



# Modern Slavery Statement



PORT WARATAH  
COAL SERVICES

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# 1 Policy



**PORT WARATAH**  
COAL SERVICES

## Modern Slavery Policy Statement

*Port Waratah believes that ensuring there is no slavery, servitude or debt bondage in our organisation, or its supply chains, is core to maintaining its social licence to operate. Port Waratah will demonstrate this commitment by striving to continuously improve our identification, assessment and management of modern slavery risk and operate within a sustainable and responsible supply chain.*

**Port Waratah is committed to:**

- Our values and our 5 Drivers for Success, which includes the Licence to Operate (LTO) framework.
- Providing the leadership, training and coaching required to ensure elimination of forced labour, child labour, debt bondage, minimum wages abuse, immigration rule breaches or other deprivations of civil liberties including human trafficking or forced marriage from our operations and global supply chain.
- Protecting the rights of all stakeholders and the global community from which Port Waratah sources materials and services in accordance the United Nations Guiding Principles on Business and Human Rights.
- Establishing modern slavery objectives, targets and improvement programs which will drive continual improvement in outcomes and meet or exceed the minimum standards in the *Modern Slavery Act 2018 (Cth)*.
- Identifying, assessing and managing modern slavery risks that may arise early in the purchasing and tender evaluation processes, prior to contract award and periodic reassessment.
- Managing our operations in compliance with all applicable laws, regulations and statutory requirements.
- Reporting on and publishing our performance on an annual basis.
- Contributing to the achievement of the United Nation's Sustainable Development Goals, in alignment with the priorities of our business strategy, and using the Global Reporting Initiative Standards as a guidance tool.
- Engaging in a meaningful way, encouraging and supporting our people, contractors, suppliers and other stakeholders to participate in programmes to improve outcomes.

Port Waratah expects **EVERYONE** – employees, contractors, suppliers and other stakeholders to take personal responsibility to comply with this Policy, hold each other to account, and report any areas of concern in accordance with our Whistleblower Policy.

**Hennie du Plooy**  
CHIEF EXECUTIVE OFFICER



## 2 Executive Summary

Port Waratah believes all employees, contractors, suppliers, customers and other stakeholders have a responsibility to make all reasonable enquiries and take all reasonable steps to eliminate slavery, servitude or debt bondage in our organisation and its supply chain.

Port Waratah adopts the Modern Slavery Act 2018 (Cth) definition of modern slavery, including the eight types of serious exploitation, each of which has a clear definition in law. We have a responsibility to work collaboratively with our employees, contractors, suppliers, customers and other stakeholders to increase our understanding of modern slavery risks and the role we can play in seeking to address them.

Port Waratah will demonstrate this commitment by striving to continuously improve our identification, assessment and management of modern slavery risk, hold each other to account and encourage reporting of any areas of concern in accordance with our Whistleblower Policy.

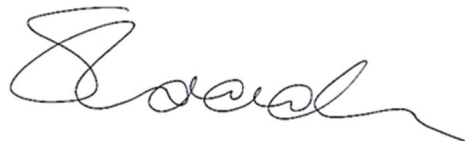
During 2020, Port Waratah was able to ensure business continuity whilst maintaining its commitment to protect the welfare of its employees, contractors, suppliers, customers and other stakeholders by implementing a range of COVID-19 controls.

In 2020, we also launched a new governance page and published our Modern Slavery Policy Statement, Code of Conduct and Whistleblower Policy Statements on our website. We wrote to all contractors and suppliers outlining Port Waratah policies, procedures and expectations, including expectations around Modern Slavery and Whistleblowing. We continued to review new contractors and suppliers identified as moderate (or higher) risk and request supplier Self-Assessment Questionnaires to assist in further understanding risks and controls. We also finalised training materials for rollout to employees, contractors and suppliers during Q1 2021.

Port Waratah is committed to continuous improvement of our processes and systems to reduce the risk of modern slavery practices in our operations and supply chain. Over the next 12 months, we will continue to train our employees, contractors and suppliers on Modern Slavery and Whistleblowing awareness and expectations, embed modern slavery considerations into our tender evaluation methodology and supplier and contractor performance review processes and further consider the development of an overarching human rights policy and sustainable procurement policy.

Port Waratah continues to work together with key stakeholders and industry to identify and understand the risks of modern slavery in our operations and supply chains and strive to address worldwide modern slavery and related practices.

This statement was approved by the Board of Port Waratah Coal Services Limited on 30 March 2021.



**STEFANIE LOADER**  
CHAIR



**HENNIE DU PLOOY**  
CHIEF EXECUTIVE OFFICER



# 3 Introduction

## 3.1 Objective

Port Waratah believes that ensuring there is no slavery, servitude or debt bondage in our organisation or its supply chains is core to maintaining its social licence to operate. Port Waratah will demonstrate this commitment by striving to continuously improve our identification, assessment and management of modern slavery risk and operate within a sustainable and responsible supply chain.

Sustainability is an integral part of the way Port Waratah does business. Consideration of environmental, social and economic aspects in decision making is well-established at Port Waratah. We have integrated our strategic business drivers and principles of sustainability, social responsibility and shared value, support how we deliver on our vision and purpose, and report on these annually.

The wellbeing of our people, the community in which we operate and the environment must be considered in everything we do and we look to integrate social value into all decision-making and actions. As a minimum, Port Waratah is committed to understanding and fulfilling our legal and social responsibilities. In addition, our commitment to eliminating modern slavery is underscored by our values of Integrity, Excellence, Caring and Progress.

Port Waratah's Modern Slavery Policy is underpinned by our values, business drivers, Code of Conduct and Whistleblower Policy. Further information about Port Waratah's values and [Business Principles](#) can be accessed on our website.

Further information on our [Governance Framework](#) is available on our website.

## 3.2 Modern Slavery Obligations

The Modern Slavery Act 2018 (Cth) requires Port Waratah to prepare this annual Statement to explain what it is doing to assess and address risks of modern slavery in its operations and supply chain.

The Modern Slavery Act 2018 (Cth) (the Act) identifies six relevant mandatory criteria which Port Waratah's modern slavery statement must address. They modern slavery statement must:

1. identify the reporting entity (section 4.1);
2. describe the reporting entity's structure, operations and supply chain (section 4.2);
3. describe the risks of modern slavery practices in the operations and supply chain of the reporting entity (section 4.3);
4. describe the actions taken by the reporting entity to assess and address these risks, including due diligence and remediation processes (section 5);
5. describe how the reporting entity assesses the effectiveness of these actions (section 6); and
6. provide any other information the reporting entity considers relevant (Section 7).

This modern slavery statement is prepared by Port Waratah pursuant to the requirements of the Modern Slavery Act 2018 (Cth). It describes the risks of modern slavery practices in our operations and supply chain and the steps we are taking to minimise those risks. The reporting period for this statement is 1 January to 31 December 2020. In preparing this statement, we have had regard to the Modern Slavery Act 2018: Guidance for Reporting Entities.



In addition, the UN Guiding Principles on Business and Human Rights outline that businesses have a responsibility to respect human rights, which includes acting to prevent, mitigate and, where appropriate, remedy modern slavery within operations and supply chains.

## 4 Our Business and Risks

### 4.1 Reporting Entity

Port Waratah Coal Services Limited (ABN 99 001 363 828, Port Waratah) is an unlisted public company. There are no active subsidiaries or other members of the reporting entity.

### 4.2 Structure, Operations and Supply Chain

Port Waratah delivers a high-quality, reliable and agile service for our customers in the Hunter Valley Coal Chain. We own and manage the Kooragang and Carrington Coal Terminals, and have been receiving, stockpiling, blending and loading coal for export at the Port of Newcastle for over 40 years. Port Waratah charges a fee for its services.

Our services provide a global gateway to export Hunter Valley coal, while supporting the economy by employing and procuring locally. We work collaboratively with coal chain participants and build long-term partnerships to achieve our customer's expectations of responsiveness, flexibility and reliability.

We have approximately 330 employees working across our business, operating our terminals 24 hours per day, 7 days a week. Our operations are supported by skilled labour and services as well as materials incidental to our business. We made payments to more than 400 contractors and suppliers in 2020, with the largest spend categories being engineering, maintenance, repairs and operational support.

In 2020, we received by train, stockpiled, blended and loaded 105.9 million tonnes of coal onto 1,192 vessels for export, across our Carrington and Kooragang Terminals.

Visit [our website](#) for more information about us and what we do.

### 4.3 Identifying Risks of Modern Slavery

Our Governance Framework involves all levels of our organisation, each with a role in reviewing, identifying and managing risks and opportunities for change.

We are committed to understanding and fulfilling our responsibilities as an employer and community member, as well as meeting our legal obligations. The human rights that may be impacted by Port Waratah's operations include rights related to workplace health and safety, labour and environmental impacts on those residing in the community.

Examples of the types of modern slavery risks we consider are:

- wages, penalties, working hours and conditions;
- freedom of association;
- forced or compulsory labour and debt bondage;
- child labour; and
- deceptive recruitment of labour and human trafficking.



Throughout our supply chain, human rights-related risks are associated with our materials (goods) supply chains, including materials supplied through contractors, and in professional services provided.

Material supply chain modern slavery risks include:

- Electrical components;
- Technology hardware;
- Conveyor belting and parts;
- Tyres;
- Bulk materials - fuels, oils, acids;
- Consumables;
- Tools;
- Personal protective equipment; and
- Office supplies.

Professional services modern slavery risks include:

- Offshore engineering support;
- Offshore IT support; and
- Offshore audit services provided by Big-4 accounting firms.

Port Waratah is committed to utilising local suppliers and procuring goods and services from local businesses as much as practically possible. Over 90% of our direct suppliers are in Australia. Of those Australian suppliers, over 80% are based in New South Wales and over 70% are based in the Hunter Region. Our direct procurement sources are predominately based domestically or in other low-risk countries, as defined by the Organisation for Economic Cooperation and Development (OECD). Port Waratah are working with contractors to better understand risks within their own supply chain, where we have historically had limited direct line of sight.

Compliance with our Modern Slavery Policy Statement requirements is necessary for doing business with Port Waratah and they are included in our procurement contract suite. Port Waratah proactively mitigate modern slavery risks through the purchasing, tender evaluation and contract review processes.

Additional risks associated with international coal supply chain participants are acknowledged, but outside Port Waratah's direct sphere of influence.

## 5 Actions

### 5.1 Actions to Date

We identify, assess and manage risks that Port Waratah is exposed to, including modern slavery risks, by applying our Risk Management procedures. The Board's Audit and Risk Committee monitors and, at least annually, will review the effectiveness of the systems of risk management and internal control.

In 2020, we continued to raise awareness of our commitment to eliminate modern slavery. Actions achieved include:

- launch of a new governance page on the Port Waratah website;
- published our Modern Slavery Policy Statement on our website;
- published our Code of Conduct and Whistleblower Policy Statements on our website;



- wrote to all contractors and suppliers outlining Port Waratah policies, procedures and expectations, including expectations around modern slavery and whistleblowing;
- implemented a new company accreditation system, which includes a requirement for contractors to acknowledge their commitment to Port Waratah's Modern Slavery, Code of Conduct and Whistleblower Policy Statements;
- continued to review new contractors and suppliers identified as moderate (or higher) risk, for further engagement and assessment;
- sent Supplier Self-Assessment Questionnaires for moderate (or higher risk) contractors and suppliers to assist in further understanding risks and controls;
- followed-up Supplier Self-Assessment Questionnaires, where outstanding or further clarifications were required;
- developed training materials for rollout to employees, contractors and suppliers during Q1 2021; and
- ensured our standard contract terms, purchasing policy and procedures include references to Modern Slavery and Whistleblowing Policy Statements and requirements.

In the event a modern slavery risk remained moderate or above after completion of a Supplier Self-Assessment Questionnaire, further direct engagement with the supplier was undertaken. The supplier was notified and required to provide further evidence in their response, demonstrating that risks had been effectively managed and mitigated. Should the supplier not comply, or the risk not be mitigated, Port Waratah will seek alternative supply source. No suppliers were terminated due to a non-compliance with our modern slavery standards during 2020.

## 5.2 COVID-19

Under the framework set out by the United Nations Guiding Principles on Business and Human Rights, companies must continue to operate responsibly and with respect for human rights throughout a crisis, including the COVID-19 pandemic.

Our contractors and suppliers are critical partners for our business. To support their continued operation, we implemented measures to immediately pay all outstanding invoices, reducing our payment terms and reducing the economic burden on our contractors and suppliers.

Seafarers are already particularly vulnerable workers globally, and the COVID-19 pandemic has exacerbated the challenges faced by these workers. During the pandemic, this workforce has faced the closure of borders and reduction in flight availability, resulting in some crew members being unable to join their vessel or return home for extended periods. Port Waratah has worked closely with relevant regulatory authorities to enable humanitarian assistance to be provided to seafarers.

In addition, Port Waratah worked with appropriate authorities to support the timely provision of medical attention to seafarers, including those with suspected COVID-19 cases. We recognise that seafarer welfare continues to be impacted by the pandemic and we are working to identify how Port Waratah can further contribute to support these vulnerable people.

## 5.3 Planned Actions

Over the coming 12 months we plan to:

- continue supplier due diligence by engaging with moderate (or above) risk suppliers and service providers through the Supplier Self-Assessment Questionnaire;





- conduct indirect material contractor due diligence to understand our key direct contractors and their subcontractors supply chains to deepen our knowledge of our indirect supply chains;
- rollout training for employees, contractors, suppliers and other stakeholders;
- commence a campaign to stimulate Leaders talking about modern slavery, what we are doing about it and outcomes achieved;
- consider opportunities to reduce reliance on supplier self-assessments by utilising vendor risk software;
- refine our supplier performance measures; and
- publish our 2021 annual statement.

Port Waratah is committed to continuous improvement of our processes and systems to reduce the risk of modern slavery practices in our operations and supply chain. Over the next 12 months, we will also continue to: refine our policies and procedures; train our employees, contractors and suppliers on modern slavery and other human rights issues; and consider the development of an overarching human rights policy.

## 5.4 Complaints and Disclosures

There are mechanisms in place to address the concerns of stakeholders who feel our standards have not been met or wish to raise other business conduct issues. Information on complaints and grievance mechanisms is contained in our Whistleblower Policy.

We encourage our employees, everyone who works with us, neighbouring communities to our operations and all those connected to our business to promptly raise a concern about anything that they reasonably believe may be illegal, improper or involve misconduct. This includes concerns about potential human rights violations.

Complaint or disclosures may be made regarding any reasonable suspicions to the Manager Human Resources, a member of the Senior Leadership Team, CEO, Chairperson, Company Secretary or to our independent whistleblower hotline service provider, KPMG Fair call anonymously on 1800 500 965.

Where concerns are investigated and substantiated, we will take remedial actions, advise the reporter (as appropriate) and document the outcomes. Our Code of Conduct prohibits any form of retaliation against anyone who raises a concern or participates in an investigation. No incidents of modern slavery or human trafficking in breach of our policies were received during 2020.

## 5.5 Due Diligence

Key controls to assess and address modern slavery risk in our operations and supply chain are monitored as part of our risk management and internal audit procedures to ensure key controls are effective and are working as intended.

## 5.6 Remediation

In instances of non-conformance, Port Waratah will utilise its Supplier Non-Conformance and Corrective Action Procedure, providing a detailed process for handling cases of non-conformance to Port Waratah standards. The process for non-conformance identification, communication, supplier feedback and outcome review are embedded in this procedure. All non-conformance actions and responses are recorded.



# 6 Our Assessment of Effectiveness

## 6.1 Performance and Reporting

In addition to our annual Modern Slavery Statement, we report on our sustainability activities through our annual Sustainability Report, which is prepared in accordance with the Global Reporting Initiative. We also support the efforts to achieve the United Nations Sustainable Development Goals, with Port Waratah mapping and describing our direct and indirect contributions to the goals in a local context.

We measure, evaluate and communicate our performance in respect to environmental, social and economic factors, because they underscore our values, not just for compliance. The CEO and Management establish clear objectives, with quantifiable targets and specific performance indicators to determine whether these are achieved, in progress, or not achieved for the reporting period. The outcomes of our performance assessment are then published in our Sustainability Report.

Objectives, targets and indicators relating to modern slavery are included in our performance model and are described with reference to the topic-specific Global Reporting Initiative Standards.

The Board and Audit and Risk Committee oversee performance and reporting.

# 7 Other Relevant Considerations

We are aware that our operations play an integral part in one of the most collaborative supply chains in the world. In this respect, modern slavery risks may exist within other parts of the Hunter Valley Coal Chain, for example the vessels that accept and transport coal from our terminals to global export destinations.

The Maritime Labour Convention 2006 requires vessels to have on-board procedures for seafarers to lodge complaints, including an internal reporting mechanism and the right to complain to external authorities. Vessels that call at load ports in Australia are under the jurisdiction of the Australian Maritime Safety Authority (AMSA). AMSA is empowered to take steps to verify grievances, including detaining and inspecting vessels, and can take regulatory action to protect the safety and wellbeing of seafarers. AMSA has demonstrated an ability to respond effectively and quickly to seafarers' grievances. Whilst Port Waratah's ability to respond to seafarers' grievances is limited by the requirements of maritime law and our indirect relationship with vessels and seafarers, we seek to persuade and influence where possible. It is important for seafarers to be able to access AMSA complaints and grievance mechanisms.

To help identify and eliminate modern slavery risks in the supply chain in which we operate, Port Waratah works collaboratively with coal chain partners and industry bodies, such as AMSA and Port Authorities. We continue to enhance vessel vetting in conjunction with RightShip. RightShip is a leading maritime risk management and environmental assessment organisation that aims to improve the safety and environmental sustainability of the maritime industry. The vessel vetting program assists us to verify that seafarers' statutory rights and welfare are being upheld and these checks are required to be completed on all vessels.

We also support community organisations focused on seafarer wellbeing and provide access to our sites for these organisations to connect with visiting seafarers to provide a range of services.





# PORT WARATAH

## COAL SERVICES

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