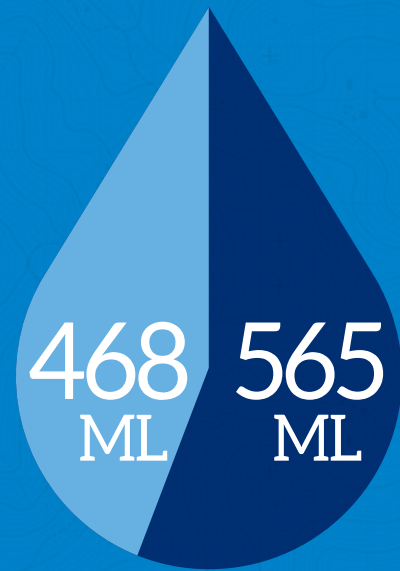
The primary design goal of the Newcastle Coal site water management plan is to have no discharge into the Hunter River, and to use captured storm water where possible to promote sustainable water use.

Water is used onsite for a number of reasons:

- Dust suppression on road surfaces, coal stockpiles and at conveyor transfer points
- Wash-down of site vehicles, conveyors, wharf areas, shiploaders and other coal handling equipment
- Belt washing
- Landscape irrigation
- Fire protection systems
- Worker amenities & other minor potable water uses

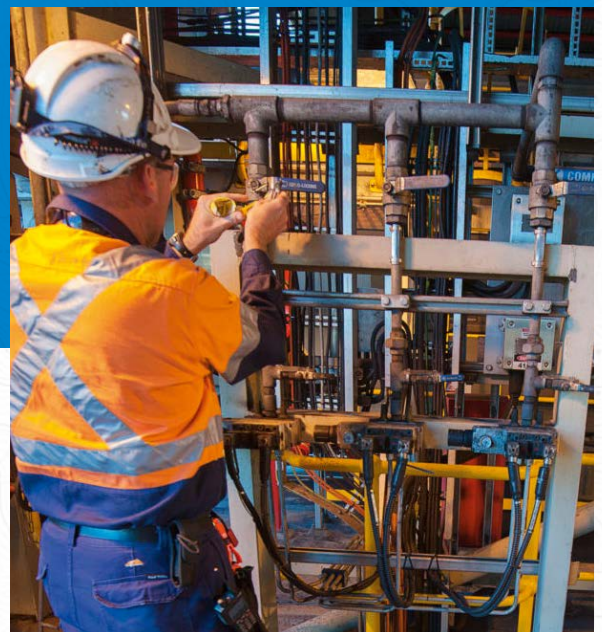
In 2016, Newcastle Coal used **565ML** of captured water from onsite versus **468ML** of potable water from the Hunter Water network. A number of initiatives were also completed in 2016 to drive water efficiency and improve onsite water quality, including:

- Completion of wharf settling basin improvements to better separate coal fines from site runoff
- Reduction in coal spillage from machine conveyor systems
- Modifications to the Integrated Dust Management System to apply the most appropriate amount of water based on coal types
- Improvements to hydrocarbon retention and management on plant and machinery



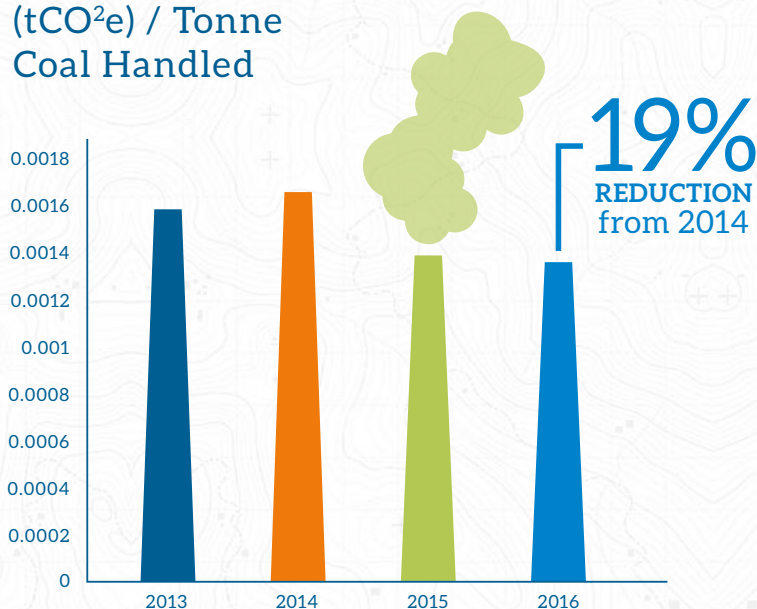
2016 WATER USAGE

- Potable (ML)
- Captured (ML)



GREENHOUSE GAS EMISSIONS

(tCO₂e) / Tonne Coal Handled



> electricity

Electricity is critical to the Newcastle Coal operation. Our plant and machinery utilise electricity produced offsite and fed through the main power network. Even though our equipment is relatively new and highly efficient, we continue to look for efficiencies in the way we utilise our plant. This drives down the amount of electricity used and greenhouse gases produced per tonne handled.

environment

> biodiversity

The salt and freshwater wetlands around the Port of Newcastle are home to some of Australia's most threatened species and communities. These include the Green and Golden Bell Frog (*Litoria aurea*), which has contracted from more than 90% of its original range¹, the coastal saltmarsh vegetation community and numerous species of migratory wader birds, such as the critically endangered Eastern Curlew (*Numenius madagascariensis*) and Curlew Sandpiper (*Calidris ferruginea*), which are increasingly losing habitat along the Australasian-East Asian Flyway.

The Newcastle Coal Infrastructure Group Compensatory Habitat and Ecological Monitoring Program (CHEMP) has been developed to offset impacts to local ecology, particularly these threatened species and communities, affected around the margins of the coal export terminal development. The objectives of CHEMP have been implemented and ongoing since 2011. The program includes the creation and management of habitat for both Green and Golden Bell Frogs and Migratory Shorebirds.

In 2016, a second breeding event of Green and Golden Bell Frogs was recorded as a result of Newcastle Coal's habitat development. This followed the successful breeding event which occurred in 2015, the earliest possible opportunity for breeding to occur after habitat was created in late 2014.

A second major milestone was achieved in 2016 when the restoration of 24 hectares of migratory shorebird habitat was completed at a location known as Area E on Ash Island. This included the removal of 17 hectares of juvenile mangroves, which had gradually established over recent years following the removal of historical flood control structures. The project was the result of six straight months of restoration works, including the use of specialised machinery and significant man-hours to remove mangroves in difficult conditions. Sophisticated engineering has been incorporated into the project through the design of an automated tidal control structure. Since completion of the project several species of birds have been observed using Area E, including many migratory shorebirds that fly to the Hunter Estuary from the northern hemisphere in summer each year.

¹Department of Environment and Conservation (NSW), Draft Recovery Plan – Green and Golden Bell Frog *Litoria aurea* (Lesson 1829), Recovery Plan, February 2005, p.8.

2



Green and Golden Bell Frog breeding events since 2015

24



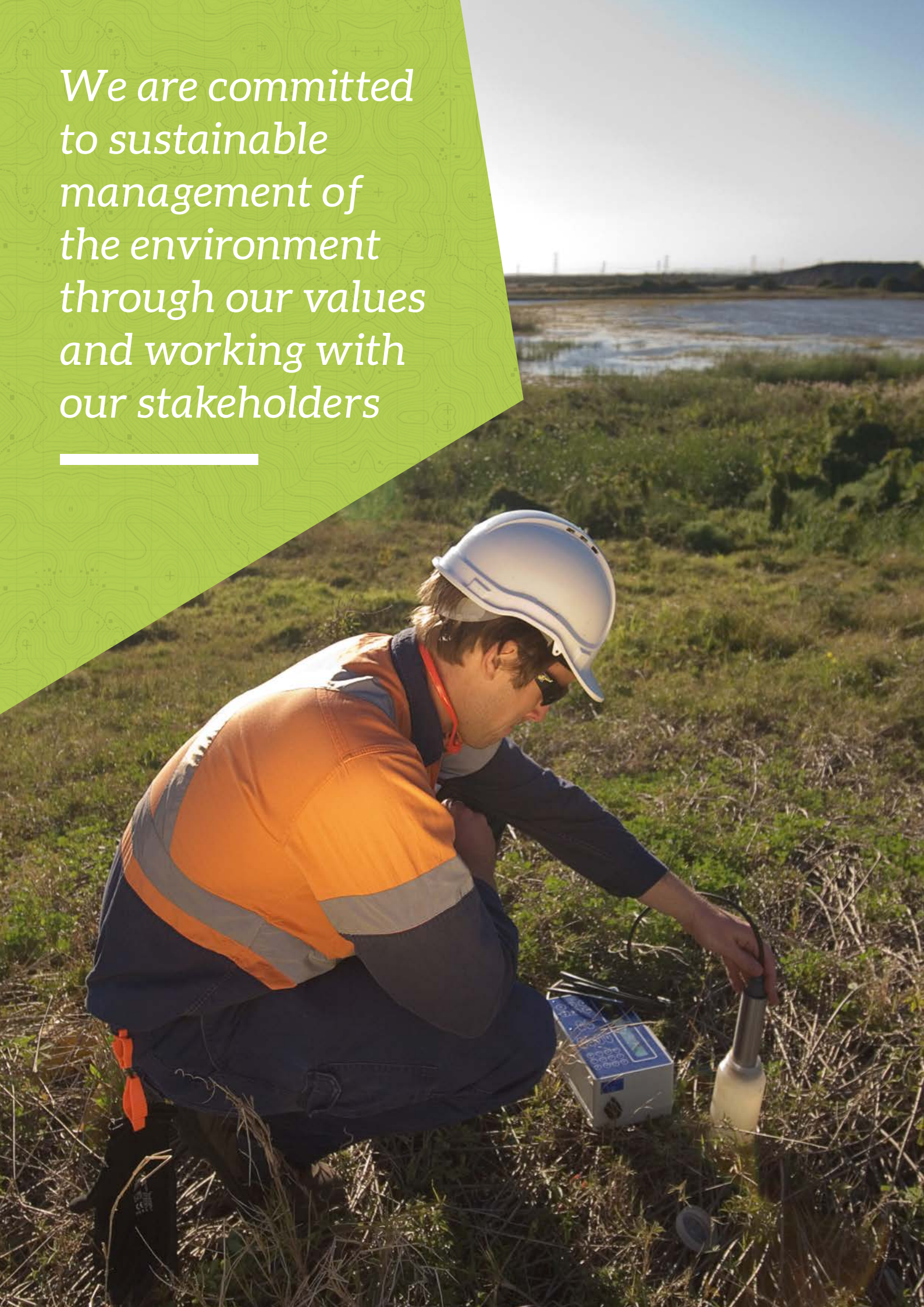
hectares of migratory shorebird habitat restored

17 THOU SAND
854

man-hours to re-create shorebird habitat



*We are committed
to sustainable
management of
the environment
through our values
and working with
our stakeholders*



environment

> waste & recycling

Newcastle Coal Infrastructure Group continues to review its activities and how these can be modified to reduce waste. We track our waste streams each month and 2016 has seen another strong performance. For the fourth consecutive year we have seen a drop in the amount of waste generated per worker, resulting in a drop of 60% over 4 years. Among other things, this diverts the amount of waste going to landfill.

Our recycling program includes a number of materials including paper, cardboard, plastics, glass, timber, steel, aluminium, electronic goods and various types of hydrocarbons. We are continuing to review the wastes produced onsite and opportunities to recycle these appropriately and at the same time divert them from landfill. Since 2011 we have increased the number of our recycling streams from four to 13.

> rail ballast recycling

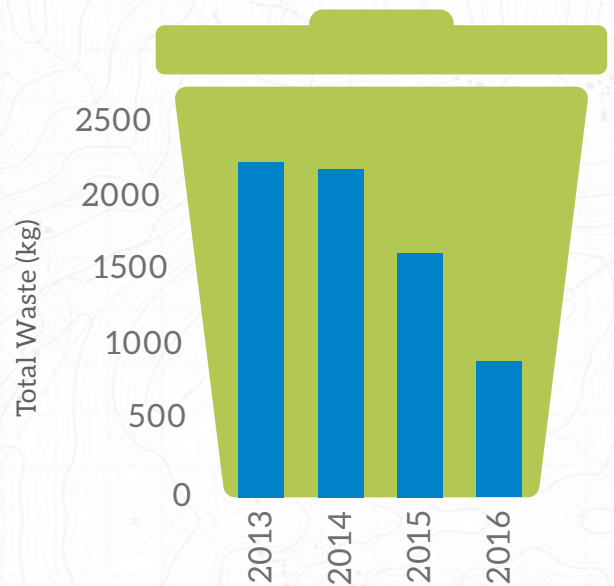
In 2016, we took the initiative of finding a better solution for our used rail ballast. A trial was conducted to separate the ballast from the fine material, which had been deposited over time.

The result of the trial was that over half the pile was able to be recycled onto the coal product pile for loading, while the remaining ballast could be used onsite for rail repairs.

60%

WASTE REDUCTION
SINCE 2013

WASTE DISPOSED OR RECYCLED OFFSITE PER WORKER



contribution & engagement

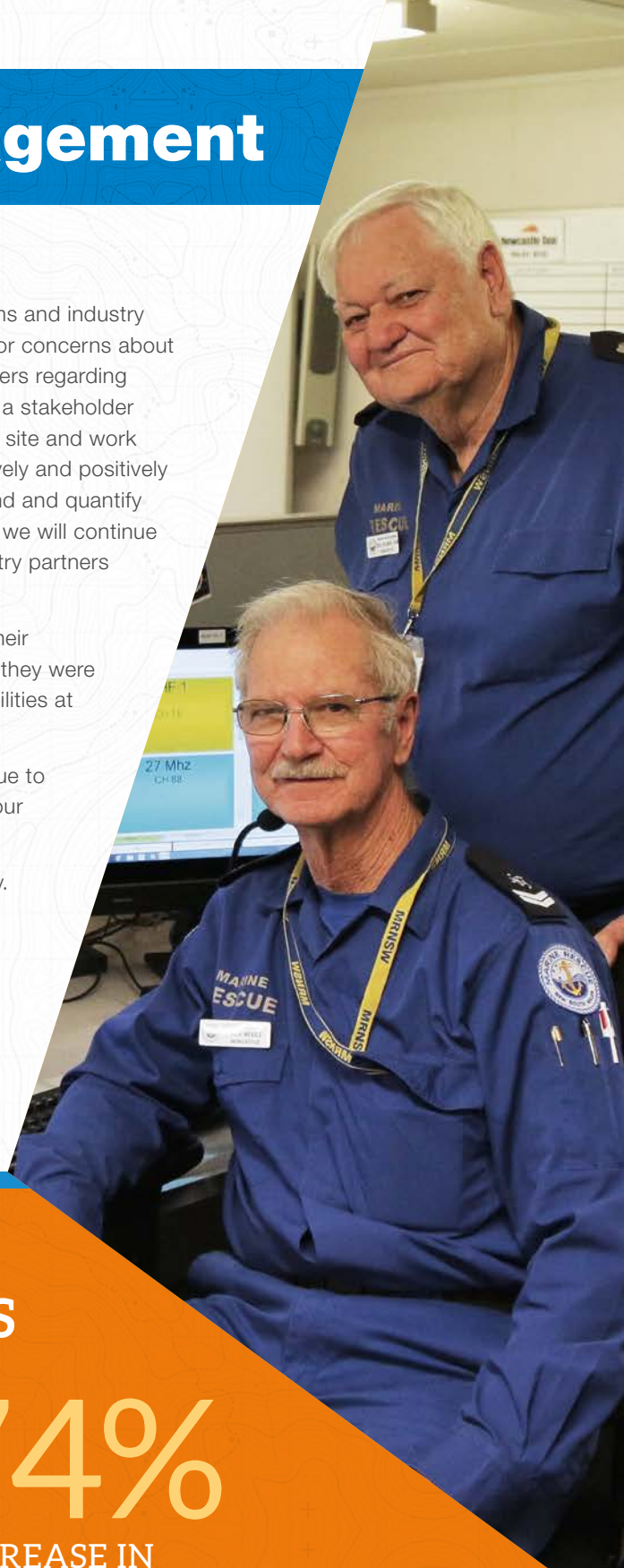
> getting involved

We continue to engage with our local community, either through local forums and industry groups or making ourselves available to neighbours if they have questions or concerns about our operation. In 2016, particular concern was raised by community members regarding the potential for air quality impacts from the rail corridor. Newcastle Coal is a stakeholder in this process, as we manage a small portion of the rail network within our site and work closely with rail asset owners and operators on a daily basis. We have actively and positively engaged with these stakeholders over the 2016 period, to better understand and quantify the issue, in order to better respond to the community's concerns. In 2017 we will continue to work closely with all stakeholders, including community members, industry partners and government.

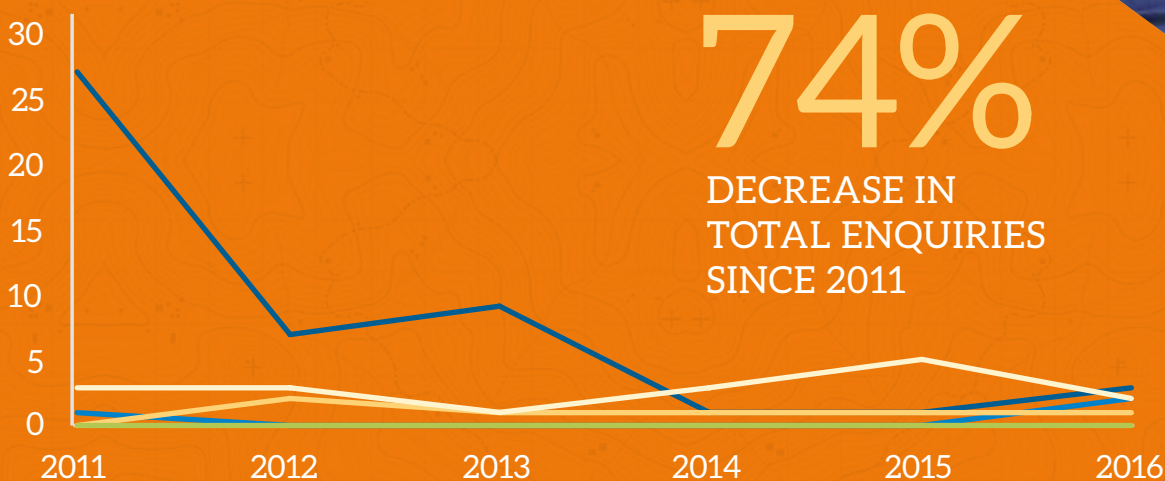
In 2016, we came to the assistance of Marine Rescue Newcastle. Due to their headquarters at Shepherds Hill being damaged from the April Superstorm, they were without a home. Newcastle Coal has since provided office quarters and facilities at the NCIG administration office.

This includes around the clock access for the Marine Rescue volunteers, due to their 24-hour operation, ensuring that the local waterways remain safe for our recreational users.

We are also proud of the voluntary effort our people put into the community. In 2016 our mechanical engineers assisted the local Stockton Landcare group to rehabilitate Stockton sand dunes, our maintenance employees lent a hand at Fern Bay Public School and our IT and electrical teams set up new infrastructure at the Hunter Women's Centre. We see this type of effort as real stakeholder engagement, and is a true reflection of how our people like to contribute, not only as representatives of Newcastle Coal Infrastructure Group, but also as individuals.



COMMUNITY ENQUIRIES



74%
DECREASE IN
TOTAL ENQUIRIES
SINCE 2011



AIR



WATER



NOISE



WASTE



OTHER

contribution & engagement

> community support

We see ourselves as a member of the community and we believe strongly in the positive impact local groups have on our community. For this reason, we aim to provide assistance to the groups that work hard to help their community.

From major fundraising through our annual charity ball to purchasing new equipment for our local sporting clubs as part of the Community Support Program, we understand that every cent counts. In 2016, we provided or facilitated over \$340,000 in fundraising and sponsorship to our local community, including over \$200,000 through our Community Support Program. This included support for educational, environment, social welfare and sporting groups. We see this as a worthwhile investment and one we will continue to make.

We also get involved in the big events. Newcastle Coal Infrastructure Group, along with Port Waratah Coal Services, were major sponsors for the 2016 Run Newcastle event at Newcastle Foreshore. This event raised **\$75,207** for the refurbishment of the adolescent ward at the John Hunter Children's Hospital.

2016 COMMUNITY SUPPORT PROGRAM



ENVIRONMENT & SUSTAINABILITY
\$28,655

SOCIAL WELFARE
\$89,400

SPORT & RECREATION
\$72,158

EDUCATION
\$10,416





contribution & engagement

> helping the Hunter Women's Centre

Newcastle Coal Infrastructure Group held its annual charity ball in September raising over **\$93,000**.

This year, Newcastle Coal employees chose to support the Hunter Women's Centre, a fantastic local organisation that provides services to improve the health and wellbeing of women in the Hunter.

The Centre is run by women for women, and has been supporting our community for over 40 years. The Centre helps those who are marginalised, experiencing disadvantage or having difficulty in accessing services elsewhere.

The annual charity ball is planned and organised by our employees and overwhelmingly supported by our contracting companies. The event would not have been a success without the significant contribution from the following contract companies – Access Hire, Convatech, Doito, Downer, Engie, Geared Engineering, HIC Services, Mailec, New Hunter Industrial Services, Pacific National, RCR Energy, Remondis and Wheeler Cranes. We thank them for their support in raising much needed funds for the Hunter Women's Centre. We are proud of the effort our people and contractors put into staging such an exciting event.

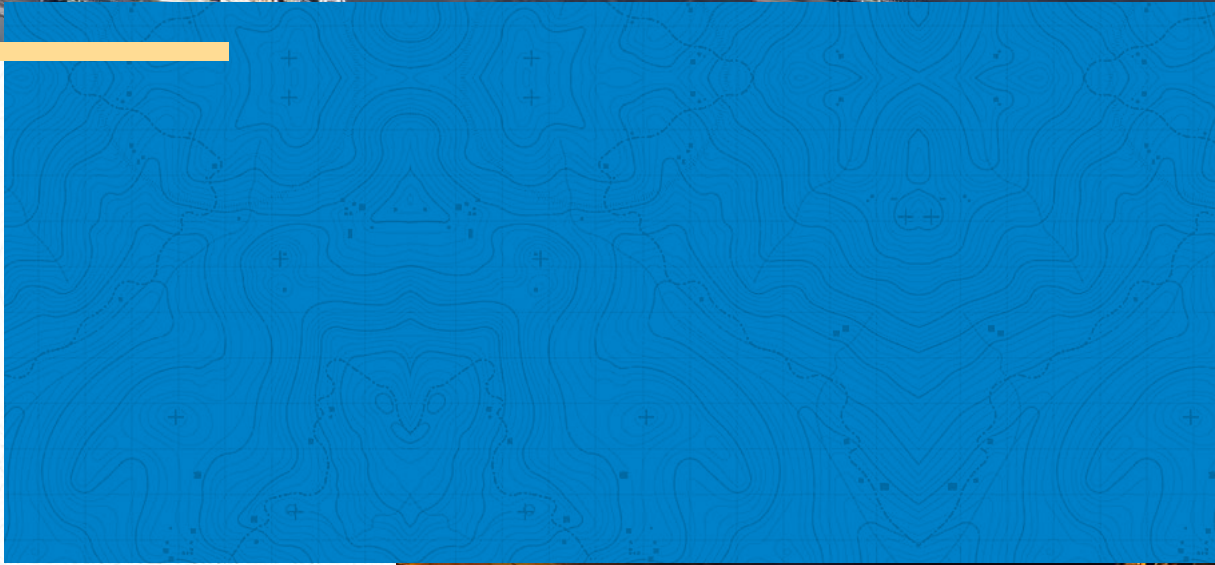


\$93,000

RAISED
FOR THE
HUNTER
WOMEN'S
CENTRE

hwc
hunter women's centre

*We are committed to the community
to help them reach their goals*



Newcastle Coal
INFRASTRUCTURE GROUP