



Newcastle Coal

INFRASTRUCTURE GROUP



2022

**SUSTAINABILITY
REPORT**



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Acknowledgement of Country

NCIG acknowledges that we work on the traditional country of the Awabakal and Worimi people. We recognise and respect their cultural heritage, beliefs, and continuing connection to land, waters and community. We pay our respects to the people, the cultures and the elders past, present and emerging.

About this report

The NCIG 2022 Sustainability Report describes our performance during the 12-month period to June 2022, which aligns with the Australian fiscal year. The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option and our GRI Content Index can be found on pages 52-55. The UN Sustainable Development Goals have also been referred to where relevant. Consolidated financial statements are reported directly to shareholders, investors and regulators, and are not included in this report.

Find out more

For more information about NCIG's approach to optimising sustainable operations, policies and reporting, visit our website www.ncig.com.au. We welcome feedback on our reporting and public information. Simply email us at enquiries@ncig.com.au.

Chairperson's Foreword



In a year that continued to be impacted by the challenges of COVID-19 and severe weather events, we are proud of the resilience and commitment demonstrated by NCIG. The company's response to COVID-19 saw the roll-out of a new mental health strategy and training program, as well as a vaccination policy and further development of the program that keep NCIG's workplace safe. These actions further reinforced NCIG's rigorous approach to risk management and decision-making, and I would like to thank NCIG's management team and our people for their efforts.

At an operational level, NCIG's world-class infrastructure assets and effective business processes have again enabled the company to provide excellent service and meet customer demand. A key achievement during the year was the return to service of Shiploader 2 ahead of schedule in the first month of the financial year with positive health, safety, environment and community outcomes. NCIG also achieved its highest ever gross load rate during the year and the milestone of 500 million tonnes throughput since commencement of operations.

At a strategic level, we continued to evolve the company's approach to optimising sustainable operations. This year the Board endorsed a revised Sustainability Policy and site-specific sustainability targets that deeply embed the company's commitments to meeting its sustainability objectives and demonstrate the growing importance of ESG for NCIG. In particular, we are proud of NCIG's target to achieve Net Zero operational (Scopes 1 and 2) emissions by 2030.

I would like to thank NCIG's customers and all participants in the Hunter Valley coal chain, the Port Authority and Port of Newcastle, all of whom remain essential partners in enabling NCIG to perform at our highest level. I hope you find NCIG's 2022 Sustainability Report informative and interesting.

Phil Garling AM
Chair
October 2022

CEO Message



It gives me pleasure to present our 2022 Sustainability Report, in which we share with you our business performance and our progress towards creating social, environmental and economic value.

This year again presented challenges, with the continuance of the COVID-19 pandemic and severe regional storms and flooding events. It was also a rewarding year, with our workforce successfully facing these challenges head-on, underpinning our business resilience and maintaining a consistent and high-quality service for our customers. Looking back on FY22, I am proud of the unquestionable dedication of our people and the unrivalled reliability of our infrastructure assets. I'd also like to thank our customers and shareholders for their continuous support and collaboration during the last 12 months.

Business resilience

During FY22, NCIG operated with levels of agility and flexibility that allowed us to maintain business resilience against the challenges related to severe weather events and the continuance of COVID-19. Newcastle was impacted by four flooding events during the year, three of which brought unprecedented freshwater flow conditions to the harbour and carried a large volume of silt into the channel. Our teams have worked tirelessly in collaboration with stakeholders in the port and the coal chain to minimise disruptive impacts on our customers.

Across the Hunter Valley coal chain, including at NCIG, there were also labour shortages and restrictions required by public health orders. We maintained a prominent focus on the provision of management and support to our workforce and continued our active commitment to make the health, safety and wellbeing of our people a priority.

We successfully accommodated government working-from-home restrictions and applied onsite segregation of work teams to limit exposure, established a mental health strategy and training program, and implemented a vaccination program to protect the safety and wellbeing of our workforce. Remarkably, just six hours of unplanned time was lost in ship loading production due to these challenges. It is a privilege to lead a team who have worked very hard and in a very flexible manner under some challenging circumstances to ensure that we stay healthy, while maintaining high-level operational performance.

Operational performance

In July 2021, NCIG's Shiploader 2 was returned to service after an eight-month outage due to storm damage sustained in November 2020. Also in July, we achieved our highest vessel gross load rate of 7,697 tonnes/hour, which was surpassed in November 2021 with 7,818 tonnes/hour. We achieved two years recordable injury free in August 2021 and then in December 2021, we achieved a key milestone of 500 million tonnes of total throughput since commencement of operations. This major achievement reflects the quality of our people, our assets and our customers' patronage.

Formalised sustainability targets

NCIG's first formal three-year Sustainability Strategy was finalised last year, and in November 2021 we strengthened our ambitions by establishing three-year operational FY24 targets and key performance metrics. Aligned with our strategy, these targets provide specific and progressive improvement in sustainability performance and the pathway to achieving them has deeper embedded the integrity of our strategy into day-to-day operations.

Operational Net Zero by 2030

Further reinforcing NCIG's sustainability commitments, in April 2022, our Board of Directors approved NCIG's target to achieve Net Zero operational emissions by 2030. It is an ambitious target, and the team has begun developing our emissions reduction strategy, the core focus of which is on reducing operational emissions that fall under Scopes 1 and 2 since these are within our direct control, while also ensuring operational processes maximise energy efficiency. In the coming year we intend to further define our Net Zero Transition Plan, and better understand our Scope 3 emissions footprint, incorporating into our emissions reduction strategy where feasible. We believe our commitment supports NCIG's role in the transition to a lower carbon world.

Key sustainability initiatives

During the year, the development of long-term asset management strategies and plans, and various initiatives were implemented, helping to ensure the longevity of NCIG's assets and secure quality operational performance over time. Several projects and initiatives that advanced our approach to optimising sustainable operations were also rolled out, including completed site works to improve our capability for recycled water use onsite; commencement of our electrification program of our operational fleet vehicles and the implementation of our inaugural customer satisfaction survey, which achieved a Net Promoter Score of +46. We also provided over \$303,000 to 47 local community groups. In May 2022, I also took part in Vinnies CEO Sleep Out, raising over \$10,000 to help break the devastating cycle of homelessness. Other employee-led fundraising initiatives raised an additional \$16,500 for three local charities.

Strong ESG ratings

Our leadership efforts include constructive and meaningful dialogue that enhances our understanding of stakeholder priorities and concerns and enables us to collaboratively address them. This year we engaged in dialogue with several investors, lenders and insurers to address their growing need for information about our environmental, social and governance (ESG) performance. Our focus on optimising sustainable operations and the related effort and initiatives are reflected in our most recent GRESB score and benchmark results, for which we achieved a five-star rating and were ranked first amongst our peer industry group with a score of 96/100. For the first time this year, our corporate sustainability risk and performance was also rated by Sustainalytics, a global leader in ESG research data serving institutional investors and corporations where we an overall rating of low for ESG risk exposure and a rating of strong for management of relevant ESG issues. Both of these ratings reflect our strong ESG performance and our commitment to continuous improvement.

Outlook for 2023

An increasing energy demand in South-East Asia means that countries in the region will remain the primary destination for our customers' thermal coal. Despite an increasing percentage of energy being produced by renewable sources there, coal continues to be a critical energy source to support economic growth. Furthermore, the growing emphasis on lower air pollutants and carbon emissions means that the importance of Australia's high-energy, low-sulphur bituminous coal is expected to continue, and Hunter Valley coal is forecasted to be at an advantage in seaborne trade. I look forward to continuing to support our customers to meet these expectations.



Aaron Johansen

Chief Executive Officer

October 2022

FY22 Highlights



50.1 Mt

COAL LOADED



1st

IN PEER INDUSTRY GROUP
2022 GRESB BENCHMARK



6,089

TRAINS UNLOADED



\$26.5m

LOCAL ECONOMIC SPEND



545

SHIPS LOADED



47

LOCAL COMMUNITY GROUPS
SUPPORTED



20

EXPORT DESTINATIONS



1,068

DAYS WITHOUT A LOST TIME INJURY



24

EMPLOYEES CELEBRATED
10-YEAR ANNIVERSARY



10%

CERTIFIED GREEN ENERGY



\$303,000

INVESTED IN COMMUNITY
INITIATIVES



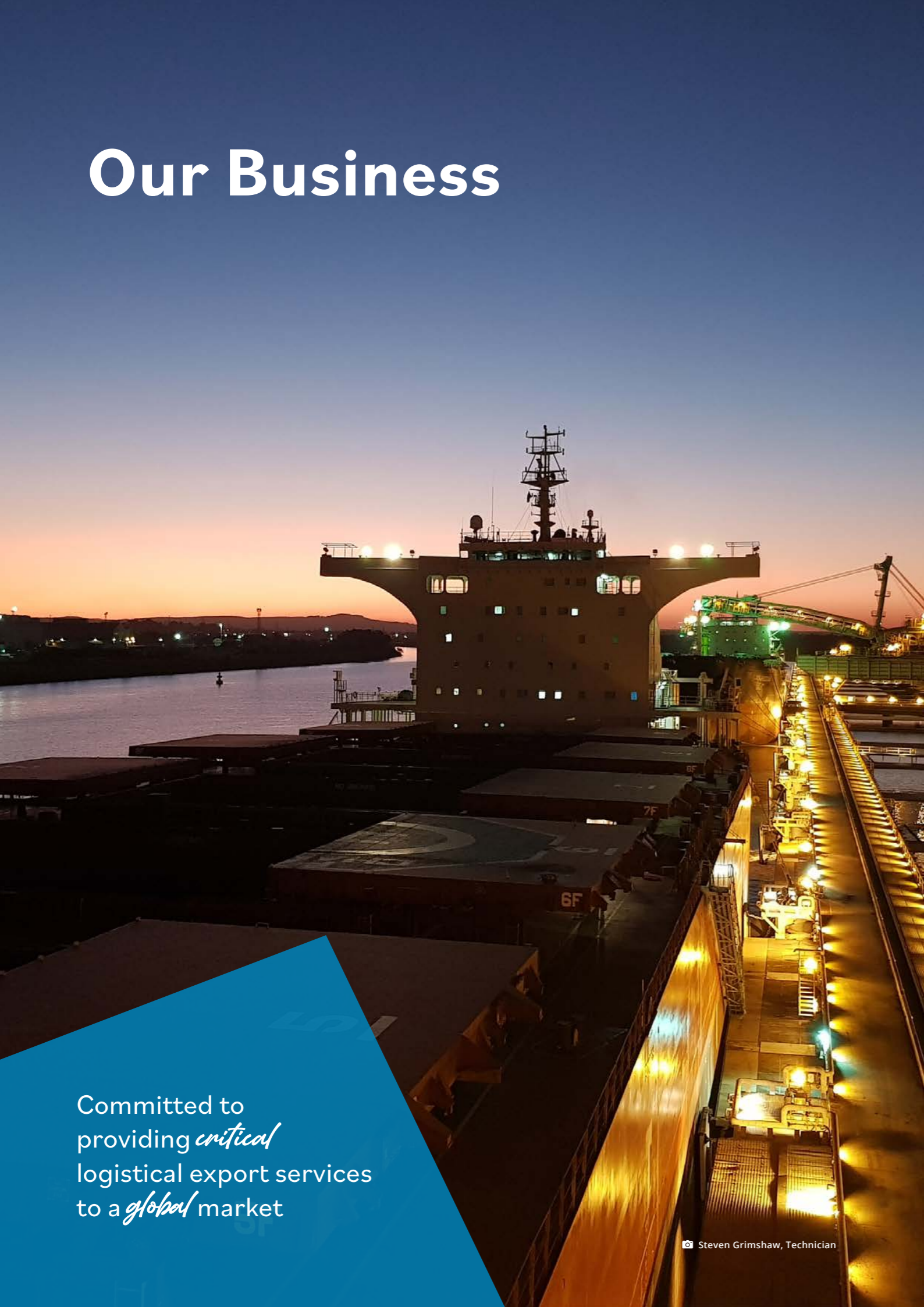
96%

CUSTOMER SURVEY
RESPONSE RATE



Andrew Bird, Technician

Our Business



Committed to providing *critical* logistical export services to a *global* market

Steven Grimshaw, Technician

WHO WE ARE

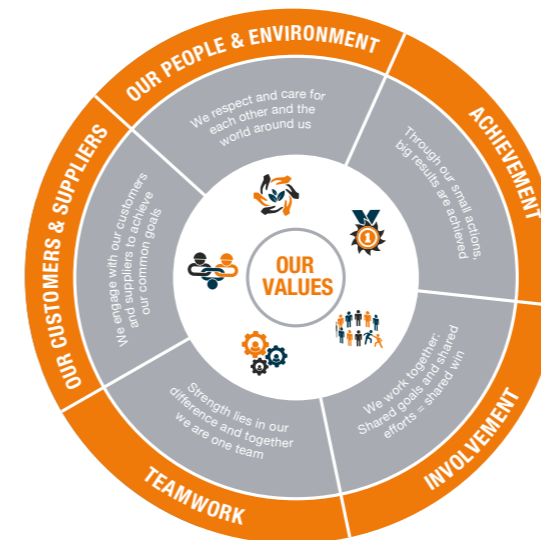
Newcastle Coal Infrastructure Group (NCIG) is a premier coal export terminal in the Port of Newcastle, Australia. We are an integral part of the Australian coal export industry and generate strong local and national economic benefits. With facilities that include rail, coal storage, ship loading and associated infrastructure, we provide critical transport and logistics services for our customers.

OWNERSHIP

Newcastle Coal Infrastructure Group Pty Ltd, is a wholly-owned subsidiary of NCIG Holdings Pty Ltd, a privately held corporation, owned by shareholders who are also our major customers. All shareholders are affiliates of shippers that have long-term capacity contracts for the majority of our terminal's capacity. The ultimate parents of NCIG's shareholders are BHP, Yancoal Australia, Whitehaven Coal, Peabody Energy Corporation, and Banpu Public Company Limited.

OUR VISION AND VALUES

Our vision to be the leading coal export terminal through our People, Processes, Plant and Performance drives our quest for success. Our values guide our everyday actions and interactions, and we monitor and manage our performance focusing on five key result areas.



WHAT WE DO

We provide critical logistical export services for our customers connecting their coal to energy and manufacturing markets around the world. Our core business is to work with our customers to safely transport their coal from rail to ship. Our terminal receives an average of 20 trains per day and has an allocated working capacity to store up to 4.5 million tonnes of coal. We load ships of up to 300 metres long that can carry up to 165,000 tonnes. We also facilitate inbound and outbound sampling of the coal stream to provide assurance to our customers that their product is handled according to their quality specifications.

OUR LOCATION

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, which includes listed wetlands of international significance.


OUR INFRASTRUCTURE

NCIG has modern, highly automated operations that can operate effectively with a lean workforce due to our robust operating and asset management practices. Our plant, infrastructure and operational performance is strong and consistent.

HOW WE WORK

Delivering a quality service to our customers is an essential aspect of our operation and our innovative and continuous improvement mindset helps us provide a leading-edge service. Our world-class coal terminal employs the latest technology and provides high reliability for our customers, and we are always looking for ways we can improve our business and service delivery. Our approach includes encouraging our people to use their skills, knowledge and experience to enhance our business performance and foster a workplace that positively encourages efficiency, safety, risk management and sustainability.

INBOUND

 **6km**
RAIL LOOP

 **2**
AUTOMATED DUMP STATIONS

 **2**
SAMPLE STATIONS

STOCKYARD

 **4** AUTOMATED
STACKER RECLAIMERS

 **5**
PADS OF STOCKPILES

 **4.5Mt**
ALLOCATED STOCKYARD CAPACITY

OUTBOUND

 **2**
SAMPLE STATIONS

 **2**
SHIPLOADERS

 **3**
SHIPPING BERTHS

ABOUT THE COAL WE HANDLE

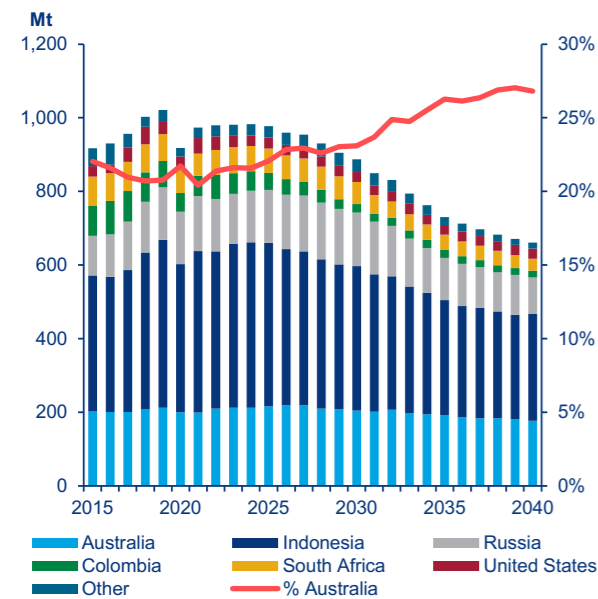
NCIG connects our customers' coal from the Hunter Region and broader NSW to overseas energy generators and steel producers. The coal that moves through NCIG is predominantly high-energy low-emissions (HELE) thermal coal, which is specifically used to produce energy. Hunter Valley thermal coal is a highly reliable source of energy for many nations and compares favourably to other producing nations. A small portion of the coal exported from our terminal during the year was metallurgical coal, which is primarily used to manufacture steel.

DEMAND FORECAST

Asia remains the primary destination for our customers' export thermal coal. Increasing energy demand within this region means that despite an increasing percentage of energy being produced by renewable sources, coal continues to be a critical energy source to support economic growth. The importance of Australia's high-energy, low-sulphur bituminous coal is expected to continue in the traditional markets of Japan, South Korea, and Taiwan, and will further increase in the developing nations in South East Asia. This is expected to drive an uplift in Australia's market share of global exports of thermal coal from 21% now to 25% in 2040. The strong demand for high-quality coal is being driven by the increasing build of high-efficiency, low-emissions (HELE) generation capacity throughout Asia designed to run high-energy coal. This outlook is also supported by an independent report produced by Wood Mackenzie in August 2022. The growing emphasis on lower air pollutants and carbon emissions means that Australian high-energy thermal coal, such as that of our customers, is forecast to be at an advantage in seaborne trade at the expense of lower ranked coals.

Seaborne thermal coal export supply by country

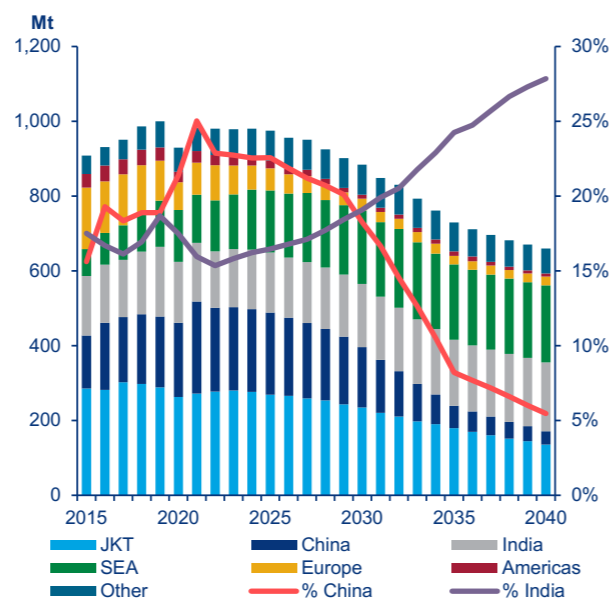
Global seaborne supply of thermal coal is expected to decline through to 2040. Demand for Australian coal will remain steady to meet the ongoing demand for high quality thermal coal.



Source: Wood Mackenzie¹

Seaborne thermal coal demand by country

A gradual decline in seaborne thermal coal demand from Japan, South Korea and Taiwan will be offset by growing demand in other developing South East Asian countries to support their economic growth. Demand from India is forecast to grow through to 2040, whilst China becomes largely self-sustaining through domestic supply.



Source: Wood Mackenzie¹

¹ Coal Market and Source Mine Report, Wood Mackenzie, August 2022. The information and data contained or displayed in this graph is for information purposes only. We, and Wood Mackenzie, do not make any warranties or representations in relation to the completeness, accuracy, reliability or fitness for any purpose of the information or data in this graph and, to the extent permitted by applicable law, do not accept any responsibility or liability in relation to any use of or reliance on this information or data. Use of or reliance on this information or data is solely at your own risk.

Our Customers

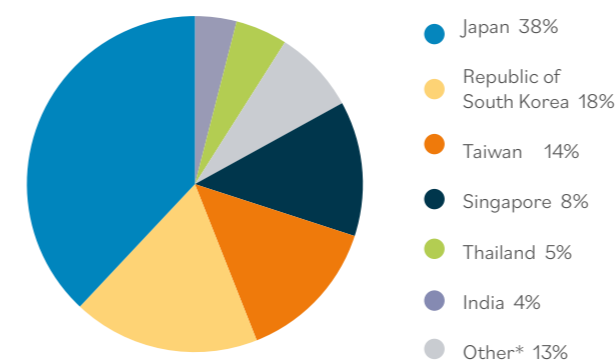
As a service business, we exist to add value to our customers. Each one produces coal to fulfil long-term contracts and to meet the needs of their international customers.

WHO OUR CUSTOMERS ARE

Our customers operate mines, many of which are located in the Hunter Valley, but also extend to Lake Macquarie, the Western Coalfields and Gunnedah Basin. We recognise that our customers are individual, and that their needs will change over time. We strive to obtain the best possible outcome for each individual customer whilst balancing the interests of the collective customer group. Our terminal operates 24/7 and uses highly sophisticated technology to ensure we are able to manage any interconnected variables and prevent and resolve unanticipated bottlenecks.

CUSTOMER EXPORT DESTINATIONS

This year, NCIG's customers shipped coal to 20 countries around the world. The majority of our customers' coal was exported to major markets across Japan, Republic of South Korea, Taiwan, Singapore and India. During the year, China continued to impose an import ban on Australian coal, however our customers were able to successfully find alternative markets for their coal.



EXPORT LOCATIONS

* Other countries receiving less than 4% of coal handled by NCIG include: Cambodia, Chile, Indonesia, Malaysia, Netherlands, New Caledonia, New Zealand, Philippines, Poland, South Africa, Sri Lanka, Turkey, United Arab Emirates and Vietnam.

NEW CUSTOMER ASSURANCE TEAM

In FY22, NCIG added an additional executive role to its organisational structure and established a new Customer Assurance team focusing on customer outcomes.

New Customer Assurance Manager, Victor de Souza says:

"This new team allows NCIG to invest more time listening to our customers and developing an understanding of their evolving needs. As a flow on, opportunities for innovation and improvements to our service will be seized, which aim to sustainably meet our customers' needs."

Since the team's formation, it has worked closely with our customers to:

- increase and improve customer communications, for example, in relation to extreme weather controls, asset reliability and maintenance planning, industry engagement initiatives and disruption management
- ensure extensive customer consultation in the development and implementation of key process and system changes
- increase industry representation through coordination and collaboration with industry partners, such as the rail order project to improve transparency for all organisations around rail order status and the work to establish an outbound industry metric
- develop and implement sticky product handling guidelines.

Optimising Sustainable Operations

NCIG takes a whole-of-business approach to optimising sustainable operations and has a continuous improvement mindset that empowers its people, encourages collaboration and promotes innovative thinking. This also enables us to service the needs of our customers, safeguard the interests of our stakeholders and the environment, and ensure our business continuity.

OUR SUSTAINABILITY STRATEGY

Our Sustainability Strategy Framework highlights what matters the most to our business and stakeholders in our pursuit of helping our customers meet their business objectives. It underpins how we deliver efficient, innovative, and reliable service to our customers.

The governance and delivery of these commitments and objectives are integrated into our overall business strategy and processes as we believe that our sustainability strategy and business strategy are complementary and mutually reinforcing.

Customers

We work collaboratively with our customers to help them achieve their best possible outcomes.

Governance

Our robust systems and processes support the delivery of our commitments and objectives.

People & Culture

We cultivate a safe, healthy, inclusive and innovative working environment for our people.

Plant & Environment

We ensure the resilience of our operations while minimising our impacts on the environment.

Community & Stakeholders

We collaborate with communities, industry partners and government to achieve positive social and economic outcomes.

MANAGING OUR IMPACTS

We proactively and strategically manage the impacts related to our key performance areas and consider this integral to our business resilience and financial success. Our robust systems and processes help us to assess our risks and to operate responsibly and efficiently. We aim to minimise our footprint and create positive impacts where possible.

This year we published our management approach for each of our key focus areas. Each one includes our commitment, goal and FY24 target, as well as information about our systems and programs, monitoring, management and reporting.



Find out more about how we manage our impacts and focus areas.

FY24 Targets



NCIG established three-year targets for all key sustainability focus areas of our operations during the year. The FY24 targets align with our sustainability strategy and have been approved by our Board. Our strategy and operational targets also align with, and contribute to, the achievement of several Sustainable Development Goals (SDGs).

A pathway for achieving our FY24 targets was also developed to ensure that we actively monitor and manage performance. For some focus areas this led to the establishment of FY22 interim targets, providing specific progressive improvement in performance to assist in the achievement of our commitments and goals.

FOCUS AREA	METRIC	FY24 TARGET	SDG ALIGNMENT
PEOPLE & CULTURE			
Safety	Total Recordable Injury Frequency Rate (TRIFR)	<5.0	3, 4
Health & Wellbeing	% employees with mental health training	80%	3, 4
Diversity & Inclusion	% recruitment activities with shortlist involving female candidates	90%	5, 8, 10, 16
Training & Development	% employees receive training and development to increase skill base above role requirements per year	40%	4, 8
PLANT & ENVIRONMENT			
Waste	% of total waste generated on site being recycled	70%	6, 7
Biodiversity	Hectares of land managed	102Ha	8, 9
Biodiversity	\$250,000 committed per year towards biodiversity conservation initiatives	\$250,000	11, 12, 15
Water	Reduction in potable water use	50%	6, 7, 14
Emissions	Reduction in operational emissions (Scopes 1 and 2)	30%	13, 15, 17
COMMUNITY AND STAKEHOLDERS			
Community Support	Number of employees actively participating in community events per year	25	3, 4
Community Support	Number of STEM related initiatives supported per year	5	4, 8, 11
Community Support	Number of community groups supported per year	30	8, 11, 17
Community Support	Spend on community initiatives per year	\$360,000	12, 14, 17
Procurement	Proportion of total expenditure spent locally	70%	15, 17

Governance & Risk Management



NCIG's governance and delivery of our sustainability commitments and objectives are integrated into our overall business strategy and processes. Our Board of Directors oversees our economic, social, environmental and cultural strategy and performance, while our people, robust systems and processes support the delivery of our business commitments and objectives.

GOVERNANCE STRUCTURE

Our Board of Directors comprises representatives from each of our shareholder companies and is chaired by an independent person. The Board consults on and ratifies decisions of the business related to strategy (including sustainability strategy), risk management approach, policy and values. Strategically we follow a rigorous annual budget and business planning process, and our performance is overseen by the Board's Audit and Risk Committee, which also ensures that our business processes adequately manage risks and opportunities as they relate to environmental, economic and social issues. The executive level of our business is accountable for implementing the strategic direction across the business via collaboration between Business Planning, Operational Capability, Assets and Infrastructure, Commercial, Sustainability, Customer Assurance, and People & Culture (PAC) teams.

GRIEVANCE MECHANISMS

We are committed to maintaining an open working environment in which all personnel on the NCIG site are able to report instances of Improper Conduct without fear of intimidation or reprisal. Our Whistleblower Policy supports our company values and aligns with our Code of Conduct Policy. Both of these policies are available on our intranet and website. NCIG's enquiries line is also available 24/7 for our external stakeholders.



Find out more about our approach to Governance & Risk Management

CODE OF CONDUCT

Our Code of Conduct Policy outlines the way we work and is underpinned by the values outlined in our Charter. It applies to all employees, directors and all others who work for, act on behalf of or represent NCIG, including contractors, agents and consultants. The Code of Conduct Policy outlines expected as well as unacceptable behaviours, and includes, but is not limited to, specific clauses related to personal conflicts of interest, health and safety, equal opportunity, anti-discrimination, bullying and harassment, gifts and entertainment, and confidential information. Our Code of Conduct Policy also references our Anti-Corruption Policy and our Whistleblower Policy.

ANTI-CORRUPTION

NCIG maintains high ethical standards and integrity in all its business dealings, and operates in compliance with the law, including all relevant anti-corruption and anti-bribery laws. Our Anti-Corruption Policy, which all NCIG personnel are required to comply with, outlines the rules of engagement with business partners, government officials and any other business or individual. It supplements our Code of Conduct Policy, and describes the policy's administration, our internal control systems and approach to training. Breaches or suspicious activities are required to be reported to nominated internal authorities.

RISK MANAGEMENT APPROACH

NCIG's approach to risk management follows a precautionary principle, while employing the latest technology to provide a highly reliable and efficient service for its customers. Our Risk Management Framework and associated risk management procedures are used to manage strategic and operational risks at a corporate level, including critical controls and control improvement action plans. Key risks we manage include legal and regulatory compliance, worker safety, environmental protection, asset protection and reliability, site security, cyber security and data protection and climate-related risks, including severe weather events.

RISK MANAGEMENT SYSTEMS

Our risk management processes help us systematically identify and assess the impact of foreseeable risks and emergencies, including those that could occur as a result of activities taking place adjacent to the site or as a result of site operations. These processes include our:

- **Broad-Brush Risk Assessment** – facilitated by external consultants every three years and includes risk identification, descriptions, analysis, ratings and treatment plans.
- **Enterprise-wide business risk assessment** – an externally facilitated annual assessment workshop that identifies material business risks and mitigation strategies.
- **Corporate Risk Register** – prioritises our risks based on their risk profile and level of severity as identified during the risk assessment and is regularly reported to the Board.
- **Risk control action plans** – address key business risks, which are reported to the NCIG Audit and Risk Committee.
- **Project Approval Management Plans** – developed as part of our licence approval process, they describe our risk assessment procedures by topic and include risk management activities.

LEGAL AND REGULATORY COMPLIANCE

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 and for building a strong rapport and positive reputation with our stakeholders.

During FY22, there was no legal action in relation to: anti-competitive behaviour; anti-trust or monopoly legislation; corruption; customer privacy; or discrimination.

ASSET MANAGEMENT

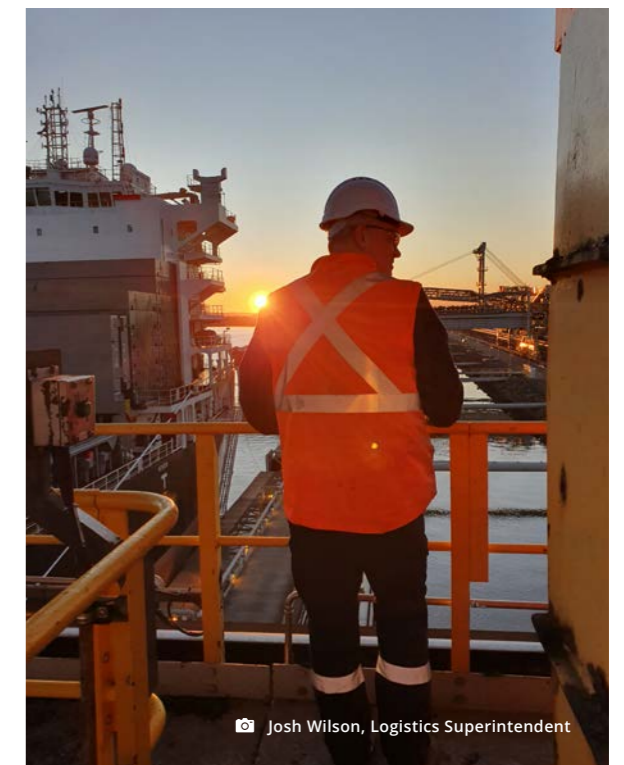
We take a holistic approach to asset management, and proactively and sustainably manage risks, cost and performance of our assets over the life of the terminal. Our reliability monitoring programs include world-class automated machine monitoring through sensors and control systems and regular manual inspections, testing and analysis of key equipment and components. All data collected is analysed and used as a key input to the creation of both short and long-term predictive asset maintenance strategies. This practice, in combination with well-defined asset management plans, helps ensure that the terminal can continue to meet current and future capacity and throughput demands of the business.

SITE SECURITY

Our wharf facility is regulated by Australian maritime security legislation and as such we are required to identify our risks and vulnerabilities and have a site security plan, which includes mitigation measures and incident reporting procedures for security related breaches. Our terminal 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 a specialised security service provider whose Quality Management System is ISO 9001:2015 certified. Maritime security guards are trained and equipped with Maritime Security Identification Cards (MSIC), relevant licenses and clearances to meet stringent security levels.

CYBER SECURITY AND DATA PROTECTION

We run a technically advanced business with state-of-the-art electrical, business and control systems. Our Cyber Security includes a series of multi-layered controls that can protect and detect cyber security threats to the business. NCIG has implemented the Australian Cyber Security Centre's Essential 8 (E8) strategy to protect against cyber security threats and mitigate the risk of incidents. Our recently developed cyber security policies and procedures have significantly raised the maturity of our security capabilities. Last year our Cyber Security controls were assessed against a globally recognised framework by an independent cyber security company, and we attained an above average rating compared with large Australian businesses with critical infrastructure.



Josh Wilson, Logistics Superintendent

Climate Adaptation and Resilience

📷 Luke Brouwer, Logistics Planner



NCIG recognises the impacts that climate change is having on businesses, particularly transitional and economic risks to traditional ways of working, and that this is heightened for businesses with exposure to fossil fuels.

We inherently mitigate these climate-related risks with the high quality of the coal we handle and subsequent market demand. We acknowledge that as a consequence of global decarbonisation efforts, the proportion of total energy that is generated from coal will reduce over time. We believe that Newcastle will continue to export thermal coal while ever import demand from Asia exists due to the world-leading energy content of this coal. Our coal handling service will continue whilst the demand from our customers remains.

UNDERSTANDING OUR CLIMATE RELATED RISKS AND OPPORTUNITIES

For several years scenario analysis has been undertaken by consultants Wood Mackenzie on our behalf to model future market demand based on potential future climate-related policies. This scenario analysis has been undertaken twice in four years. The scenario analysis includes Current Policies Scenario (CPS); Stated (Energy) Policies Scenario (STEPS); and Sustainable Development Scenario (SDS).

Scenario-based climate risk assessment

Our understanding of the impact of climate-related risks and opportunities continues to evolve. As part of maturing our understanding of how climate change may impact the business, in FY22 we worked with external consultants to conduct a scenario-based climate risk assessment, and review climate risk disclosure standards such as the Taskforce on Climate-related Financial Disclosures (TCFD) for potential response. The scope of work included modelling transition and physical scenario analysis and disclosure of the TCFD framework. Transition risk scenarios were based on Net Zero 2050 and Nationally Determined Contributions (NDCs). Physical risk scenarios were based on three types of climate scenarios – capturing low, moderate and high emission futures. The analysis included medium (2030) and long (2050) term horizons.

MANAGING CLIMATE-RELATED RISKS

NCIG's Board of Directors is responsible for overseeing our business processes and response to manage risks and opportunities as they relate to environmental, social, and economic matters. The Board consults on and monitors business decisions in relation to strategic directions, risk management, policy and procedures. Our Corporate Governance Policy and Charter describes specific duties of the CEO and management, which includes to develop, implement, monitor and effectively manage our risks and opportunities. The executive level of NCIG business is accountable for collaboratively implementing the strategic direction across the business.

NCIG incorporates resilience to climate-related risks into its corporate strategy and business planning. Our corporate strategy identifies climate-related transition risks, physical risks and social risks, while our Corporate Risk Register is implemented applying an integrated risk-based approach that provides detail around NCIG's climate-related risks. Our approach to identifying and assessing climate-related risks also follows that of our operational risk management.

The effective management of climate-related consequences is also achieved through the application of plans and procedures including NCIG's Crisis Management Plan and NCIG's Emergency Management Plan. Our rolling three-year strategy also includes climate related risks. We have a rigorous risk assessment process, which includes managing climate-related risks that were identified prior to the FY22 scenario-based climate risk assessment.

In FY22 we set a target to achieve Net Zero operational emissions (Scopes 1 and 2) by 2030. We also established an interim FY24 target of 30% operational emissions reduction. Next year we will develop our Net Zero Transition Plan to outline how our emission reduction targets will be achieved. We also plan to review the key findings and recommendations in the scenario-based climate risk assessment, and integrate them into strategic and financial planning, risk mitigation, and performance management and monitoring as appropriate.

MONITORING CLIMATE-RELATED RISKS

NCIG carefully monitors climate-related risks and potential impacts, and has developed action and adaptation plans to manage such risks in order to support operational continuity. The physical risks of climate change created by volatile weather, such as flooding and the increased frequency of extreme weather events have an impact on businesses operating throughout Australia, and in particular those located on the Eastern seaboard. Our Trigger Action Response Plans (TARPs) outline risk-based triggers that are monitored and provide guidance on the operational actions required if the trigger levels are reached. They also integrate a real-time site based severe weather tracking system that alerts and forecasts severe weather events including, thunderstorms, lightning, intense rainfall, hail and extreme winds.

REPORTING CLIMATE-RELATED DATA

NCIG recognises the importance of climate change reporting to our stakeholders, particularly our financiers and insurers. We disclose our Scope 1 and Scope 2 emissions annually in our sustainability reporting (see page 51) and in reports made to the Australian Government's Clean Energy Regulator through the National Greenhouse Emissions Reporting Scheme (NGERS). We consider that the emissions related to the end use of coal are beyond the boundaries of our Scope 3 emissions since we do not own, market or sell coal.

ASSESSING FUTURE DEMAND

NCIG acknowledges that the exact pace of global decarbonisation efforts is uncertain and that the pathway to net zero will take time. We also believe that high quality coal will remain part of the global energy mix for some time, as a mixture of cleaner forms of energy and innovative technologies, such as carbon capture and storage, will be imperative to meeting net zero commitments. The high-quality coal NCIG handles on behalf of our customers will play an important role in this transition, particularly for Asian economies, to help to ensure energy continuity, affordability and reliability to enable their social development ambitions to be met during this period. We base our planning on independent research and a range of plausible and internationally recognised climate-related risk scenarios to periodically assess future demand for thermal coal and our customers' subsequent demand for our services.

Taskforce on Climate-Related Financial Disclosures (TCFD)

NCIG continues to improve its understanding of the risks associated with climate change and as a part of this process during the year we commenced an analysis of the Taskforce on Climate-related Financial Disclosures reporting framework. We aim to be able to better understand our climate related risks and opportunities in the coming year.



📷 Karl Sturmer, Technician

Our People and Culture



We cultivate a *safe, healthy, inclusive and innovative* working environment for our people



COMMITMENTS

- Put our people's safety, physical and mental health first
- Integrate agility, diversity and inclusion in all areas of our business
- Provide training and development opportunities that ensure our people remain engaged and are ready for their next career challenge

GOALS

- Maintain a safe work environment and industry best practice standards
- Maintain a workplace that protects and promotes good mental health and wellbeing
- Increase the diversity of our employee group
- Increase knowledge and skill capacity to stimulate innovation

KEY MANAGEMENT PROGRAMS AND INITIATIVES

Highly effective systems and procedures form the foundation of NCIG's approach to managing our people and culture.

Our core systems and initiatives include:

- **Workplace Health and Safety Management System** - ISO 45001:2018 certified
- **Sustain Management System** - bespoke hazard, incident and actions management system
- **Safety Vitals** - fatal risk management system with a critical controls verification audit program
- **Zero Incident Process (ZIP)** - behavioural safety program focusing on Safety Citizenship
- **Bounce** - health and wellbeing program that involves periodic optional health assessments and targeted physical and mental health initiatives
- **Mental Health Strategy** - promotes and guides our mental health business focus
- **Apprenticeship program** - partnership program with a local vocational training company



Find out more about our management approach to Our People and Culture

PERFORMANCE AGAINST FY22 TARGETS

FOCUS AREA	METRIC	FY22 TARGET	FY22 ACTUAL	FY22 PERFORMANCE
Safety	Total Recordable Injury Frequency Rate (TRIFR)	<5.0	8.01*	
Health & Wellbeing	% employees receive specialised mental health training	80%	84%	
Diversity & Inclusion	% recruitment activities with shortlist involving female candidates	80%	88%	
Training & Development	% employees receive training and development above role requirements	40%	58%	

* Three minor injuries were recorded as Restricted Workday Injuries (cut finger x 1, rolled ankle x 2). Incidents were fully investigated and assessed as low potential risk events.





Our people and culture are integral to our success. The quality and productivity of our people and our business practices are also fundamental to our ability to achieve our objectives. Our focus on safety, health and wellbeing, training and development, and diversity and inclusion, is central to our approach.



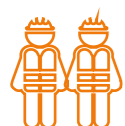
📷 Luke Dalton, Maintenance Superintendent

OUR TEAM

NCIG has a lean and highly productive workforce of 106 employees, which is supplemented by contracted labour to support our operations and maintenance activities during peak periods. Of our employees, 44 technicians are covered by the Coal Export Terminal (CET) Operations Workplace Agreement. Our teams consist of project supervisors, technicians, engineers, accountants, administrators, business analysts, HR, health and safety, environment, procurement, IT and logistics professionals, who are all passionate about their work and adding value for the benefit of our customers.

New hires

During the year we welcomed 11 new people to various areas of the business, and all have brought new energy and new perspectives. The number of new hires is significantly more when compared to previous years and was largely due to a higher voluntary employee turnover rate of 7.5% (FY21: 5.6%). Some of the people leaving NCIG had been with us for more than 10 years and in line with a post-pandemic trend, were seeking new career opportunities or complete career changes.



106
EMPLOYEES



11
NEW HIRES



24
EMPLOYEES CELEBRATED
10-YEAR ANNIVERSARY



8
EXECUTIVE LEADERS
6 MALE / 2 FEMALE



LONG TENURE CELEBRATED

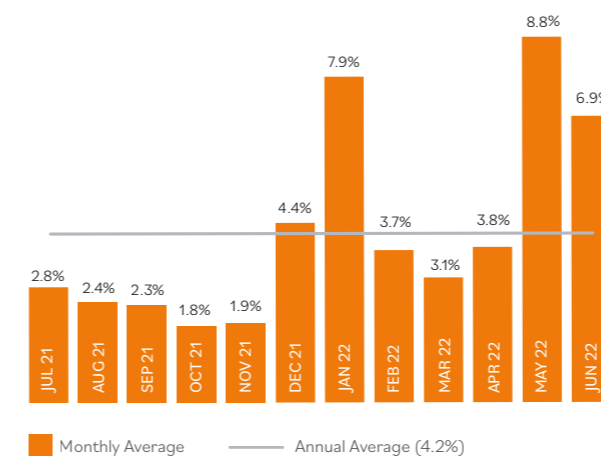
In the 2021 calendar year 24 employees celebrated 10 years of service at NCIG.

The long tenure of these employees is another indicator of our culture and employee engagement that we are proud of.

The milestone was recognised through the presentation of a gift to each of these employees. Formal celebrations for this were held in June 2022.

Absenteeism

During FY22, the total number of hours worked by employees and contractors was 374,370. Our annual average unplanned absenteeism rate was 4.2%, compared to 2.7% last year, largely related due to respiratory illnesses, including COVID-19 and influenza, that occurred in two distinct waves during January and May/June.



UNPLANNED ABSENTEEISM | % OF TOTAL HOURS

EMPLOYEE ENGAGEMENT

New Enterprise Agreement negotiated

A key activity undertaken in FY22 was the renegotiation of the Enterprise Agreement (EA) for our Technician group (CET 3 Operations Workplace Agreement 2018). A new agreement, CET 3 Operations Workplace Agreement 2022, was reached in May 2022 prior to the expiry of the 2018 agreement. The EA, which was the fourth in NCIG's history, was ratified by the Fair Work Commission in June. As in previous years, the focus was to engage and work closely with our workforce and other stakeholders, which ensured a smooth process, no industrial disputes and successful outcomes for all parties.

Employee pulse survey

Our workplace culture is important to us and finding out what our employees think helps provide insight for future strategies and programs. During FY22, our employees participated in voluntary employee 'pulse' surveys which allowed us to continuously gain their feedback on the way that NCIG rewards, recognises, supports, and engages our people in the workplace. The survey completion rate was 86%, reflecting the high engagement level of our workforce.

Employee benefits

We offer generous conditions to all employees and benefits that include a fully funded health program with gym membership, salary continuance insurance, additional annual leave, discounts to a number of local businesses and services, and opportunity to participate in community support programs.



📷 Josh Wilson, Logistics Superintendent

Safety

The prevention of injury and proactive management of the safety of our people is our number one priority.

Our people are at the heart of our business and the prevention and active management of any injuries to our workers is our number one priority. Centred around this focus, this year we established a new three-year target to achieve a Total Recordable Injury Frequency Rate (TRIFR) of less than five per annum. As at 30 June 2022, we had achieved 1,068 days Lost Time Injury (LTI) free, however we did not achieve our TRIFR target due to recording three low-severity recordable injuries.

SAFETY CULTURE SCORE

NCIG has developed a lead indicator safety metric, and for the last three years and has recorded a Safety Culture Score (SCS) based on the Sentis ZIP Safety Culture Model. This measure outlines leadership, person, practices and environment pillars that underpin safety excellence. Our SCS is founded on the premise that all safety incidents are preventable and is used to monitor the proactive activities that are being undertaken and provide an indication of the effectiveness of our safety systems. It supports continuous improvement in our safety culture, and is made up of the following indicators:

- hazard reporting
- near-hit reporting
- incident management process
- defect management
- preventive maintenance
- HSEC interactions
- fatigue checks.

The SCS is calculated and communicated to workers on a monthly basis to guide proactive things they can do to improve safety performance.



1,068

DAYS WITHOUT A LOST TIME INJURY

SAFETY VITALS PROGRAM

The focus on NCIG's fatal risk management program, Safety Vitals, continued in FY22 with the critical controls verification process to further embed these vital activities within the business. A review of the Safety Vitals program was conducted in 2022, with the aim to ensure the program remains an active and effective tool to guide the management of fatal risks on site. Opportunities identified were: further refinement of critical controls for each safety vital (fatal risk); improve verification audit tools; greater integration with HSEC interaction processes; and increase awareness and promotional programs. The improvement initiatives are scheduled for implementation in FY23.

INCIDENT, HAZARD AND ACTION MANAGEMENT SYSTEM

NCIG's bespoke incident, hazard and action management system, Sustain, enables us to manage, monitor and mitigate our workplace incidents and hazards. Designed and developed by us, the system provides a platform for our people to report incidents and hazards, investigate the root cause and reach effective and risk mitigating actions and outcomes. It also includes an intuitive workflow and authorisation system and aims to reduce the likelihood of similar incidents occurring in the future. The visibility of incidents and hazards across the business is integrated into our management reporting processes.



EMERGENCY FIRST RESPONDER TRAINING PROGRAM

This year NCIG partnered with Maxwell Training to deliver a first responder training program. The program, which began in March 2022, involved training and emergency scenarios delivered to first responders, specifically NCIG technicians, process leaders and process advisors who provide 24/7 operational emergency response coverage. The first responder training covered:

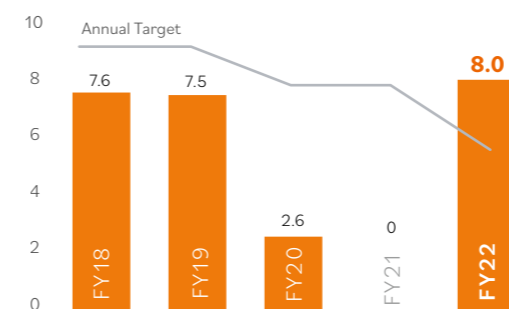
- confined space rescue
- fall from heights rescue
- firefighting
- hazardous substance spill response
- first aid
- water rescue.



Matt Wendtman, WHS Coordinator

INJURIES AND ILLNESSES

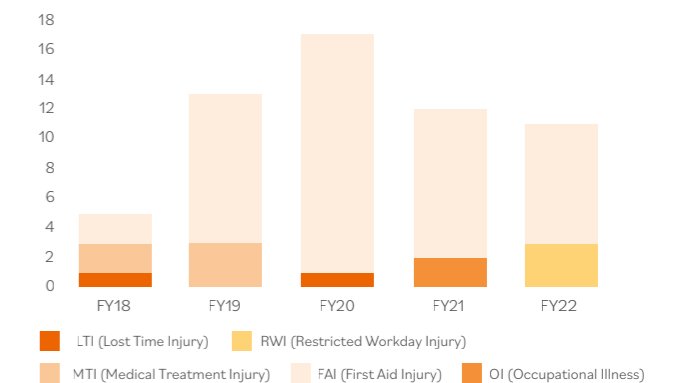
The prevention and active management of injuries to our employees or contractors is an ongoing focus and is a paramount element of our commitment to the health, safety and welfare of our people. Pleasingly, we recorded no lost time or medical treatment injuries to employees or contractors for the entire reporting period. However, there were eight First Aid Injuries (FAI) and three minor Restricted Workday Injuries (RWI), with two workers sustaining rolled ankles and another, a small finger laceration that resulted in some restriction of their duties to conservatively manage the injuries. Overall, the low number of injuries recorded is a good outcome and is validation of the excellent safety and reporting culture across all parts of the business.



TOTAL RECORDABLE INJURY FREQUENCY RATE (LTI, RWI, MTI) | 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), Restricted Workday Injuries (RWI) and Medical Treatment Injuries (MTI) per million hours worked on site.

Although there was a decrease in the total number of injuries compared to last year, the nature of the RWI injuries represents an elevation in severity compared to FY21. This is reflected in an increased Total Recordable Injury Frequency Rate (TRIFR) for FY22 and resulted in us not meeting our established target. The reporting of all injuries, incidents and hazards remains a pivotal element of NCIG's safety culture to ensure we identify areas to focus on to continue to improve as a safe workplace. NCIG includes employees and contractors in its safety metrics and reporting.



ALL INJURIES (LTI, RWI, MTI, FAI, OI)

NCIG's All Injuries metric includes:

- Lost Time Injury (LTI), an occupational injury which results in a worker not being able to work one or more shifts
- Restricted Workday Injuries (RWI), an injury that results in inability to perform routine hours/functions
- Medical Treatment Injury (MTI), a work injury requiring treatment by a medical practitioner, which is beyond the scope of normal first aid
- First Aid Injury (FAI), an injury that can be treated on site with immediate return to work
- Occupational Illness (OI), an abnormal condition caused by factors associated with the employment

Health & Wellbeing



We protect and promote the welfare of our people, with a particular focus on mental health and physical wellbeing.

RESPONDING TO COVID-19

With the COVID-19 pandemic continuing throughout FY22, NCIG made all efforts to continue maintaining business as usual and meeting our customers' needs while placing utmost focus on maintaining the safety, health and wellbeing of our people. Our Business Continuity Plan (BCP) and our Trigger Action Response Plan (TARP) helped inform the various actions implemented. Controls included:

- the introduction of a COVID-19 Vaccination Policy, which requires vaccination as a condition of site entry
- the rollout of a Rapid Antigen Testing (RAT) program to effectively monitor viral risk during high-risk periods
- proactive illness management whereby workers were asked not to come to work if they had any COVID-19 related symptoms even if their RAT returned a negative result
- a flu vaccination program for employees and permanent contractors, with four onsite vaccination sessions offered along with an offsite voucher system
- a vaccination program for seafarers as part of an initiative rolled out by NSW Health and Mission to Seafarers.

Throughout the year we closely monitored the risks to our people and adjusted our controls accordingly to protect their health and wellbeing and ensure our compliance with government recommendations and mandates. Our leaders provided consistent management and communication to help ensure unity and productivity, and our workforce displayed great flexibility, especially with the large proportion of NCIG employees that had to pivot between site-based work and working from home arrangements. We continue to work closely with local health agencies, industry partners and our workforce to monitor and manage the ongoing risk associated with COVID-19.

MENTAL HEALTH

Centred around our focus on mental health, this year we established a new three-year target to have 80% of our employees receive specialised mental health training.

Mental health workplace audit

During FY22 Mental Health Movement (MHM) conducted a mental health workplace audit, the purpose of which was to identify the mental health literacy levels within our workforce, any workplace challenges and the top contributing factors to potential poor mental health, mental health support skills (or lack of), mental health management skills and to understand any issues or barriers regarding the uptake of the Employee Assistance Program.

The results of the audit indicated that NCIG employees are confident in managing their mental health and helping a co-worker through a mental health struggle. There is also a very high awareness and utilisation of the Employee Assistance Program. Levels of job satisfaction, task control and work engagement were also higher than industry average. Areas of concern included presenteeism, support seeking behaviour, work life balance and job security. These areas were lower than industry average however they will drive the focus and implementation of our mental health strategy and programs.

Mental health workforce training

Following the Mental Health Audit, NCIG continued to partner with Mental Health Movement (MHM) to assist in delivery of our Mental Health Strategy and improve the way our people manage their mental health. MHM led mental health awareness workshops that 84% of our employees participated in. The sessions created connection amongst work colleagues through the power of story, targeted at breaking down the stigma associated with mental health, and provided six key fundamental building blocks to improve mental health outcomes. These workshops represent a foundational element as we continue to build our mental health awareness, resilience and skills in our teams.

Throughout September and October 2021, we also

delivered MHM's 'Coping with COVID' mental health resilience video series to all employees and contractors. The three-to-five-minute videos were targeted towards coping with the government-mandated lockdowns and helping our workers focus on managing their mental health and supporting their friends and family through the stressful contributing factors associated with the changing pandemic climate.

Psychosocial hazards risk assessment

At the end of FY22, NCIG undertook its first psychosocial risk assessment delivered by external partner, Mental Health Movement (MHM). The risk assessment aligns with the SafeWork NSW's new Code of Practice - Managing Psychosocial Hazards at Work, which was released in 2021. MHM identified workplace hazards that could present a potential risk to workers mental health and the appropriate controls to manage them. An implementation plan will be executed in early FY23.

PHYSICAL HEALTH

NCIG's Health and Wellbeing Strategy aims to help our people remain fit for work, functionally complete their work, and keep them engaged. It promotes initiatives to help our people achieve their health goals, such as physiotherapy for non-work-related activities, weight loss challenges, gym memberships, and participation in sponsored sporting events. As part of NCIG's health and wellbeing strategy, we offer all employees access to a range of fully funded health and wellbeing programs and benefits.

Bounce Program

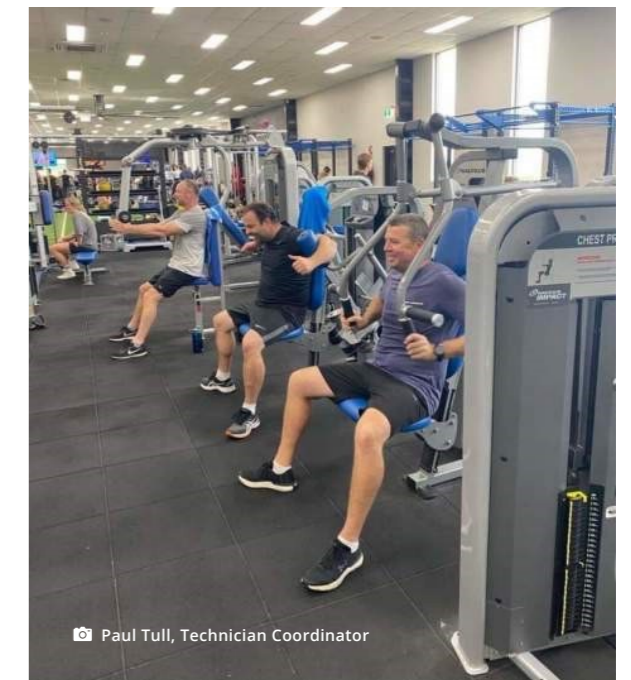
For more than 10 years the NCIG workforce has been delivering 'Bounce', its leading workplace health and wellbeing program. Developed by NCIG personnel, Bounce provides NCIG a clear health and wellbeing strategy and engages our people through periodic health assessments and targeted initiatives. It helps them to optimise their physical and mental health and provides NCIG an opportunity to optimise a healthy and safe workplace.

Annual health and fitness challenge

Each year NCIG organises an annual challenge that promotes health, regular exercise and social connection. This year, a large proportion of our employees and contractors participated in the We Bounce Challenge across a six-week period. Divided into smaller groups, participants logged their activity and posted photos in an online forum and competed against each other. In total 99 NCIG workers completed 80,535 minutes of exercise, logged 1,456 exercises, averaged 240 minutes a week per person, posted 1,158 photos and engaged with others 7,381 times. The challenge was well received, with many forming new healthy habits and enjoying social interaction during COVID-19 restrictions.

Biennial health assessment

NCIG coordinates a voluntary biennial organisational health assessment for its people. Every two years, various initiatives such as weight loss, movement and mental health programs are offered to support the health outcomes of our employees and contractors, with voluntary workforce participation of close to 100% regularly achieved. This year the health assessment saw 92 of our employees (87%) participate.



Paul Tull, Technician Coordinator



80,535
EXERCISE MINUTES
LOGGED IN WE BOUNCE



84%
PARTICIPATION IN MENTAL
HEALTH TRAINING



92
PARTICIPANTS IN BIENNIAL
HEALTH ASSESSMENT

Training & Development



Matt Wendtman, WHS Coordinator

We support our people to learn and grow in their chosen careers and actively support their development.

The personal growth and career development of our people increases their engagement, strengthens their motivation, and encourages teamwork.

We are committed to investing in training for our employees, from a compliance, competence and personal development perspective and provide training and development opportunities that ensure our people remain engaged and are ready for their next career challenge. Our goal is to increase knowledge and skill capacity to stimulate innovation.

DEVELOPING OUR PEOPLE

Training above role requirements

Employee competency remained a key focus during FY22. Through our sustainability strategy we committed to at least 40% of our employees receiving training and development to increase their skill base above their role requirements. Pleasingly we exceeded that target with a result of 58%. Types of training included study at TAFE and university, Trainer and Assessor Cert IV, ZIP training, high-risk training, psychosocial training and leadership training.

Leadership training

Our leaders are pivotal to us realising our people and culture objectives. In FY22 we completed the delivery of a two-year leadership program, facilitated by leadership training specialist 10,000 Hours. The program acknowledges leadership as a fitness and is centred on creating a learning environment where leaders can practice and enhance their leadership skills with the support of their peers.

Annual development reviews

We encourage people to do their personal best and each year every employee sets their own personal goals, including those for training and development, which are incorporated into personal performance reviews. Our system for personal development of our people includes routine quarterly meetings with line managers.

Throughout FY22 we finalised the roll out of Q-Review, a new performance appraisal system implemented for all employees and executive leaders. Q-Review centres around success profiles for all roles and defined key measures of success for individual roles.

A framework of expected behaviours was established, with the intention of focusing equally on the behaviours that underpin our culture and the outcomes we deliver. The expected behaviours include those that contribute to the successful attainment of our sustainability goals. We intend to continue to mature and improve the system and associated processes in the coming years.

GRADUATE AND APPRENTICESHIP PROGRAMS

NCIG is committed to providing opportunities for new entrants to our industry, we do this through our graduate and apprentice programs. Both of these programs provide the participants with invaluable experience in a working coal terminal in a large industrial setting. Our most recent graduate, Emma Creasey completed a two-year program in the field of civil engineering. In September 2021, we were delighted to offer Emma a permanent position as a Structural Engineer. Of her experience and appointment Emma says: "During my graduate rotation I was welcomed and supported in each department, gaining invaluable experience from the exposure to so many facets of the business. I was thrilled to get the opportunity to pursue my career at NCIG as a Structural Engineer. I have really enjoyed working as an engineer in this unique industrial environment, and I look forward to making a continuing contribution to the development of the business moving forward."

Our well-established apprenticeship program is a collaboration with a local training company, Hunter Valley Training Company (HVTC). One of our apprentices, Michael Owen, won the 2022 HVTC Excellence Award in May 2022, a reflection of his dedication and the level of support NCIG provides its apprentices. This year, two apprentices (one electrical, one mechanical) completed their final year and two apprentices (one electrical, one mechanical) continued into the third year of their apprenticeship. Following a competitive recruitment process, two new apprentices (one female electrical and one male mechanical) were appointed to the program and commenced training in January 2022 within their respective trades. The integration of female apprentices supports our ambitions to increase diversity in technical and trades-based roles.

Diversity & Inclusion

Our culture is inclusive and promotes equality and diversity, supporting all our people to reach their full potential.

When it comes to workplace diversity and inclusion, we are committed to being focused on driving change within our business. Understanding our diversity aspirations and transforming these into positive behaviours and action is an essential part of NCIG's working environment. It facilitates customer connections and stimulates the creation of opportunities and innovation.

We recognise the importance of a workforce with a diverse background, which involves aspects of ethnicity, age, gender, gender identity, disability, sexual orientation, religious beliefs, language and education. We believe that by having a diverse workplace we will benefit from rich and challenging opportunities and experiences and better reflect the community we live in. We recognise that each member of our workforce has a unique blend of characteristics, knowledge, skills, perspectives and life experiences. We respect and value their differences, and believe that this promotes equality, diversity and inclusion.

NCIG's Equity and Diversity Policy, together with our Code of Conduct, provide a strong overarching set of values and

beliefs that act as the foundation upon which systems, practices and behaviour are built. They set out our formal commitment to a workplace culture that builds respect, fosters inclusiveness, promotes diversity and embraces the unique skills and qualities of all our employees. A three-year action plan also outlines how our objectives and commitments are prioritised and achieved.

ENCOURAGING GENDER DIVERSITY

NCIG has a long-term commitment to redress historical and existing workforce gender inequality within the engineering and trade-based areas of our business and have strategies in place to increase the number of women in our workforce. All NCIG employees participate in our Respectful Workplace Program that further supports gender equality through education and self-awareness. Opportunities to remedy the gender imbalance through turnover alone are limited due to NCIG's low employee turnover rate.

We have always encouraged and welcomed female applicants across all role types, and specifically into non-traditional roles, and although we have taken steps to reduce the likelihood of gender bias across the recruitment process, it has not resulted in a meaningful or sustained increase in female participation within technician, trade-based and engineering roles. Last year NCIG worked to acquire a five-year exemption from Anti-Discrimination Board of NSW to conduct targeted female recruitment for trades based and technical roles. In FY22, we established an FY24 target that 90% of external recruitment activities will short list female candidates. We also established an FY22 interim target of 80%, which we achieved with 88% female shortlist candidates. Furthermore, 18% of all new hires were female, and one additional apprentice was female.



NCIG APPRENTICE WINS APPRENTICE OF THE YEAR 2022

NCIG electrical engineering apprentice, Michael Owen, won the 2022 HVTC Excellence Award in May 2022. Michael impressed the judges and achieved highly in all areas. Demonstrating outstanding commitment to his training and development, Michael also simultaneously completed his Certificate IV in Industrial Electronics and Control, and Diploma of Electrical Engineering.

NCIG works in partnership with Hunter Valley Training Company (HVTC) to help meet the changing training and workforce needs of business and industry. The HVTC Excellence Awards celebrate ongoing commitment to promoting excellence in training and employment.

Since winning the award, Michael has accepted a full-time technician role with NCIG and achieved a place in the 2022 Today's Skills Tomorrow's Leaders program in Canberra.

"Doing my apprenticeship at NCIG was great and was really rewarding. I've enjoyed learning and being supported by a high calibre technician team during my apprenticeship. It was a big surprise to be nominated for the award, let alone win it."

Michael Owen, Apprentice Electrical Engineer

"This award is not only a testament to Michael's hard work, but also the trust we bestow on our apprentices by giving them real projects to work on. It reflects our values of teamwork, involvement, achievement and caring for each other when our people provide guidance and support to apprentices. I am proud of Michael and our people."

Luke Dalton, Maintenance Superintendent

Our Plant and Environment



COMMITMENTS

- Proactively manage our risks through robust systems, processes and scenario planning
- Achieve Net Zero operational emissions (Scopes 1 & 2) by 2030
- Optimise our air, water and waste management
- Nurture positive outcomes for local biodiversity through our projects and partnerships

GOALS

- Reduce operational emissions (Scopes 1 & 2) in accordance with our Net Zero Transition Plan
- Minimise reliance on potable water network, in particular during times of high water stress (drought)
- Achieve minimum possible waste footprint through proactively managing reduction, reuse and recycling where possible
- Increase habitat value of existing lands managed for biodiversity outcomes through active management and partnerships

KEY MANAGEMENT PROGRAMS AND INITIATIVES

We commit significant resources to the management of our material environmental risks to ensure that we continue to meet the expectations of our stakeholders.

Our core systems and initiatives include:

- **Environmental Management System (EMS)** - ISO14001:2015 certified
- **Environmental Management Plans** - how we control and actively manage water, air quality, noise and biodiversity
- **Biodiversity partnerships** - collaboration with the University of Newcastle and University of NSW on biodiversity monitoring and enhancement initiatives
- **Waste management strategy** - limits landfill, promotes reuse and recycling with 20 different waste streams, and prioritises the best end-of-use for products and resources used
- **Energy and Emissions Management Strategy** - includes 10% contracted green energy and electrification of fleet vehicles program
- **Recycled Water Project** - to reduce our reliance on potable water



Find out more about our management approach to Our Plant and Environment

PERFORMANCE AGAINST FY22 TARGETS

FOCUS AREA	METRIC	FY22 TARGET	FY22 ACTUAL	FY22 PERFORMANCE
Emissions	% reduction in operational emissions (Scopes 1 & 2)	10%	10%	
Waste	% waste recycled (of total waste) per year	65%	75%	
Biodiversity	Manage 102 hectares	102Ha	102Ha	
Biodiversity	Annual funding committed towards biodiversity	\$221,000	\$231,000	
Water	% reduction in potable water use	0%	71%*	

*Reduction in potable water use per year compared to FY15 -20 baseline



We ensure the *resilience* of our operations while *minimising* our impacts on the environment



NCIG is committed to managing its operations to ensure the lowest possible impact on our local surrounding environment. Key environmental focus areas include energy and emissions, noise, air quality, waste, water and biodiversity. We commit significant resources to ensure that we continue to meet the requirements of our project approval and the expectations of our stakeholders.



© Ross Zimmerman, Hunter Bird Observers Club

LICENCING AND COMPLIANCE

NCIG is subject to strict environmental regulation by both State and Federal authorities in respect to its operations. Environmental management processes are in place and were maintained throughout FY22 to monitor compliance against all relevant regulatory requirements. NCIG also facilitates audits and provides relevant authorities with regular updates on the activities and compliance status of the terminal.

Throughout FY22 there were no material breaches of any of our environmental obligations. There was however one incident that occurred in September 2021, which required regulatory notification. The incident involved an overflow of dirty water into the Hunter River from a shiploader during routine equipment testing. The incident occurred as a result of a failed seal in a process water control valve. The overflow did not result in any material impact to the receiving aquatic environment however the NSW EPA was notified, and an action plan was developed to address the recommendations from the incident investigation and to prevent an event of this type from recurring.

Independent Environmental Audit

During the year, we completed an Independent Environmental Audit (IEA) against our Project Approval. The IEA is conducted every three-years and is completed by a specialist Lead Auditor who is approved by the NSW Department of Planning and Environment (DPE). The audit was completed over a two-month period and took into account the past three years of environmental and community performance. Of our 104 Project Approval conditions, the audit found just four non-compliances. Two of the non-compliances were related to previously reported water overflow events, neither of which resulted in material harm to the environment. The other two non-compliances were classified as low-risk administrative non-compliances. The final report and proposed corrective actions were submitted to the DPE and were subsequently endorsed.



71%
REDUCTION IN
POTABLE WATER USED



75%
TOTAL WASTE
RECYCLED



2,865
KILOGRAMS SOFT PLASTIC
WASTE COLLECTED SINCE 2018



10%
CERTIFIED GREEN ENERGY

Energy and Emissions

NCIG is committed to achieving Net Zero operational emissions by 2030



During the year, NCIG took the significant step of committing to a target of Net Zero operational emissions (Scopes 1 and 2) by 2030. As part of our initial steps to achieving this target, we also identified an FY22 target of 10% emissions reduction.

EMISSIONS REDUCTION STRATEGY

NCIG recognises that many countries, including Australia, have committed to emission reduction targets that align with the Paris Agreement, as evidenced in their Nationally Determined Contributions (NDCs). As an Australian business, we are committed to operating as sustainably as possible, and to actively work to reduce the greenhouse gas emissions within our direct control.

Our core focus is on reducing operational emissions (Scopes 1 and 2) since these are within our direct control. We acknowledge the growing societal focus on the management and disclosure of Scope 3 emissions sources. Given the nature of NCIG's business as a transport and logistics export service provider, our Scope 3 emissions are not associated with the actual products we transport, store or load on behalf of our customers. As such, we consider emissions related to the end use of coal is beyond the boundaries of our Scope 3 emissions since the coal is not owned nor sold by NCIG. We are working to fully understand NCIG's Scope 3 emissions footprint to determine where reductions may be feasible, affordable and within our control. In the coming year we will also be developing our detailed Net Zero Transition Plan that defines the way in which we will continue to reduce our emissions footprint.

More broadly, NCIG recognises the steps that are taken across the coal value chain to increase efficiency and reduce emissions associated with the use of coal. While NCIG's ability to influence is limited, we look forward to leveraging our position within the industry to continue to be an active voice and play our part in improving the sustainability of the wider coal value chain.

WHERE OUR EMISSIONS COME FROM

NCIG's approach to identifying the emissions sources within our direct control reflects the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard, which classifies GHG emissions into three broad scopes.

SCOPE 1

Scope 1 emissions are the direct emissions created from an organisation's owned or controlled sources, including company facilities and vehicles.

Our Scope 1 emissions relate primarily to diesel, oil, grease and petrol consumption by vehicles and machinery onsite.

FY22 actions to reduce Scope 1 emissions:

- First electric vehicle purchased
- Electric vehicle charging station installed

SCOPE 2

Scope 2 emissions are the indirect emissions associated with an organisation's operations, primarily purchased electricity, steam, heating, and cooling.

Our Scope 2 emissions primarily relate to electricity purchased from the grid, of which 99% is used to operate our infrastructure assets such as conveyor belts, stacker-reclaimers and shiploaders.

FY22 actions to reduce Scope 2 emissions:

- 10% certified green energy purchased
- Commitment to purchase at least 30% certified green energy by FY24
- Energy efficiency initiatives implemented
- Energy Management Working Group established

SCOPE 3

Scope 3 emissions are the indirect emissions that occur in the value chain, both upstream and downstream.

Our Scope 3 emissions relate to emissions derived from the production and transport of materials purchased by NCIG, as well as emissions associated with employee travel and commuting.

FY22 actions to reduce Scope 3 emissions:

- Organisational boundaries defined
- Preliminary review of Scope 3 emissions profile commenced

ENERGY CONSUMPTION

NCIG has a proactive approach to energy management. The vast majority of our energy usage is directly related to the electricity required to operate our critical infrastructure and assets, so our approach focuses on reducing operational energy consumption at our critical points of demand. We are also committed to procuring renewable energy where feasible.

NCIG's total energy consumption for FY22 was 278,436GJ, which was almost 7% more than last year. This is primarily due to Shiploader 2's return to service, which also resulted in increased throughput through our terminal. Accordingly, as a result of the increased throughput, our energy intensity levels reduced by 4.6% to 5,560GJ/Mt from FY21 to FY22.

RENEWABLE ENERGY

During the year we continued our commitment to a minimum of 10% certified renewable energy sources in our electricity supply contract. We also committed to increasing this value to 30% by FY24.

NCIG participates in GreenPower, a government-managed voluntary accreditation program, and the most highly regarded standard for offsite renewables in Australia. GreenPower independently audits electricity providers to make sure the right amount of renewable energy is fed into the grid on its customers' behalf. This year 7.56GWh of our electricity consumption was derived from 100% renewable sources such as solar, wind, mini-hydro and bioenergy. The reduction in greenhouse gas emissions associated with this initiative is approximately 5,976 tonnes of CO₂, completely offsetting our Scope 1 emissions.

ENERGY MANAGEMENT WORKING GROUP

This year we established an Energy Management Working Group which will assist with identifying, assessing and helping drive energy initiatives onsite and provide input into our Energy Management Strategy (EnMS) and ongoing management practices.

NCIG is committed to a minimum of 30% reduction in operational emissions (Scopes 1 & 2) by FY24



LED LIGHTING TRANSITION PROJECT

NCIG previously received a grant from the Commonwealth Government to accelerate the replacement of LED lighting through the Energy Efficient Communities Program. This year, our LED Lighting Transition Project completed lighting replacements on two of NCIG's Stacker Reclaimers and on shiploading infrastructure. The upgraded LED lamps, approximately 780 of them, are expected to deliver an annual reduction of approximately 200-270 MWh per annum, depending on light usage hours, which can vary across different equipment, weather, and different times of the year. Beyond the grant project, NCIG additionally self-funded further LED lighting replacements on two more Stacker Reclaimers, conveyor infrastructure and offices. We continue to seek new opportunities to improve our energy efficiency.



ELECTRIFYING OUR FLEET

As part of our shift towards operational net zero emissions by 2030, NCIG commenced planning for the introduction of its first fully electric vehicle during the period.

Taking delivery of an electric Hyundai Kona in May 2022, we also installed a charging station at our administration building.

Further planning and assessments associated with the electrification of NCIG's vehicle fleet is planned for FY23, however we recognise that the local availability of EVs remains a major constraint.

An NCIG project team was established at the end of FY22 to further assess and provide recommendations on the most appropriate implementation for the remaining fleet.

GREENHOUSE GAS EMISSIONS

In FY22 NCIG's total tonnes of carbon dioxide equivalent (tCO₂e) emissions (Scope 1 and Scope 2) from operations was 54,156tCO₂e (an increase of 4.9% on FY21 emissions). This was a direct result of the increased throughput (and associated energy demand) through the terminal and the return to service of NCIG's Shiploader 2. NCIG's continued commitment to purchase 10% certified green energy, resulted in a Scope 2 emissions offset of approximately 5,976tCO₂e during the reporting period. NCIG's emissions intensity for FY22 was approximately 1,081tCO₂e per Mt of coal exported, in comparison to approximately 1,154tCO₂e per Mt in FY21 (a decrease of 6.3%). This reduction was primarily related to increased throughput during the year.

DUST MANAGEMENT

Management of fugitive dust emissions at our terminal is a critical part of our operations and we have operational planning and strategic initiatives that underpin our efforts. Our Operation Dust and Air Quality Management Plan outlines how we control and actively manage dust emissions from our facility. Systems include our award-winning Integrated Dust Management System (IDMS), which uses weather forecasting and real-time weather data from NCIG's meteorological weather station to calculate the coal moisture to automate stockyard and conveyor sprays. We collect dust emission data from eight dust deposition gauges located in suburbs located proximal to our terminal, for example in Stockton, Carrington and Mayfield, to confirm high standards of air quality continue to be maintained. We do this in collaboration with neighbouring industries.

This year we incorporated dust risk forecasting into our Logistics Management System (LMS), to further improve the way we plan tasks to proactively manage potential dust risks on site. The addition of dust risk into our LMS system provides improved visibility to our operational work crews, especially those planning activities during higher risk weather conditions.

NOISE MANAGEMENT

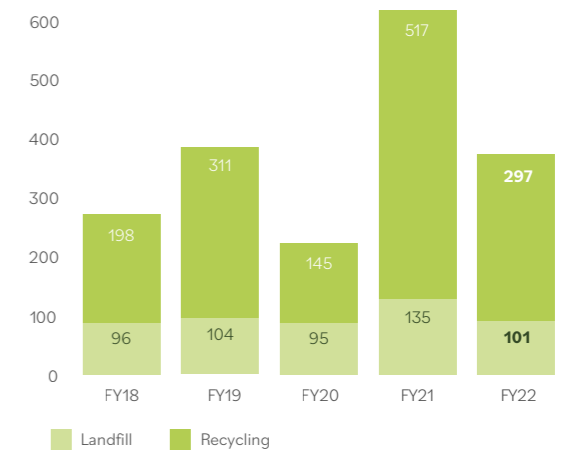
We operate in a heavily industrialised area and our activities have the potential to impact local noise amenity. Careful monitoring and management of our noise footprint is therefore an important part of our day-to-day operations. Our Operation Noise Management Plan outlines how we control and actively manage noise emissions onsite. We regularly monitor the noise created onsite by our operational infrastructure and noise readings in the surrounding communities are taken by external consultants on our behalf. This helps ensure that any noise issues are identified early, and that our plant is maintained to keep noise levels below specified limits. Noise criteria for our site operations is defined by our Project Approval and Environmental Protection Licence.

Waste

NCIG has a strong tradition of limiting waste to landfill, promoting reuse and recycling, and achieving the best end-of-life use for the products and materials used at our terminal.

WASTE RECYCLING

We aim to achieve the best end-of-life use for the products and materials that we use onsite. We currently manage approximately 20 different waste recycling streams, including soft plastic, metal, paper and cardboard, e-waste, and machine waste such as conveyor idlers and belts. This year we established a new three-year target of recycling 70% of total waste per year by FY24, which we achieved by recycling 75% of total waste generated. This represents 297 tonnes of waste recycled and a continuance of strong waste management and recycling performance. In FY22, we reviewed recycling across our site and engaged a waste industry expert to provide additional opportunities for recycling and re-using waste. We expect the expert's summary of potential measures to be available in early FY23, when we will develop an implementation plan to further improve our recycling opportunities.



WASTE GENERATED | TONNES

PLASTIC WASTE INITIATIVE

NCIG is working to identify opportunities to integrate circular economy thinking into its waste management approach. This year we are again proud to have continued our partnership with Plastic Police. Since 2018, our soft plastic waste has been collected and processed to contribute to the production of recycled products including bench seating, bollards, and sleepers. This year we diverted 672kg of soft plastic material from landfill, bringing our total since 2018 to 2,865 kg.



Water

NCIG uses water responsibly and avoids impacting surrounding water bodies.

We utilise water for a number of processes onsite, including dust suppression. Stormwater captured in onsite holding ponds is used preferentially for process water purposes over potable water where possible. There are however times of the year when our stored water levels are low and potable water is sourced for onsite use.

WATER CONSUMPTION

During the year NCIG's overall water consumption reduced slightly in comparison to last year, down from 155ML in FY21 to 134ML this year. Compared to our baseline, we once again had a large reduction in potable water use (71%), however this is primarily the result of increased rainfall of 1,285mm onsite during the period. In FY22 we also established a three-year target to reduce potable water consumption by 50%. As part of ensuring we achieve this target, we also made significant progress on our Recycled Water Project.

RECYCLED WATER PROJECT

The execution phase of our Recycled Water Project over the FY22 period was a significant milestone and is one of our biggest commitments to reducing our environmental footprint.

At present, our raw water system supplies all of our industrial water supply needs, including for dust suppression, washdown hoses, conveyor sprays, and our fire water system. It is predominantly sourced from captured stormwater from rainfall runoff across our site, which is either pumped or gravity fed to our site water storage ponds for re-use. When demand exceeds the available water storage, NCIG draws on potable water from the Hunter Water network.

Our Recycled Water Project will allow us to receive up to 1.5ML of recycled water daily and draw upon it preferentially over potable water to supplement our existing raw water system. This will deliver significant potable water savings on site and will greatly improve business resilience during drought conditions when potable water restrictions are in force, and community demand is most critical. This project also aligns with the objectives of the Lower Hunter Water Security Plan.



RECYCLED WATER PROJECT

Following a detailed justification phase and assessment process in FY21, this year NCIG partnered with coNEXA Infrastructure Partners (coNEXA), to supply our terminal with recycled water from their Advanced Water Treatment Facility at Steel River, one of the most advanced water treatment facilities in NSW. The water treatment process consists of a membrane filtration system and Reverse Osmosis Plant, which is being upgraded from a capacity of 9ML per day to 10.5ML per day by coNEXA to support the supply of recycled water to NCIG. The water quality received will meet the highest level of quality as outlined in the Australian Recycled Water Guidelines.

The Recycled Water Project will reduce the pressure on the water supply network at times when the potable water network is stressed.

This year we completed all civil works, including:

- installation of a supply pipeline and metering point at NCIG's front gate
- installation of a supply pipeline to the recycled water holding buffer tank
- installation of a calcite filtration system to help mineralise the water (to avoid concrete pipeline impacts).

Commissioning of the system and supply of water from the pipeline is expected in the first half of FY23, when the supply infrastructure and connection to an existing recycled water pipeline, provided by coNEXA, is ready. Recycled water use will be managed by NCIG using a newly developed Recycled Water Management Plan.



Biodiversity

NCIG is committed to protecting and enhancing the local ecology within our facilities and surrounds through active management and collaborative partnerships.

As part of our management approach, this year we established two FY24 targets, being to continue to manage the 102Ha of adjacent land, and to commit \$250,000 funding per year towards biodiversity conservation initiatives. We also established an FY22 interim target of \$221,000 funding, which we exceeded with \$231,000 provided towards biodiversity related enhancement and conservation activities.

PROTECTING LOCAL ECOLOGY

NCIG focuses on increasing the habitat value of the fresh and tidal wetland adjacent to our operation, including within the Hunter Estuary Wetlands. Listed under the Ramsar Convention, this area includes the Kooragang Nature Reserve, and provides habitat to several threatened species and communities, including migratory shorebirds and a threatened species of ground-dwelling tree frog native to Eastern Australia (the Green and Golden Bell Frog, *Litoria aurea*). Our efforts aim to create, restore, and sustain biodiversity of our native flora and fauna in urban environments, creating wildlife corridors and encouraging habitat conservation.

COMPENSATORY HABITAT AND ECOLOGICAL MONITORING PROGRAM

Our ecological enhancement activities focus on increasing the habitat value of existing biodiversity through active management and collaborative partnerships. Our Compensatory Habitat and Ecological Monitoring Program (CHEMP) has been developed to offset impacts to local ecology, including the endangered Green and Golden Bell Frog and migratory shorebirds.

Our Green and Golden Bell Frog biodiversity monitoring and maintenance program features a 78-hectare landscaped wetland precinct, which provides aquatic and terrestrial habitat for the endangered Green and Golden Bell Frog. Our Green and Golden Bell Frog Compensatory Habitat is managed in consultation with the NSW National Parks and Wildlife Service. We also have a long-standing partnership program with the University of Newcastle's Amphibian Research Group (Conservation Biology Research Group), which supports Post-doctoral research and undergraduate university research scholarships. During FY22 no breeding events were recorded in our compensatory habitat, however several breeding events were recorded across other areas on Kooragang and Ash Island, which demonstrates the importance of this quality habitat mosaic for local conservation management.



\$231,000

TOWARDS BIODIVERSITY ENHANCEMENT RELATED ACTIVITIES



9

SPECIES OF SHOREBIRD RECORDED



102 Ha

LAND MANAGED FOR IMPROVED BIODIVERSITY OUTCOMES

WETLAND RESTORATION

As part of our CHEMP, NCIG has restored and continues to manage tidal wetlands known as Fish Fry Flats and Wader Creek, located on Ash Island in the Hunter Estuary. This is a key location within the East Asian-Australasian Flyway. NCIG manages tidal water from the Hunter River into the wetland using an automated flood gate to restore the habitat back to a saltmarsh and mudflat dominated habitat to attract migratory shorebirds.

Working with NSW National Parks and Wildlife Services, the University of New South Wales, the Hunter Bird Observers Club, environmental groups and government departments for several years, NCIG has re-established an endangered coastal saltmarsh ecological community in this area. Through targeted management activities, wetland habitat and sensitive vegetation communities, including coastal saltmarsh, are able to grow. This provides a suitable habitat for not only endemic, but also migratory shorebird species, which visit the estuary each summer, returning from a journey that takes some birds as far north as Siberia and the Arctic Circle.

Since we commenced the project in 2016, there have been 16 shorebird species, including nine species of migratory shorebird return to this part of the estuary. In FY22, nine shorebird species, including four migratory species, were observed using the Migratory Shorebird Compensatory Habitat. Species such as the Critically Endangered Eastern Curlew were observed consistently and, most recently, the Vulnerable Bar-tailed Godwit was observed in the habitat for the first time.

The East Asian-Australasian Flyway is the route flown each year by millions of migratory shorebirds. The birds spend the Southern Hemisphere's warmer months (from October to May) in Australia, then fly up the eastern seaboard of Asia to breeding grounds. Whilst in Australia, the birds feed and almost double their body weight to fuel their long journey. For that reason, NCIG's efforts to enhance the biodiversity of our local wetlands plays a particularly important role.



Our Community and Stakeholders



We collaborate with communities, industry partners and government to achieve positive social and economic outcomes



COMMITMENTS

- Contribute to local economic prosperity through local employment and procurement
- Invest in the STEM talent pipeline of today and tomorrow and contribute to building local technical capability
- Commit our capabilities and resources to support our community's education, health and environmental sustainability

GOALS

- Support local economy and prosperity
- Establish and maintain strong relationships with local community and other stakeholders that lead to positive business outcomes
- Maintain positive interactions with local community groups to maintain social licence to operate

KEY MANAGEMENT PROGRAMS AND INITIATIVES

We are a proud Novocastrian and Hunter business and are committed to contributing to the prosperity of our local communities and region, and Australia more broadly.

Our key programs and initiatives include:

- **Community Investment Programs** - includes our Community Support Program and Community Partnership Program
- **Employee led initiatives** - includes fundraising and in-kind support for employee selected charities
- **Community Engagement Group** - a forum at which we discuss and consult our local community on our operations
- **Customer Satisfaction Survey** - captures customer feedback and helps identify ways to improve services
- **Procurement Policy and Procedure** - preferences given to local and sustainable options where feasible and within criteria boundaries
- **Modern Slavery Policy and Annual Statement** - describe how we identify, assess, and address our modern slavery risks



Find out more about our management approach to Our Community and Stakeholders

PERFORMANCE AGAINST FY22 TARGETS

FOCUS AREA	METRIC	FY22 TARGET	FY22 ACTUAL	FY22 PERFORMANCE
Community support	Number of employees participating in community events per year	25	32	
Community support	Number of STEM related initiatives supported per year	3	4	
Community support	Number of community groups supported per year	30	47	
Community support	Spend on community initiatives per year	\$290,000	\$303,000	
Procurement	% of total expenditure spent locally per year	70%	76%	





We support and actively participate in our local community, contributing to long-term social, environmental and economic value creation. Our proactive participation and approach to community and stakeholder engagement, enables us to connect with and develop deeper relationships, forge opportunities for collaboration and contribute to the broader prosperity of our region.



Community Support

It is important to NCIG that we actively contribute to and participate in our local community.

We provide financial and in-kind support to local organisations and community groups that reflect and share our values through our community investment programs, which include grants and partnerships. We aim to create outcomes that benefit and improve the lives and wellbeing of people living in Newcastle and the Hunter Region to improve physical and mental health, increase and improve access to education, and enhance local amenities and the environment. This year we established an FY24 target of \$360,000 annual investment in community initiatives across a minimum of 30 community groups.

To keep our performance progress on track, this year we also established an FY22 interim target of \$290,000 annual investment in community initiatives across a minimum of 30 community groups. We also set a target to support at least three STEM related initiatives. In FY22, we were pleased to achieve all three targets having provided \$303,000 to 47 different community groups, including support for four STEM related initiatives.



\$303,000
INVESTED IN COMMUNITY INITIATIVES



47
LOCAL COMMUNITY GROUPS SUPPORTED



\$26.5m
LOCAL ECONOMIC SPEND

COMMUNITY INVESTMENT PROGRAMS

Actively supporting the local community is an important aspect of our operations. This is achieved through two core programs, providing financial and in-kind support to community groups that work hard to help the local community: our Community Support Program (CSP); and our Community Partnership Program (CPP). Through these two core programs we aim to meet one or more of the following objectives:

- promote overall community involvement
- promote physical or mental health through activity
- implement community-generated programs to improve local amenity and the environment
- promote and assist in education of our local community

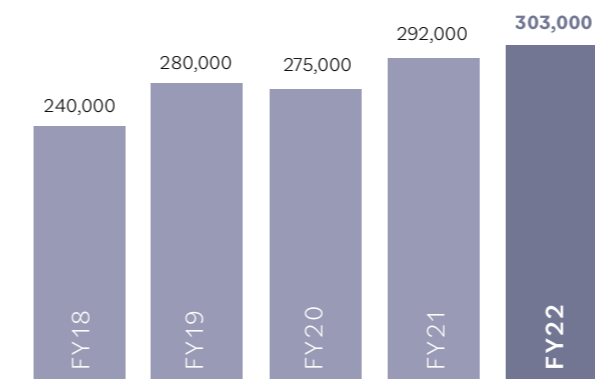
In addition to our CSP and CPP, NCIG also encourages employee led initiatives, enabling our people to actively engage and raise funds for important causes in our community.

Community Support Program

Our Community Support Program (CSP) has been running since 2010 and has contributed more than \$3 million to almost 450 local projects or initiatives that aim to improve facilities and social connection in our community. Through our CSP we seek to support one-off initiatives or events through an open application process, which runs twice a year. The CSP provides financial support to community groups associated with local sporting clubs, community involvement and welfare groups, environmental projects, schools and other community support organisations. This year NCIG welcomed the successful recipients from the March 2022 round of applications to an afternoon tea at our terminal, providing an opportunity to meet the community groups and learn more about their projects.

Community Partnership Program

Our Community Partnership Program (CPP) is a three-year partnership, aimed at providing additional long-term funding to organisations seeking to implement a larger initiative that benefits the broader community. This year our partnerships continued with several organisations, including Mission to Seafarers, which provides physical and mental health support to seafarers arriving by vessel to the Port of Newcastle.



ANNUAL INVESTMENT IN COMMUNITY INITIATIVES \$AUD

GOT YOUR BACK SISTA

'I RUN FOR HER'

This year NCIG was a major sponsor of Got Your Back Sista's 'I Run for Her' community fundraising campaign. The event, which took place in October 2021, encouraged the local community to come together and run to raise awareness about domestic violence while also raising funds to provide critical assistance to families escaping domestic violence. More than 400 people registered for the event and \$100,000 was raised. A team of 11 runners from NCIG were involved in the initiative and were able to raise a total of \$4,000.

COMMERCIAL COOK-OFFS

NCIG was proud to sponsor GYBS's Commercial Cook-off initiative this year. The events are a monthly cook-up to prepare meals for women and children in the local community who are escaping domestic violence. Volunteers from NCIG joined Got Your Back Sista (GYBS) for two of these cooking events in March and May.

Since the initiative commenced, GYBS has been able to cook and prepare more than 570 meals. NCIG's Community Support Program also provided \$22,000 worth of financial support to GYBS throughout the year to upgrade the kitchen cooking facilities, enabling GYBS to provide this vital service to local families in need for many years to come.

"Being invited to support this program has genuinely been a gift, that I am extremely grateful for and proud to have been part of. Hearing first-hand how the group supports women and children in crisis, in addition to further guiding and encouraging meaningful change in their lives, is both humbling and inspirational."

Shereen Kerr, NCIG Executive Assistant





MISSION TO SEAFARERS NEWCASTLE

NCIG has a long history of supporting the Mission to Seafarers (MTS) Newcastle. This year we actively supported several initiatives including the Seafarer Vaccination Program and Christmas Care Packs.

SEAFARER VACCINATION PROGRAM

From November 2021 to June 2022, NCIG assisted NSW Health and Mission to Seafarers to provide vessel crews berthed at NCIG's wharves access to COVID-19 vaccinations. During the seven-month campaign, 205 crew members across 14 vessels were vaccinated. Feedback from the seafarers was very positive, with some able to visit their families due to having been vaccinated. In addition, with the relaxation of COVID-19 restrictions, some crews have also been able to resume visits to Mission to Seafarers in Newcastle, after a two-year period of restrictions.

CHRISTMAS CARE PACKS

With COVID-19 controls restricting vessel crews from coming ashore, basics can sometimes be hard to get. It was therefore a special time for NCIG to assist Mission to Seafarers with their Christmas Care Packs initiative. Each of the gift bags, which were packed by Mission to Seafarers' staff and volunteers, included a handwritten Christmas card, a hand-knitted beanie, essential care items, Christmas snacks, games, and puzzles. Around 600 Christmas Care Packs were delivered to vessel crew over the Christmas period. Our Live Run team coordinated with our shift crews to ensure the packs were delivered and that there were enough for everyone on board. The Seafarers were very appreciative of the care packs and of the goodwill shown by Mission to Seafarers and NCIG.

EMPLOYEE LED COMMUNITY SUPPORT

In addition to our formal Community Support Program and Community Partnership Program, throughout the year our people often coordinate initiatives to raise money for various other important community causes.

Fundraising

Throughout May 2022, the NCIG Maintenance Team organised a series of fundraising events for Beyond Blue, the Junto Hub and the DIPG Paddle for Charity. The fundraising activities, sponsored by NCIG and our maintenance contracting companies, included raffles, auctions, BBQs, coffee carts and lawn bowls. A total of \$16,500 was raised by our people and their families.

In June 2022, our Live Run and Operational Capability Teams coordinated NCIG's participation in the Lifeline Push-up Challenge. In total 36 staff and contractors completed 3,139 push-ups over 24 days to raise awareness (and money) towards mental health and suicide prevention. In total 78,468 push-ups were completed by the team, and \$7,186 raised for Lifeline Hunter's mental health and crisis support services.

Volunteering

NCIG's Live Run Team took a hands-on approach and volunteered at the Hunter Women's Centre (HWC) throughout the year, performing maintenance works such as vegetation trimming, pressure cleaning and painting. The HWC is a not-for-profit community-based organisation that provides services to improve the health and well-being of the women in the Hunter through initiatives such as counselling, domestic violence assistance, and workshops. It supports women experiencing, or at risk of, family violence or domestic violence or abuse, as well as disadvantaged and marginalised women.



Procurement

We are committed to supporting the prosperity of Newcastle and the Hunter Region and aim to source as much as possible from local businesses.

Building on our sustainability strategy framework, this year we established an FY24 target of 70% of total expenditure to be spent locally, which we achieved this year.

Supporting our local economy

NCIG aims to make purchasing decisions that meet our operational needs while minimising the social and environmental impacts of the goods or service being procured. We also want to make a substantial economic contribution to the prosperity of our local region by giving preference to local businesses where feasible and within our procurement guidelines.

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.

Local procurement for NCIG means the purchase of goods and services from businesses that have a local office in the in the Local Government Areas of Newcastle, Port Stephens, Lake Macquarie, Maitland, Dungog, Muswellbrook, Upper Hunter, Singleton, Cessnock and Central Coast. Our pre-tender identification process also considers local businesses, and our tender evaluation process weights local businesses favourably.

Through our local procurement strategy in FY22 our total local spend was \$26.5 million, almost 76% of our total procurement expenditure. The total amount spent within the rest of Australia was \$8.2 million, bringing total spend in Australia to \$34.7million (99.5%).

Sustainable procurement

Each year NCIG typically purchases more than \$30 million worth of goods and services. We recognise that this represents opportunities for us to promote social and economic value creation, and to contribute to the potential for development of social and environmental innovation. In FY23 we intend to review our procurement processes to explore how we can look beyond our standard assessment criteria and outline broader social and environmental considerations.

Modern slavery

NCIG is part of a global value chain, and we acknowledge we are potentially exposed to modern slavery risks. We are committed to acting ethically and with integrity across all of our business dealings and relationships. This includes implementing effective systems and controls to ensure modern slavery does not occur in our business. We aim to take appropriate steps to reduce and mitigate the impacts of modern slavery within our supply chain.

We aim to uphold the Modern Slavery Act 2018, which requires prescribed businesses to prepare due diligence measures to combat slavery in their supply chains. We believe that we take appropriate steps to reduce and mitigate the impacts of modern slavery within our supply chain. Accordingly, we have incorporated modern slavery provisions into our contracts and procurement documentation.

Our Modern Slavery Policy outlines the expectations we have of our employees and details the actions that are to be taken in the event of the identification of modern slavery within our business processes. Our annual Modern Slavery Statement, which can be found on our website, outlines the progress we have made during each year and identifies future actions.

Employment

Our approach to recruitment and selection promotes local opportunities.

NCIG is committed to supporting the prosperity of Newcastle and the Hunter region through our recruitment and selection approach to promote local opportunities. We believe that local employment is critical to maintaining a responsive and agile workforce and is a key principle in our strategy to optimising sustainable operations. It is also important to us that we provide opportunities for quality employment within our local community and provide skills training for future employability of our employees.

Employing local

During the year we welcomed 11 new people across various areas of the business, which is significantly more when compared to previous years. The majority of these new hires reside in our local community.

We have a strong tradition of engaging local contractors, across maintenance, engineering, human resources and other specialist services. The daily operation of NCIG relies on the critical role played by a number of our key contractors, particularly in maintenance functions across several specialised technical disciplines. Representatives from contracting organisations such as Downer, Port Hunter Conveyors, Cleanaway, Doito, Goldsprings 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.

Engagement

We establish and maintain strong relationships with local communities and other stakeholders and engage in active dialogue to maintain strong business outcomes.

Our stakeholders are central to our business and our success, and we work closely with them to understand their concerns and expectations. Key stakeholder groups have been determined based on a combination of our business values, strategic relationships and our commitment to working sustainably. In addition to our regulatory obligations, we also strive to meet the expectations of our stakeholders in relation to our impacts and the value we create.

COMMUNITY ENGAGEMENT

We always welcome constructive interaction and aim to proactively communicate and engage with our community stakeholders. Throughout the year, NCIG continued to communicate through a number of forums that effectively facilitate the process of receiving feedback.

Community Engagement Groups

The NCIG Community Engagement Group (CEG), which is comprised of community representatives and NCIG staff, continued to meet during the year to proactively discuss and consult on NCIG activities and to provide an opportunity for broader dialogue. The forum provides an opportunity for us to provide our stakeholders information about our operations, environmental performance and community engagement activities, as well as receive feedback from community members. The meetings continue to be well received with positive feedback received in relation to site operations.

In FY22, there were two CEG meetings during which we provided an update on various performance topics including Shiploader 2 Recovery Project, environmental initiatives, and our community investment programs. We also presented our 2021 Sustainability Report, Sustainability Strategy Framework, and our FY24 Targets. Members of the group were also informed about our COVID-19 management approach, and we shared the results of our Independent Environmental Audit.

Site tours and visitors

Our site tours provide our visitors an opportunity to gain a greater understanding of our operations. For most of FY22, site visits were restricted, and site tours ran at a reduced rate due to COVID-19 public health orders and site management controls. As government restrictions began to ease in late FY22, site visits and site tours recommenced, initially for local visitors and Australian based customer representatives and as the year closed, with an increasing number of international visitors.

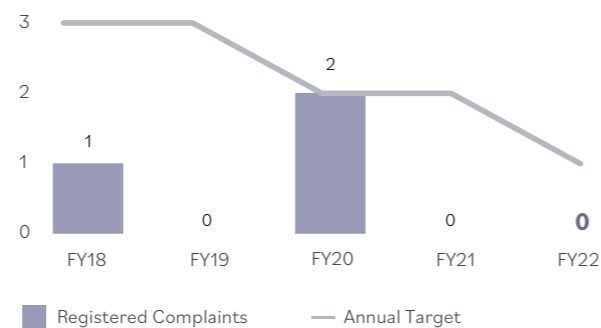


Collaboration for site safety

NCIG recognises that some members of our community are fundamentally opposed to the coal industry. We respect their views but strongly denounce protest activity that has the potential to cause harm to people and infrastructure. During the year there were two protests in the Port of Newcastle from an anti-coal activist group. NCIG worked closely with security agencies and industry peers to ensure effective controls were in place to protect the safety of all parties involved including our workforce, emergency services personnel and the protestors. The range of controls implemented ensured that there were no injuries to anyone on our site nor material interruption to our operations during these events.

Community enquiries

NCIG operates a community complaints and enquiries service for concerned and interested members of the public. The prompt response to community enquiries or complaints from the public is an important aspect of NCIG's community engagement obligations. The details of a 24/7 enquiries service are available to the public through our website and regular publications such as newsletters. In FY22, there were no registered complaints received that required NCIG to modify operational activities. Overall, a very limited number of complaints have been received since commencement of operations in 2010.



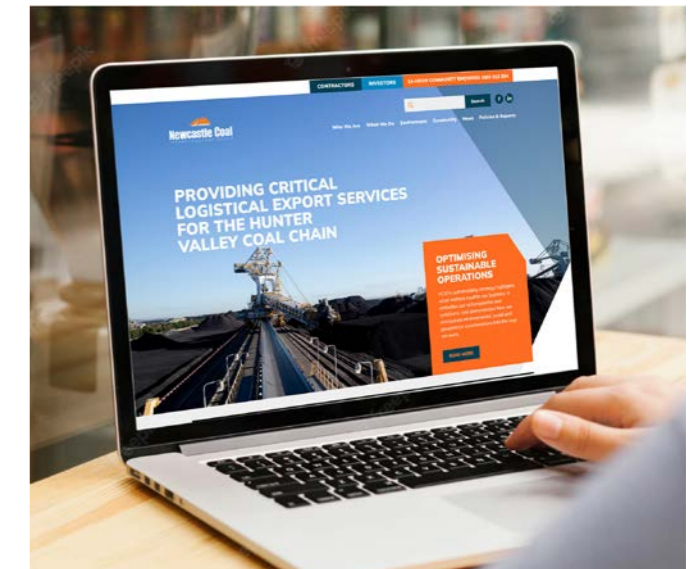
REGISTERED COMPLAINTS

NEW WEBSITE LAUNCHED

In March 2022 we launched our new website, with upgrades that provide an improved user experience and more in-depth information about our approach to optimising sustainable operations. The refreshed website aligns with our Sustainability Strategy Framework and includes a suite of management approach documents that outline how we prioritise risk management and implement effective systems and appropriate controls to ensure performance against our targets are achieved.



Visit our new look website at www.ncig.com.au



KEY STAKEHOLDER ACTIVITIES IN FY22

COMMUNITY

Our Community Engagement Group meetings were held in October (virtual) and May (onsite), and several community site tours took place in June.

EMPLOYEES

Our employees participated in a voluntary pulse survey and 86% provided feedback on the way NCIG rewards, recognises, supports and engages its people. Quarterly Communication Days also inform employees about our performance, progress against targets and any special projects and/or achievements.

CUSTOMERS

Consultation with our customers is a consistent and continuous activity. Monthly meetings inform customers of performance and logistics updates and provide a regular opportunity for customer feedback. This year we also introduced our Customer and Stakeholder Satisfaction Survey.

INVESTORS

Our Commercial team regularly liaise with representatives of our major investors and (potential) lenders, often in continuation of our long-standing relationships. This year we again participated in the CRESB benchmark in support of some of our investors interest in our environmental, social and governance (ESG) performance.

SHAREHOLDERS

Our Board comprises of representatives from each of our shareholders. A performance report is provided to the Board monthly, and Board meetings are held quarterly.

SUPPLIERS

We value collaborative relationships with existing and potential supply partners. We work closely with our suppliers and conduct collaborative contract reviews, which are a continuous feature of the NCIG supplier relationship.

CONTRACTORS

Regular meetings with our contractors on workplace safety, operational performance, major shutdowns, and other critical site activities were undertaken throughout the year. NCIG also provides contractors with internal site bulletins and daily contractor 'Toolbox Talks'. Contractor companies are required to complete annual health and safety audits to maintain accreditation to work on the NCIG site. Our site HSEC consultation committee, which has contractor representation, meets bi-monthly to discuss updates on safety, environment and sustainability.

GOVERNMENTS & REGULATORS

NCIG has specific regulatory frameworks and reporting requirements for which we fully meet our obligations.

CUSTOMER ENGAGEMENT

As a service business, we exist to add value to our customers and delivering quality service is an essential aspect of our operation. Our innovative and continuous improvement mindset helps us provide a leading-edge service.

This year we increased our customer focus through our inaugural customer satisfaction survey, which was conducted in the second half of FY22. The survey opened a new channel to receive feedback from different customer groups on our performance and to identify improvement opportunities.

The survey was developed and conducted by external consultants The Market Intelligence Co. (TMIC). The survey involved an invitation to participate in a 20-minute telephone interview and was extended to 27 customer representatives. In addition, 80 internal stakeholders and NCIG employee contacts were invited to complete an online questionnaire. Response rates were high with 26 of 27 (96%) customers and stakeholders participating in telephone interviews, and 61 of 80 (77%) internal stakeholders and NCIG employee contacts participating in the online survey. We were pleased to achieve an overall customer satisfaction score of 80, which TMIC reported is a “good” level that aligns with other industrial market survey customer satisfaction scores.

The results showed that 85% of NCIG’s customers feel that they are a valued customer. Customers identified our key strengths to be:

- customer focused, good customer service and relationships, including flexibility
- Logistics Management System – a key theme of positive feedback
- quality of NCIG people
- strong safety focus
- dedicated stockpiles
- good communications.

We also achieved a Net Promoter Score of +46, with 50% of respondents giving a rating of 9 or 10, and 46% giving a score of 7 or 8. In addition to the positive feedback received, we also noted opportunities for improvement, and several initiatives have been planned for FY23 to keep improving our customer service.

 **96%**
CUSTOMER SURVEY
RESPONSE RATE

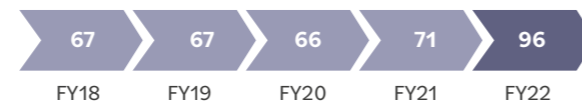
 **1st**
IN PEER INDUSTRY GROUP
2022 GRESB BENCHMARK

INVESTOR ENGAGEMENT

Our finance team regularly liaise with our investors and lenders, often in continuation of our long-standing relationships. This year we also met with several potential investors. The focus of our dialogue during the year was our Sustainability Strategy Framework, our three-year (FY24) targets and operational performance. We also reported our Sustainability in Practice document, a guide for investors on where to find all relevant ESG information, and our first half-yearly ESG Scorecard.

Strong ESG ratings

NCIG again participated in the GRESB ESG benchmark assessment for infrastructure assets during the period. GRESB collects, validates, scores and benchmarks the information, which helps to provide financial markets with transparency about our ESG processes and performance. With our new strategy, targets and performance we ranked first in our industry group in Australia, with an overall score of 96/100, achieving a five star rating.



For the first time, our corporate sustainability risk and performance was also rated by Sustainalytics, a global leader in ESG research data serving institutional investors and corporations. As at 30 June 2022, we achieved a:


- Rating of **Low** for ESG risk exposure
- Rating of **Strong** for management of relevant ESG issues
- Ranking of **1st** of 360 global companies in the Transportation Industry Group
- Ranking of **367th** of 17,765 global companies in the Sustainalytics database.



Operational Performance



Committed to delivering a *premium* service to meet our *customers'* needs

 Brett Mills, Maintenance Planner



Our modern, highly automated operations run effectively with a lean workforce and a focus on strong operating and asset management practices.



Chris Zipf, Project Manager | Remondis



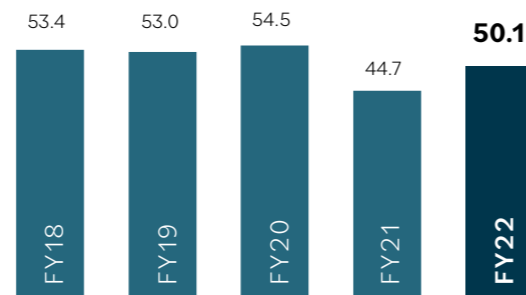
50.1Mt
COAL LOADED

Our customers mine and produce coal, and their product follows a journey that includes NCIG's inbound (train unloading), stockyard (coal stockpiling) and outbound (ship loading) coal transport services. Our quest for operational excellence focuses on sustainably optimising throughput and vessel loading rates to ensure our customers can achieve the best possible return on their investment.

TERMINAL THROUGHPUT

During the year our total terminal throughput was 50.1 Mt, an increase over the previous year when NCIG was operating with a single ship loading stream as a result of an extreme weather event that rendered one of our two shiploaders inoperable for eight months. This amount however is lower when compared to prior years predominantly due to extended periods of challenging weather conditions experienced by our customers together with the other upstream effects to the coal supply chain.

In December 2021, NCIG achieved 500 million tonnes of throughput since commencement of operations in 2010. This milestone is a culmination of the quality of our people and assets and our customer's support.



TERMINAL THROUGHPUT
MTPA



545
SHIPS LOADED



6,089
TRAINS UNLOADED

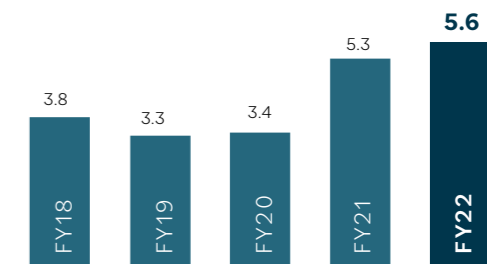


500Mt
COAL LOADED SINCE OPERATIONS COMMENCED IN 2010

VESSEL TURNAROUND TIME

Despite demand being below terminal capacity, a vessel queue was carried for most of the year, with an annual average daily queue of six vessels. The shortfall was mainly driven by delays in assembling completed cargo at the terminal, with the 'wait on coal' time category averaging four days. This had a negative impact on Vessel Turnaround Time (VTAT), which was on average 5.6 days against the target of 3 days. Shippers who routinely scheduled their trains ahead of vessel arrival enjoyed a significantly lower average turnaround time.

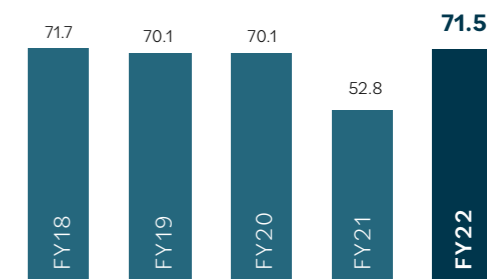
Other time categories of the VTAT metric, such as 'vessel time at berth' and 'wait off coast' have remained consistent throughout the year, indicating a solid performance of our shiploaders and the operation and maintenance teams who supported our service delivery.



VESSEL TURNAROUND TIME
DAYS

OPERATING CAPABILITY

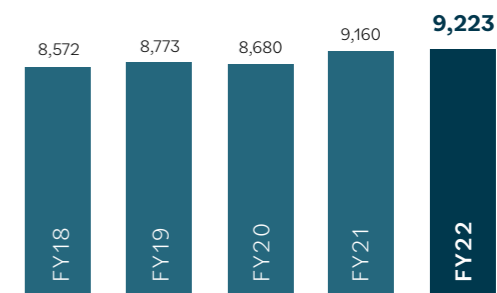
Operating Capability is NCIG's measure of the potential throughput that could have been loaded had demand been available. Nominal Capacity is NCIG's declared terminal capacity that is allocated to Shippers as per our Ship or Pay Agreements we have with them. After the return to service of Shiploader 2 (SL02) in July 2021, we exceeded our target by providing 71.5Mt Operating Capability above the FY22 annual target of 70.3Mtpa for the financial year. This was largely thanks to high equipment availability performance and above target gross load rates and is above our Nominal Capacity of 65Mtpa, which is NCIG's declared terminal capacity that is allocated to shippers per their contractual agreements. This allows NCIG to provide surge capability during period of high demand.



OPERATING CAPABILITY
MTPA

INBOUND GROSS UNLOAD RATE

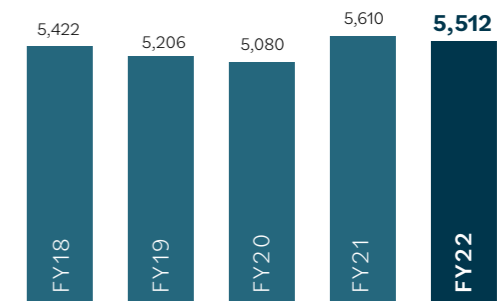
The infrastructure at NCIG continues to operate at levels that are the benchmark for Australian coal terminals. Our terminal's train unloading performance reached record levels in FY22, with the average train Gross Unload Rate (GULR) for the year reaching over 9,220tph. This excellent performance is the result of a number of factors, in particular that the automation of the unloading process that was first implemented in FY21 and is now fully embedded. The reliability of our unloading infrastructure has also remained high, which is a key enabler for the high GULR we achieved. The continued industry-wide shift away from poorer performing pneumatically actuated wagons coupled with a focus on wagon discharge and coal hang-up minimisation has also had a positive impact on train unload rates.



INBOUND GROSS UNLOAD RATE
TONNES PER HOUR

OUTBOUND GROSS LOAD RATE

In FY22 we saw consistently high vessel Gross Load Rate (GLR) performance, which was above our target rate of 5,310tph. Our results continued to leverage off the benefits enabled through the single shiploader optimisation project, which centred on reclaim performance improvements. This resulted in a step change in dual shiploader performance, averaging an increase of approximately 350tph compared to pre-optimisation levels. The highest monthly dual shiploader performance, with an average GLR of 5,920tph, was achieved in August 2021.



VESSEL GROSS LOAD RATE
TONNES PER HOUR

These results are a true reflection of our business resilience, innovation and risk management culture, particularly considering additional controls that were implemented throughout the year to minimise the impact of COVID-19 on the health, safety and welfare of our workforce. These controls included our workforce being separated by time and distance, tighter monitoring prior to entering our site, as well as working from home where possible. Specific controls to manage the risks associated with adverse weather were also implemented as a result of storm damage caused to Shiploader 2 last year. The practices are now embedded in our terminal operating practices.

MATERIAL PROCESS INCIDENTS

Material process incidents are those that we consider significantly affect our business, customers or other coal chain stakeholders. They typically involve coal handling process errors, and we aim to remediate them within seven days, in consultation with our customers. During the year NCIG experienced no material process incidents, and as a result, we achieved our target of zero for the period.

BUSINESS RESILIENCE

During the year, NCIG again demonstrated its ability to maintain the quality of service provided to our customers. We responded to disruptions to our operations caused by COVID-19, severe weather events and completed the Shiploader 2 Recovery Project as a result of the commitment and agility of our people, and the adaptability and integrity of our business systems and processes.

COVID-19 management controls

NCIG once again showed its resilience, maintaining service delivery during challenges presented during the ongoing COVID-19 pandemic. Across the Hunter Valley coal chain, organisations were impacted by labour shortages, unplanned absences (as a result of illness) and restrictions required by public health orders. Remarkably, just six hours of unplanned time was lost in ship loading production due to these challenges, which highlights the success of our onsite COVID-19 management controls and subsequent labour availability.

Managing severe weather risks

Newcastle and the broader Hunter Region was also impacted by several disruptive weather events during the year, some of which led to over 100 hours of lost shiploader utilisation due to vessel movements that were restricted by high freshwater flows in the Hunter River and silt deposition in the channel. Four Hunter River flood events brought unprecedented freshwater flow conditions to the harbour and carried a large volume of silt into the channel. The Port of Newcastle and Port Authority NSW worked collaboratively with NCIG and other terminal operators to minimise the impacts on the coal chain as a result of the adverse weather events.

KEY IMPROVEMENTS IN FY22

Asset maintenance and management

During the year, various projects were successfully implemented or reached completion to maintain our operational performance and reliability, including:

- variable speed driver installation to improve plant reliability
- repairs to launders and paintwork as part of our long-term protective coatings strategy
- wharf area outage works that were successfully executed within scope, on schedule and budget with positive health, safety, environment and community outcomes
- an engineering review of the load assumptions applied to Stacker Reclaimers
- restoration of the Dump Station 1 rail support girders
- upgraded Rail Clamps installed on Shiploader 1 to help it withstand wind speeds up to 50 m/s winds in the event that it cannot be anchored.

Business systems and cyber security upgrades

Various projects that aim to reduce IT vulnerabilities, increase flexibility and scalability, and improve disaster recovery were successfully implemented. A simulated phishing campaign was also implemented over a period of six days, with results ranking just above the global benchmark for large companies in the Transport and Logistics sector.



Hayden Whiteside, Senior Mechanical Engineer

SHIPLOADER 2 RECOVERY PROJECT

In last year's Sustainability Report we shared our experience in relation to a severe weather event that rendered NCIG's Shiploader 2 (SL02) inoperable and described the project that was underway to safely return SL02 to full operation. Remarkably SL02 was returned to service on 20 July 2021, well ahead of schedule, and has since been operating with high levels of reliability. The early return to operation is attributed to the specialist planning and execution of multiple lines of parallel works and the campaign to expedite long lead-time components. In total the project took 126,000 hours of labour involving a large number of local and international engineering specialists and equipment.

2022 ESG Data

Our Operational Performance

	FY22	FY21	FY20	FY19	FY18
Throughput (Mtpa)	50.1	44.7	54.5	53.0	53.4
Inbound Gross Unload Rate (tph)	9,223	9,160	8,680	8,773	8,572
Outbound Gross Load Rate (tph)	5,512	5,610	5,080	5,206	5,422
Operating Capability (Mtpa)	71.5	52.8	70.1	70.1	71.7
Vessel Turnaround Time (days)	5.6	5.3	3.4	3.3	3.8
Material Process Incidents	0	2	0	0	0

Our People and Culture

	FY22		FY21		FY20		FY19		FY18	
PEOPLE	M	F	M	F	M	F	M	F	M	F
Employees - full time	81	13	77	15	88	11	87	10	88	11
Employees - part time	4	5	6	6	0	7	2	7	0	5
Fixed term - full time	1	1	1	1	1	1	1	2	1	2
Fixed term - part time	0	1	0	1	0	0	0	2	0	0
Total number of employees	106		107		108		111		107	
BY AGE										
<30	4	7	1	9	1	5	1	5	2	2
30-50	53	11	62	13	62	13	62	14	60	14
>50	29	2	21	1	26	1	27	2	27	2
LEADERSHIP										
Executive Leadership Team	6	2	5	2	5	2	5	2	5	1
RECRUITMENT AND RETENTION										
New hires	9	2	8		4		6		8	
% New hires female*	18%		-		-		-		-	
Voluntary employee turnover (%)	7.5%		5.6%		2.8%		4.5%		2.8%	
APPRENTICES										
Number of new apprentices placed*	1	1	-		-		-		-	
Total number of apprentices*	1	3	-		-		-		-	

* First time reported in alignment with targets established in FY22

	FY22	FY21	FY20	FY19	FY18
SAFETY					
Fatalities	0	0	0	0	0
Lost Time Injuries	0	0	1	0	1
Restricted Workday Injuries ^{a*}	3	-	-	-	-
Medical Treatment Injuries	0	0	0	3	2
First Aid Injuries	8	10	16	10	2
Occupational Illness	0	2 ^b	0	0	0
Lost Time Injury Frequency Rate (LTIFR)	0	0	2.55	0	2.53
Total Recordable Injury Frequency Rate (TRIFR)	8.01	0	2.55	7.52	7.58
Hours worked (Employees + Contractors)	374,370	466,916	391,456	399,178	395,959

^a Prior to FY22, Restricted Workday Injuries were classified as Lost Time Injuries
^b Occupational Illness figure restated (from 1 to 2 in FY21) due to reclassification of injury categories

HEALTH AND WELLBEING

Unplanned absenteeism (% of total hours)	4.2%	2.7%	3.4%	3.2%	2.8%
Employees receive mental health training (%)*	84%	-	-	-	-

DIVERSITY AND INCLUSION

Number of female employees	20	23	19	21	18
% Women in total workforce	19%	21%	18%	19%	17%
% Recruitment activities with shortlist involving female candidates*	88%	-	-	-	-

TRAINING AND DEVELOPMENT

Total average hours of training per employee	34	55	47	30	-
% Employees receive training and development above role requirements*	58%	-	-	-	-

Our Community and Stakeholders

	FY22	FY21	FY20	FY19	FY18
SUPPORT					
Total community investment (\$)	303,000	292,000	275,000	280,000	240,000
Number of community groups supported	47	45	30	39	54
Number of STEM related initiatives supported*	4	-	-	-	-
Number of employees engaged in community events*	32	-	-	-	-
ENGAGEMENT					
Number of registered complaints	0	0	2	0	1
PROCUREMENT					
Total local spend (\$ millions)	26.5	40.5	41.3	49.3	47.9
Proportion of total expenditure spent locally (%)* ^c	76%	-	-	-	-

^c The above excludes major utilities (water and electricity), taxes, licences, fees, interest, and other governmental charges. This year we have not included lease expenditure as part of a review on definitions for local expenditure.

* First time reported in alignment with targets established in FY22

Our Plant and Environment

	FY22	FY21	FY20	FY19	FY18
EMISSIONS					
Greenhouse gases (tCO₂e)					
Total Scope 1 + Scope 2	54,156	51,614	67,923	66,258	68,117
Scope 1	366	514	333	349	368
Scope 2	53,790 ^d	51,100 ^d	67,590	65,909	67,749
Emissions intensity (tCO ₂ e/Mt throughput)	1,081.2 ^d	1,154.4 ^d	1,247.4	1,250.9	1,276.3
Air quality (kg)					
Particulate matter 10 um	57,351	56,075	66,400	59,885	71,047
Particulate matter 2.5 um	409	576	57	58	66.4
^d Includes calculated reduction in emissions associated with certified green energy procurement					
ENERGY					
Total energy consumption (GJ)	278,436	260,456	305,942	295,258	299,943
Transport fuels (GJ)	3,112	3,614	4,503	4,795	4,700
Stationary fuels (GJ)	2,974	4,501	1,041	1,105	1,393
Electricity (GJ)	272,350	252,341	300,398	289,358	293,850
WATER					
Potable water consumption (ML)	134	155	530	440	468
Captured water consumption (ML)	570	564	505	424	437
Recycled water consumption (ML)	0	0	0	0	0
Captured water as proportion of total consumption (%)	81%	78%	49%	49%	48%
Water usage intensity (ML/MT throughput)	14	16	19	16	17
BIODIVERSITY					
Successful Green and Golden Bell Frog breeding events	0	1	1	2	1
WASTE					
Recycling (tonnes)	297	517	145	311	198
Landfill (tonnes)	101	135	95	104	96
Total waste recycled (%)	75%	79%	61%	75%	67%
Waste generation intensity (t/MT throughput)	7.9	14.6	4.4	7.8	5.5
REGULATORY COMPLIANCE					
Material Reportable Environmental incidents	0	1	0	0	0
Registered environmental complaints	0	0	2	0	1
Environmental fines or penalties	0	0	0	0	0

GRI Content Index

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

		PAGE REF.	NOTES
GENERAL DISCLOSURES			
GRI 102: GENERAL DISCLOSURES 2016			
ORGANISATIONAL PROFILE			
102-1	Name of organisation	9	
102-2	Activities, brands, products and services	9	
102-3	Location of headquarters	9	
102-4	Location of operations	9	
102-5	Ownership and legal form	9	
102-6	Markets served	9, 11	
102-7	Scale of the organisation	9, 20	Net sales and total capitalisation omitted from report due to commercial in-confidence
102-8	Information on employees and other workers	20, 49	
102-9	Supply chain	41	
102-10	Significant changes to the organisation and its supply chain	11	No significant changes in FY22
102-11	Precautionary principle or approach	12, 14-15	
102-12	External initiatives	2, 13, 19, 29	NCIG's management systems are certified to the management standards of the International Organisation for Standardisation (ISO). Our targets and performance against them contribute to the UN Sustainable Development Goals in context of our own operations.
102-13	Memberships of associations		Business Hunter, Coal Export Terminal Operators Association, Committee for the Hunter, Hunter Valley Coal Chain Coordinator, NSW Minerals Council
STRATEGY			
102-14	Statement from senior decision maker	4-5	
102-15	Key impacts, risks and opportunities	12-17	
ETHICS AND INTEGRITY			
102-16	Values, principles, standards and norms of behaviour	9	
102-17	Mechanisms for advice and concerns about ethics	14-15	
GOVERNANCE			
102-18	Governance structure	14	
102-19	Executive-level responsibility for economic, environmental and social topics	14	All management approach documents also specify individual executive level roles that have authority for key focus areas: see https://ncig.com.au/policies-reports/management-approaches/
102-20	Executive-level authority for economic, environmental and social topics	14	
102-21	Consulting stakeholders on economic, environmental and social topics	12, 38, 42-43	
102-22	Composition of the highest governance body and its committees	14	
102-23	Chair of the highest governance body	4, 14	
102-25	Conflicts of interest	14	
102-26	Role of highest governance body in setting purpose, values and strategy	14	

102-29	Identifying and managing economic, environmental and social impacts	12-17, 42-43	
102-30	Effectiveness of risk management processes	14-17	
102-31	Review of economic, environmental and social topics	12-13	Material topics were assessed and determined in 2021 during the development of our Sustainability Strategy
102-32	Highest governance body's role in sustainability reporting	14	

STAKEHOLDER ENGAGEMENT

102-40	List of stakeholder groups	43	
102-41	Collective bargaining agreements	21	
102-42	Identifying and selecting stakeholders	42-43	
102-43	Approach to stakeholder engagement	42-43	
102-44	Key topics and concerns raised	43	

REPORTING PRACTICE

102-45	Entities included in the consolidated financial statements	2	
102-46	Defining report content and topic Boundaries	12-13	
102-47	List of material topics	13	
102-48	Restatement of information	50	
102-49	Changes in reporting		No significant changes
102-50	Reporting period	2	
102-51	Date of most recent report	2	
102-52	Reporting cycle	2	
102-53	Contact point for questions regarding the report	2	
102-54	Claims of reporting in accordance with the GRI Standards	2	
102-55	GRI content index	52-55	
102-56	External assurance	2	This report is not externally assured, however metrics included in this report have been validated via an internal auditing process.

GRI 103: MANAGEMENT APPROACH 2016

103-1	Explanation of the material topic and its boundary	12-13	
103-2	The management approach and its components	12-13	Management approach documents exist for all material topics (focus areas) of our Sustainability Strategy and for our regulatory compliance topics.
103-3	Evaluation of the management approach	12-15	

GRI 200: ECONOMIC STANDARDS SERIES

GRI 201: ECONOMIC PERFORMANCE 2016

201-1	Direct economic value generated and distributed	38-41	Revenues and expenses reporting is not publicly reported due to commercial in-confidence
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GRI 202: MARKET PRESENCE 2016

202-2	Proportion of senior management hired from the local community	0	Seven of eight executive leaders live in the local region.
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GRI 203: INDIRECT ECONOMIC IMPACTS 2016

203-1	Infrastructure investments and services supported	26, 38-39, 48	
203-2	Significant indirect economic impacts	38-41	

GRI 204: PROCUREMENT PRACTICES 2016

204-1	Proportion of spending on local suppliers	41	
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GRI 205: ANTI-CORRUPTION 2016

205-3	Confirmed incidents of corruption and actions taken	15	None
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GRI 206: ANTI-COMPETITIVE BEHAVIOUR 2016

206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	15	None
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GRI 300: ENVIRONMENTAL STANDARDS SERIES

GRI 302: ENERGY 2016

302-1	Energy consumption within the organisation	32, 51	
302-3	Energy intensity	32, 51	
302-4	Reduction of energy consumption	32	

GRI 303: WATER AND EFFLUENTS 2018

303-1	Interactions with water as shared resource	34, 51	
303-3	Water withdrawal	34, 51	
303-5	Water consumption	34, 51	

GRI 304: BIODIVERSITY 2016

304-1	Operational sites owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	9, 35, 51	
304-3	Habitats protected or restored	35	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	35	

GRI 305: EMISSIONS 2016

305-1	Direct (Scope 1) GHG Emissions	33, 51	NCIG reports GHG emissions to NCERS National Reporting Framework
305-2	Energy indirect (Scope 2) GHG Emissions	33, 51	NCIG reports GHG emissions to NCERS National Reporting Framework
305-4	GHG emissions intensity	33, 51	
305-5	Reduction of GHG emissions	33, 51	
305-7	Nitrogen oxides, sulphur oxides and other significant air pollutants	51	

GRI 306: WASTE 2020

306-1	Waste generation and significant waste-related impacts	33	See also https://ncig.com.au/wp-content/uploads/2022/03/NCIG-MA-Waste-0322.pdf
306-3	Waste generated	33	See also https://ncig.com.au/wp-content/uploads/2022/03/NCIG-MA-Waste-0322.pdf
306-5	Waste directed to disposal	33	

GRI 307: ENVIRONMENTAL COMPLIANCE 2016

307-1	Non-compliance with environmental laws and regulations	30	
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GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016

308-1	New suppliers that were screened using environmental criteria	41	
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GRI 400 SOCIAL STANDARDS SERIES

GRI 401: EMPLOYMENT 2016

401-1	New employee hires and employee turnover	20	
401-2	Benefits provided to full-time employees that are not provided to part-time or temporary employees	21	Part-time employees receive the same benefits as full time employees
401-3	Parental leave	-	Aligned with legislative requirements

GRI 402: LABOUR MANAGEMENT RELATIONS 2016

402-1	Minimum notice periods regarding operational changes	-	Outlined in our Enterprise Agreement
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GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018

403-1	Occupational Health and Safety Management System	19	https://ncig.com.au/policies-reports/management-approaches/
403-2	Hazard Identification, risk assessment and incident investigation	22	https://ncig.com.au/policies-reports/management-approaches/
403-3	Occupational health services	24-25	
403-5	Worker training on occupational health and safety	23	

403-6	Promotion of worker health	24-25	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	22	
403-8	Workers covered by an occupational health and safety management system	19	
403-9	Work-related injuries	23, 50	Number/hrs x 1,000,000
403-10	Work-related ill health	23, 50	

GRI 404: TRAINING AND EDUCATION 2016

404-1	Average hours of training per year per employee	50	
404-2	Programs for upgrading employee skills and transition assistance programs	23, 24, 26	NCIG 10,000 Hours Leadership Program
404-3	Percentage of employees receiving regular performance and career development reviews	26	All employees receive an annual performance and career development review.

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016

405-1	Diversity of governance bodies and employees	49	Information on the NCIG Board of Directors can be obtained at www.ncig.com.au/business-for-investors .
405-2	Ratio of basic salary and remuneration of women to men	-	Remuneration is role based and there is pay parity

GRI 406: NON-DISCRIMINATION 2016

406-1	Incidents of discrimination and corrective actions taken	15	None
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GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016

407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	21	
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GRI 410: SECURITY PRACTICES 2016

410-1	Security personnel trained in human rights policies or procedures	15	
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GRI 413: LOCAL COMMUNITIES 2016

413-1	Operations with local community engagement, impact assessments and development programs	42	NCIG management plans also include information about impact assessments related to licence approvals: see https://ncig.com.au/environment/licence-and-compliance/
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GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016

414-2	Negative social impacts in the supply chain and actions taken	41	See also our modern slavery statements at: https://ncig.com.au/policies-reports/
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GRI 415: PUBLIC POLICY 2016

415-1	Political contributions	14	NCIG's Anti-Corruption Policy prohibits political contributions
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GRI 418: CUSTOMER PRIVACY 2016

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	None
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GRI 419: SOCIOECONOMIC COMPLIANCE 2016

419-1	Non-compliance with laws and regulations in the social and economic area	15	None
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