



# Modern Slavery Statement 2022

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## REVISION HISTORY

Date	Review	Definition
29/1/2023	1	First draft
7/2/2023	2	Issued to Audit and Risk Committee for endorsement



**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

We are proud to present Port Waratah's annual Modern Slavery Statement (statement), prepared pursuant to the Modern Slavery Act 2018, for the year ended 31 December 2022.

Modern slavery has long-lasting impacts on affected individuals and communities. The most recent UN estimates suggest there are still at least 50 million victims of modern slavery around the world.

At Port Waratah, we are committed to taking all reasonable steps in pursuit of the prevention of modern slavery in our operations and supply chains. We do not tolerate child labour, forced, compulsory or bonded labour, human trafficking or any other form of slavery. Our zero tolerance is set out in our Modern Slavery Policy Statement and Code of Conduct.

This statement outlines our modern slavery risk management journey since 2020, and the actions taken to address potential risks in our operations and supply chain. It is supported by our commitment to our values of integrity, caring, progress and excellence. Our values contribute to ensuring we are not only a sustainable business, but a business that all our stakeholders are proud to be associated with.

During the past year, we focused on completing due diligence on higher-risk suppliers. We also continued to investigate alternative vendor risk software and continued to search for an opportunity to pool efforts by joining the Minerals Council of Australia Modern Slavery working group.

Next year we will continue to target effort by completing deeper due diligence reviews on higher risk suppliers, continue to pursue vendor risk software, and opportunities to pool effort through the Minerals Council working group.

Port Waratah is committed to continuous improvement in the way we work with all our suppliers to prevent modern slavery and ensure a shared commitment to the continuous improvement journey from all our stakeholders.

This statement was approved by the Board of Port Waratah Coal Services Limited, as the principal governing body, on 21 March 2023. This statement has been signed by Stefanie Loader, Chairperson, and Hennie Du Plooy, CEO.



**STEFANIE LOADER**  
Chairperson



**HENNIE DU PLOOY**  
Chief Executive Officer

## 3 INTRODUCTION

### 3.1 BACKGROUND

This Modern Slavery Statement has been prepared by Port Waratah to meet the requirements of the Australian Modern Slavery Act 2018 (the Act) for the financial year ending 31 December 2022.

Since 2020, the Act has required large companies (>\$100 Million turnover) to report annually on the risks of modern slavery in their operations and supply chains, as well as the actions they have taken to address those risks.

Under the Act, the Australian Government is required to maintain an online publicly accessible register of all modern slavery statements submitted by reporting entities (the Register). Each report is required to be approved by the organisation's "principle governing authority".

In line with the UN Guiding Principles on Business and Human Rights (UNGPs), Port Waratah respects all internationally recognised human rights as set out in the Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

### 3.2 MODERN SLAVERY

Modern slavery is the act of depriving another person of their liberty by exploiting them for commercial gain. Modern slavery can be either state-sponsored, or employer controlled. In some instances, intermediaries such as employment agencies, brokers, or even criminal gangs can be interposed.

### 3.3 OUR OBJECTIVE

Port Waratah believes that taking all reasonable steps to ensure 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 believes all employees, contractors, suppliers, customers and other stakeholders have a responsibility to make all reasonable enquiries and take all reasonable steps. 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'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.

### 3.4 REPORTING OBLIGATIONS

The reporting period for this statement is 1 January to 31 December 2022.

The Act identifies six mandatory criteria which each annual modern slavery statement must address:

1. Identify the reporting entity (section 4.1);
2. Describe the reporting entity's structure, operations, and supply chains (section 4.2);
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity (section 5);
4. Describe the actions taken by the reporting entity to assess and address these risks, including due diligence and remediation processes (section 6);
5. Describe how the reporting entity assesses the effectiveness of these actions (section 7); and
6. Any other information the reporting entity considers relevant (Section 8).

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

### 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 CHAINS

Port Waratah delivers high-quality, reliable and flexible services to 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. In 2021, we received by train, stockpiled, blended and loaded 91.9 million tonnes of coal onto 1,072 vessels for export, across our Carrington and Kooragang Terminals.

We have approximately 336 employees (including apprentices) working across our business, operating our terminals 24 hours per day, 7 days a week. Our operations are supported by skilled contractors providing labour, incidental materials and services. We make payments of over \$150 million per annum to more than 400 contractors and suppliers, with the largest spend categories being engineering, maintenance, repairs and operational support.

We support the local economy by employing and procuring services locally and collaborating with suppliers to build long-term partnerships that deliver both for our customers and our stakeholders by improving our social licence to operate. Port Waratah continues to work with contractors to better understand risks within their supply chain, especially where contractors are sourcing from overseas suppliers and we have a limited direct line of sight.

Our Procurement Strategy is built on having an environmentally and socially sustainable supply chain. Port Waratah seeks to proactively mitigate modern slavery risks through the purchasing, tender evaluation and contract review processes. All potential moderate to high risk suppliers are requested to undertake Port Waratah's Self Assessment Questionnaire (SAQ) or provide a copy of their own annual Modern Slavery Statement.

All contractors are required to undergo an accreditation process, including an assessment of their policies and procedures to ensure adequate health and safety and environmental management systems are in place. A review of our contractors, based on performance expectations, including safety, environmental and other agreed performance targets, is conducted periodically. When procuring goods and services from suppliers we consider social and environmental impacts in purchasing decisions with a focus on maintaining safety and quality, protecting the environment and human health, saving energy, minimising waste, conserving resources and complying with the Modern Slavery Act. Our contractors and suppliers are also expected to abide by our Modern Slavery Policy Statement and our Code of Conduct, which are available on our website.

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



## 5 OUR RISKS OF MODERN SLAVERY

We understand that modern slavery risks are increased by the use of migrant workers and/or sourcing from sectors with high levels of subcontracting. We are cognisant of the general risks associated with migrant workers and subcontracting arrangements and have checks and balances in place to address those risks in our operations. Accordingly, we do not consider that we are likely to cause or contribute to modern slavery directly within our own operations.

Our direct materials supply sources are predominantly domestically based. We understand that modern slavery risks are increased when our suppliers and contractors source materials from deep or complex international supply chains which typically have low levels of supply chain visibility.

We also recognise that modern slavery risks can evolve over time. Changes may arise from internal and external factors, as seen over the last couple of years with the Covid-19 global pandemic.

Within our supply chains, we recognise that we may be indirectly linked to modern slavery through the products we procure, the identified higher risk materials include:

- Equipment and tools;
- Base materials (including steel, rubber, ceramics);
- Bulk materials - fuels, oils, lubricants, grease, acids, anticorrosives, chemicals;
- Extruded plastics (including PVC);
- Batteries, cells, processing units and electronics;
- Electrical components and cables;
- Technology hardware;
- Conveyor belting and parts;
- Tyres;
- High-wear ceramics;
- Consumables;
- Personal protective equipment (including gloves);
- Uniforms; and
- Office supplies.

The identified higher risk services contractors include;

- Freight and logistics;
- Cleaning;
- Security;
- IT software maintenance and support; and
- Construction.

The risks associated with international coal supply chain participants are acknowledged, but outside Port Waratah's direct sphere of influence, refer to Section 8 titled "Other Relevant Considerations".

## 6 ACTIONS

### 6.1 OUR JOURNEY SO FAR

Port Waratah commenced its journey in 2019, and summarises progress to date as follows;

Reporting period	Actions completed
Dec 2019	Developed initial action plan
	Developed a Modern Slavery Policy Statement
	Developed our Whistleblower Policy Statements
	Conducted initial risk assessment of suppliers identifying moderate risk suppliers for further engagement and review
	Developed a Supplier Self-Assessment Questionnaire (SAQ) for higher risk Contractors to assist in further understanding risks for specific suppliers
	Reviewed and updated our Purchasing Policy, Supplier Contracts and Purchasing Procedures to include references to Modern Slavery Act
Dec 2020	Launched a new governance page on the Port Waratah website Published our Modern Slavery Policy Statement, Code of Conduct and Whistleblower Policy Statements on 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 SAQs for moderate (or higher risk) contractors and suppliers to assist in further understanding risks and controls and followed-up Supplier SAQs, where outstanding or further clarifications were required
	Developed training materials for rollout to employees, contractors and suppliers
	Dec 2021
Published awareness communications to all employees	
Continued our due diligence program receiving responses and clarifications arising from SAQ's	

## 6.2 ACTIONS IN 2022

In 2022, we continued our due diligence program receiving responses and clarifications arising from SAQ responses received. During the year we did not identify any incidents of modern slavery in our operations or supply chain. Several key suppliers were noted below the reporting threshold and either do not currently report or have immature modern slavery systems in place. Poor engagement and/or a lack of monitoring, increases the risk that our supply chains may contain elements that fail to meet our standards or expectations. In the meantime we continue to raise awareness with these suppliers and encourage their voluntary reporting.

Aside from continuing our due diligence program, other actions in 2022 included:

- We continued to investigate opportunities to utilise vendor risk software
- We continued to investigate establishment of a resources consortium to pool effort by joining the Minerals Council of Australia Modern Slavery working group.
- As part of its three yearly reviews, the Government commenced an independent statutory review of the Act and Port Waratah participated in an online survey to provide views and feedback about our experience to date.

## 6.3 2023 PLANNED ACTIONS

The planned program for 2023 is:

- continue our risk based due diligence program by undertaking deeper due diligence reviews on higher risk suppliers;
- continue to engage with industry networks and peer groups to provide opportunities for shared learnings and or pooled efforts;
- ongoing training and awareness through the refresh of a communications and engagement campaign with employees and contractors emphasising our responsibilities regarding modern slavery; and
- continue discussions regarding the development of an overarching human rights policy.

Port Waratah's approach continues to mature and evolve over time. We continue to learn from our industry peers, external human rights experts, and third-party benchmarks to build and strengthen our approach.

## 6.4 COMPLAINTS, DISCLOSURES

We continue to utilise our existing complaints and grievance mechanisms to address modern slavery concerns where our standards may not have been met. For more information refer to our [Whistleblower Policy](#).

No complaints regarding modern slavery risk management were received during 2022.

## 6.5 REMEDIATION

No incidents of modern slavery in breach of our policies were received during 2022.

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.

Port Waratah would only seek alternative supply sources if it is unable to establish a collaborative supplier relationship focused on continuous improvement. No suppliers have been terminated to date due to modern slavery risks.

## 7 OUR ASSESSMENT OF EFFECTIVENESS

### 7.1 SAQ PERFORMANCE AND REPORTING

	2022	2021
Number of suppliers requested to complete SAQ	14	20
<b>SAQ's</b>		
Completion rates of Suppliers requested to respond to our SAQ or provision of annual MS Statement;	86%	75%
Supplier responses confirming a responsible sourcing audit/certification	0%	7%
Supplier responses confirming a modern slavery policy	88%	67%
Supplier responses confirming they train employees on modern slavery risks	77%	47%
Supplier responses confirming undertaking child labour checks	88%	67%
Supplier responses confirming policies and processes to remedy instances of modern slavery	88%	53%
Supplier responses confirming mechanisms to anonymously raise concerns	100%	73%
Supplier responses confirming they conduct due diligence for modern slavery risks on its suppliers	88%	53%
Proportion of complaints resolved	No complaints received to date	No complaints received to date
Number of supplier improvement actions identified and completed	Nil	Nil

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 our local context.

## 7.2 PERFORMANCE AND REPORTING

<b>KPI</b>	<b>2022</b>	<b>2021</b>
Percentage of moderate to higher-risk employees (procurement and tender evaluation teams) who complete modern slavery training	40	20
Percentage of new suppliers screened and monitored via third party platform	Under review	n/a
Percentage of high-risk suppliers as of 31 Dec issued an SAQ within a 24-month period	0	0
Number of identified modern slavery incidences	0	0
Number of suppliers on Risk Management Plans	0	0

## 8 OTHER RELEVANT CONSIDERATIONS

We recognise that modern slavery risks may exist within other parts of the Hunter Valley Coal Chain, for example, the vessels that load and transport coal, under contracts with customers or third parties, from our terminals to global export destinations.

Seaborne freight has been identified in reports produced by governments and NGOs as a sector with a higher risk of modern slavery as it employs lower-paid workers from developing countries, involves long periods at sea with little regulatory oversight, and often subjects crew to difficult working conditions. This risk was heightened during the COVID-19 pandemic when some workers on vessels were unable to leave their ships due to various ports not permitting disembarkation.

We continue to focus on vessel vetting utilising RightShip on all vessels proposed for entry to the Port. RightShip is a leading maritime risk management tool assists our due diligence, providing assurance that all vessels and ship managers are compliant with the ILO Maritime Labour Convention, 2006. In addition, we check the crew's tenure/time on board. If a vessel requests assistance from us, we provide support where practicable and feasible.

Vessels that call at loading ports in Australia are under the jurisdiction of the Australian Maritime Safety Authority (AMSA). 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. 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.

Port Waratah works closely with appropriate authorities (including AMSA, International Transport Federation, shipping agents, NSW Police, Australian Border Force, Port Authority NSW and Port of Newcastle) to enable humanitarian assistance to be provided to seafarers and support the timely provision of medical attention to seafarers.

We continue to support community organisations, such as Mission to Seafarers, focused on seafarer's 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

24-hr Community Enquiries Line (02) 4907 2280  
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