

# MODERN SLAVERY STATEMENT 2023

2022 REPORTING YEAR





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**Port of Newcastle is taking a proactive and measurable approach to preventing and avoiding modern slavery and human trafficking in our organisation and our supply chains.**

**Craig Carmody**  
*Port of Newcastle CEO*

# 1 INTRODUCTION



## CRAIG CARMODY CEO

Port of Newcastle is fully committed to ensuring that it has an effective and measurable approach to preventing and combatting Modern Slavery and Human Trafficking in our organisation and supply chains.

As an ethical organisation, we are committed to managing and mitigating modern slavery, and other human rights risks, and protecting local and global communities.

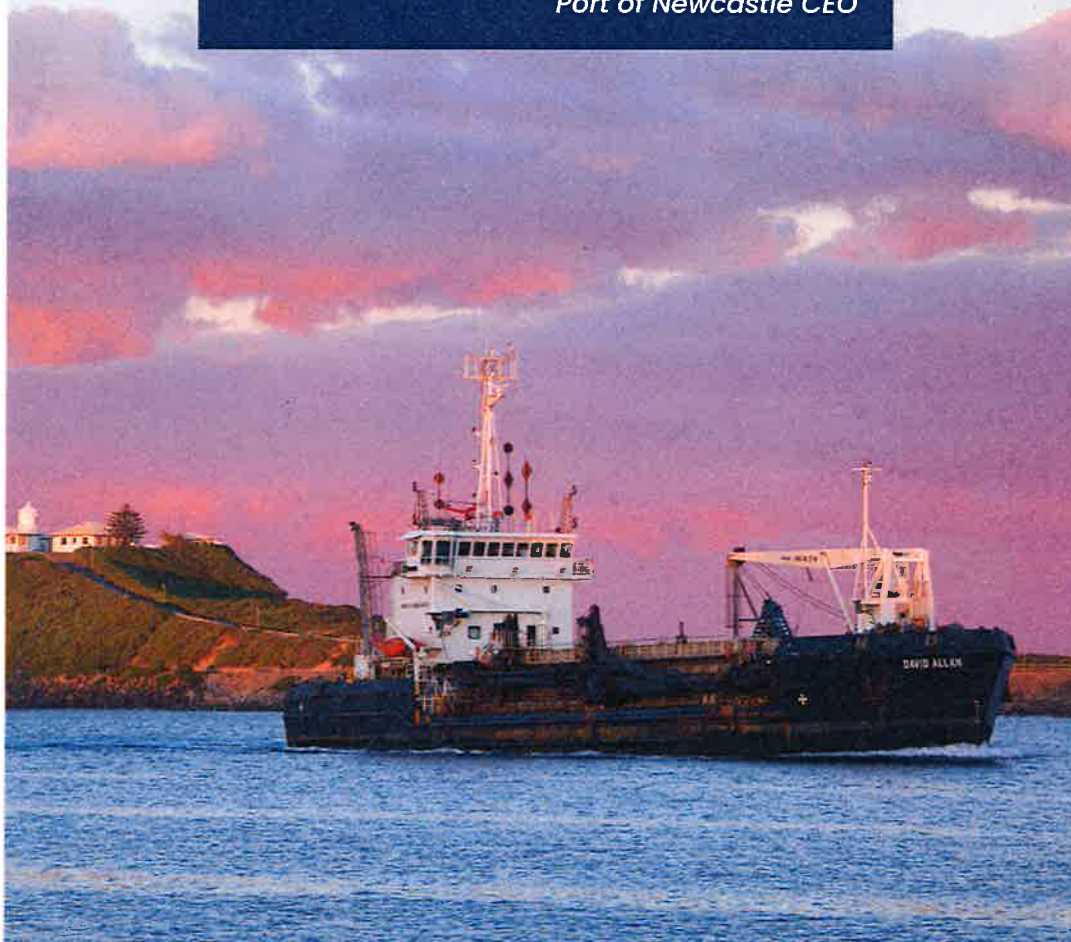
We know as a major purchaser of goods and services that the action we take, together with our suppliers, can significantly help mitigate the risk of modern slavery and help protect fundamental human rights.

Port of Newcastle is taking a proactive and measurable approach to preventing and avoiding modern slavery and human trafficking in our organisation and our supply chains.

Our Board of Directors and Executive Leadership Team has established and maintained a Modern Slavery Taskforce in the organisation that is empowered to address modern slavery risks in our supply chains and is resourced and supported to undertake projects and initiatives to effect positive change. I would like to personally thank each member of our Modern Slavery Taskforce for their contribution to the initiatives outlined in this statement.

We are committed to creating continuous improvement across all aspects of our organisation. We are proud to share the progress that Port of Newcastle has made throughout 2022, in this statement.

We also look forward to continuing to strengthen our systems and processes over the coming year, so that we can better identify and eliminate modern slavery practices in our supply chains and organisation activities.



## 1.2 OUR VALUES

At Port of Newcastle, our key values are **Community, Wellbeing, Integrity and Curiosity**. We bring these values into our approach to managing Modern Slavery risks across our organisation, by:

1. Engaging our employees, contractors, the community and our supply chain on the risks of modern slavery;
2. Supporting and investing in the wellbeing of our people, port users and seafarers;
3. Being genuine and open about our processes and expectations, and clear that we do not tolerate any form of slavery and human trafficking in our organisation and supply chain; and
4. Encouraging our people to be curious, challenge the status quo, ask questions and seek better and safer ways to operate.



**COMMUNITY**



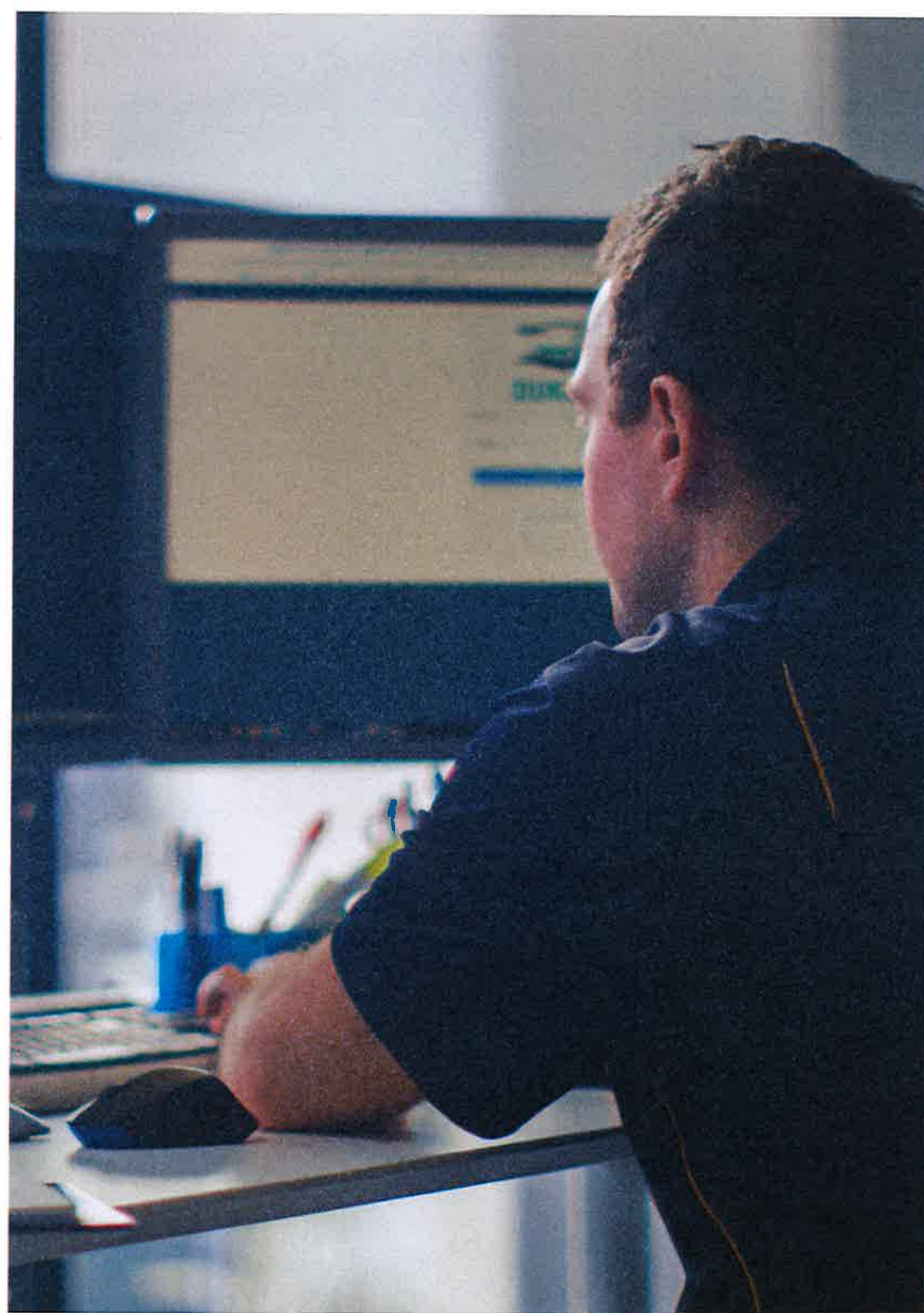
**WELLBEING**



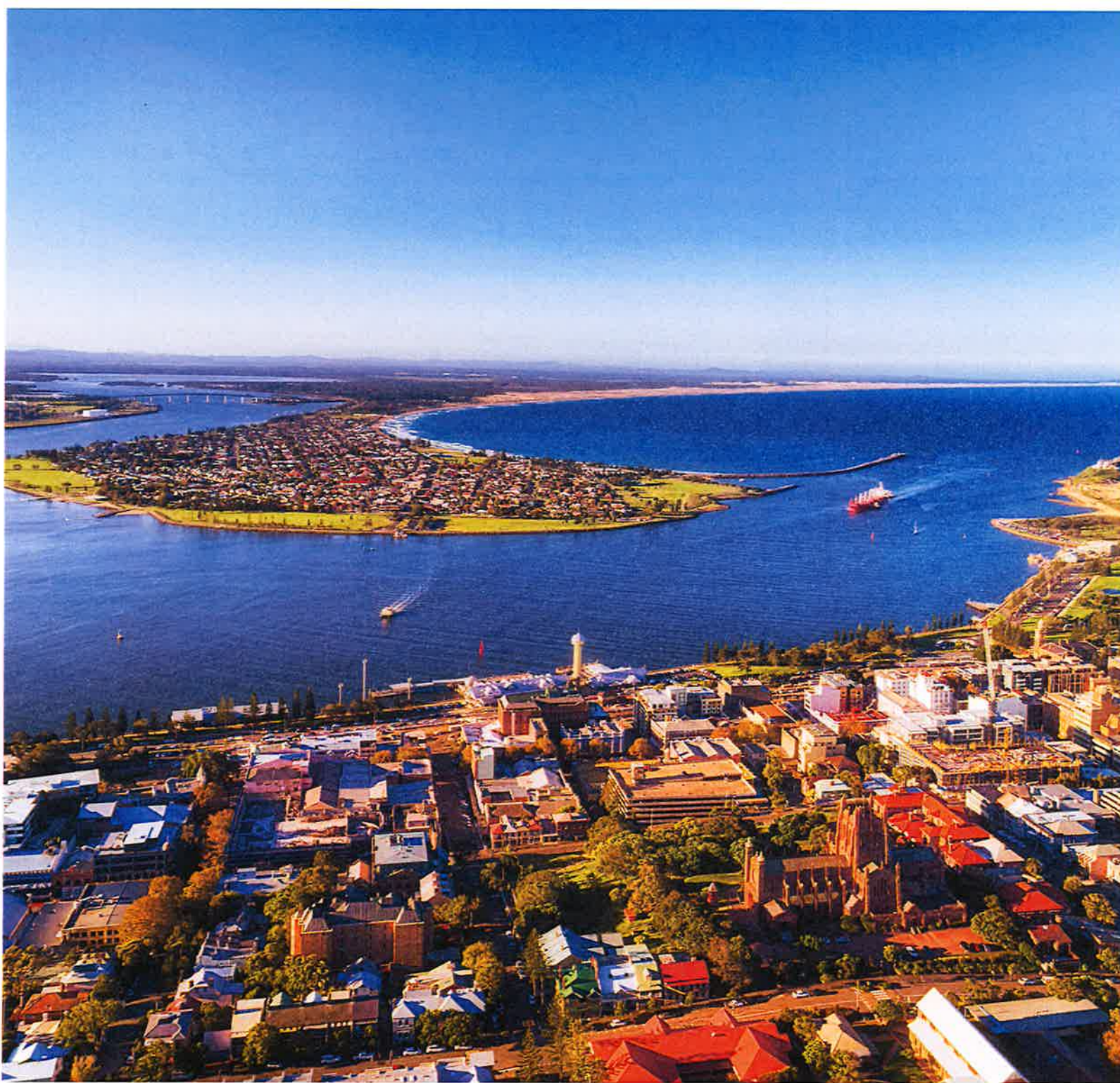
**INTEGRITY**



**CURIOSITY**







## 1.3 OUR STATEMENT

This is the second Modern Slavery Statement produced by the Port of Newcastle in compliance with the Modern Slavery Act 2018 (Cth).

This statement sets out:

1. Our commitment to positively contributing towards the elimination of modern slavery;
2. Details about our operations and supply chains in 2022;
3. Actions taken to address modern slavery risks in our operations and supply chains in 2022;
4. How we are monitoring the effectiveness of our actions; and
5. Our strategy to further improve our performance in 2023.



# 2 REPORTING ENTITIES

## 2.1 REPORTING ENTITIES

This statement is a joint Modern Slavery Statement made by and on behalf of the following entities under the Modern Slavery Act 2018 (Cth) for the reporting period of 1 January 2022 – 31 December 2022:

1. The Port of Newcastle Investments (Holding) Trust (ABN 4 685 817 245);
2. Port of Newcastle Unit Trust (ABN 97 539 122 070); and
3. Port of Newcastle Investments Pty Limited (ACN 169 132 441).

In this Statement these three reporting entities will be referred to collectively as the Port of Newcastle or PON.

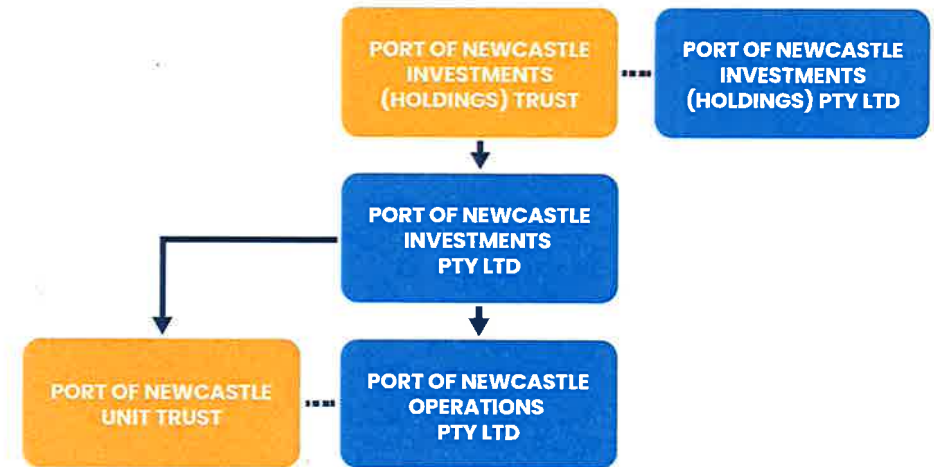
## 2.2 OUR STRUCTURE

**Port of Newcastle Investments (Holdings) Pty Limited** is a proprietary limited company and is trustee for the Port of Newcastle Investments (Holdings) Trust, with two shareholders being The Infrastructure Fund and China Merchant Ports.

**Port of Newcastle Investments Pty Limited** is 100% wholly owned subsidiary of Port of Newcastle Investments (Holdings) Pty Ltd and headquarters in Newcastle, New South Wales.

**Port of Newcastle Operations Pty Limited** is a 100% owned subsidiary of Port of Newcastle Investments Pty Limited and is the trustee for the Port of Newcastle Unit Trust. Port of Newcastle Investments Pty Limited does not have any other subsidiaries. As at 31 December 2022, Port of Newcastle Operations Pty Limited employed 131 in Australia.

**The Port of Newcastle Investments (Holding) Trust** and the **Port of Newcastle Unit Trust** are trusts.





# 3 STRUCTURE, OPERATIONS AND SUPPLY CHAINS

## 3.1 ABOUT US

Port of Newcastle is Australia's deepwater global gateway, the largest on the nation's East Coast.

Port of Newcastle is more than a port. It exists to build Australia's prosperity with responsible, integrated and innovative supply chain solutions.

With trade worth around \$37-billion to the national economy each year, Port of Newcastle enables Australian businesses to successfully compete in international markets.

The port currently handles 4697 ship movements and 166-million tonnes of cargo annually. With a deepwater shipping channel operating at 50% of its capacity, significant port land available and enviable access to national rail and road infrastructure, Port of Newcastle is positioned to further underpin the future prosperity of the Hunter, NSW and Australia.

As custodians of the region's critical asset, Port of Newcastle is diversifying its trade as it strives to create a safe, sustainable and environmentally and socially responsible future.

Our vision is to build Australia's prosperity with responsible, integrated and innovative supply chain solutions.

## 3.1 KEY FUNCTIONS

Key functions within our organisation include:



Trade and Port Development



Management of 792 Hectares of Port



Wharf and Berth Services



Maintenance of Major Port Assets



Vessel Scheduling



Dredging and Survey Services



Cruise shipping



Legal, Planning and Environment



Finance



Corporate Affairs



Community and Stakeholder Relations





# 4 KEY RISKS IN OUR SUPPLY CHAINS






## 4.1 RISK ASSESSMENT METHODOLOGY

During the reporting period, Port of Newcastle continued to engage with Informed365 to facilitate the analysis of our supply chains and an assessment of the associated modern slavery risks.






Informed365 provides overall risk ratings for Port of Newcastle's suppliers. These ratings are generated from a weighted combination of geographic and industry-based risks. These overall weighted ratings are known as Informed365 Slavery Risk Index ratings or ISRIs.

The ISRIs draw on methodologies aligned with the United Nations Environment Programme guidelines for Social Life Cycle Assessment and reviews of international literature on:



-  1. Labour rights and decent work (child labour, forced labour, excessive working times, poverty);
-  2. Health and safety (injuries and fatalities, toxics and hazards);
-  3. Human rights (e.g. indigenous rights, high conflicts, gender equality, human health issues);
-  4. Governance issues (legal system and corruption); and
-  5. Community infrastructure (hospital beds, drinking water, sanitation).

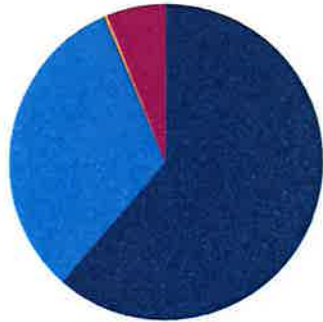
Higher ISRIs are assigned to geographic areas or industries which have the following risk factors:

-  1. Labour forces with a high proportion of low-skilled workers, and low barriers to entry;
-  2. Reliance on low-tier suppliers operating in high-risk regions (especially for the supply of raw materials);
-  3. Deep and complex supply chains, where end-users have with limited information about the source of materials;
-  4. Workforces consisting of groups who are vulnerable to exploitation, including low-skilled and low-paid workers, migrant workers, women, workers who are isolated from support networks (such as seafarers) and workers displaced by conflict; and
-  5. Industries where short term and temporary work, labour hire practices and outsourcing are common.

## 4.2 2022 SUPPLIER AUDIT

During the reporting year, Port of Newcastle had access to ISIRIs for 316 suppliers. A breakdown of key risks is outlined in the table below.

### 4.2.1 OVERALL RISK RATINGS



Over Risk Ratings	Suppliers
Low	61%
Medium	32%
High	0.32%
V High	0
No ISRI Rating provided by Informed365	6%

### 4.2.1 OVERALL RISK RATINGS

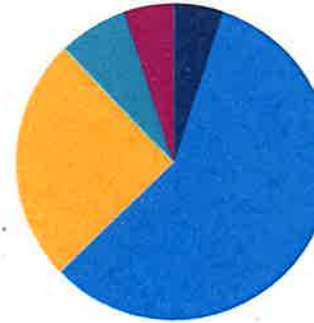
96% of Port of Newcastle's suppliers are companies incorporated in Australia. Informed365 assigns a **'very low'** geographic risk to Australian companies.

The remaining 4% of suppliers reviewed, were headquartered across seven countries including USA, Canada, Ireland, Singapore, Germany, Netherlands and China.

The majority of these suppliers had a **'low'** geographic risk rating.

Three suppliers were categorised as having a **'high'** geographic risk. Those suppliers were headquartered in China and Samoa.

### 4.2.1 INDUSTRY RISKS



Over Risk Ratings	Suppliers
Low	5%
Medium	58%
High	25%
V High	7%
No ISRI Rating provided by Informed365	5%

Suppliers with a high or very high industry risk ratings operated across 25 industries, with construction and engineering accounting for 23%.

Many of these industries are closely linked to marine transport, construction and transportation activities, which are integral to port operations. Port of Newcastle is aware of the modern slavery risks in these industries and seeks to proactively engage with suppliers to mitigate known risks and to seek to procure goods and services from lower risk suppliers.

## 4.2 2022 SUPPLIER AUDIT

Port of Newcastle is aware of significant risks and challenges in the marine and maritime industries:

1. It is common for shipping lines to register vessels in countries like Panama and Liberia, where efforts to enforce labour rights and prevent modern slavery practices are less concerted than the nations where the shipping lines are headquartered. These are known as 'flag of convenience' ships.
2. Outsourcing the operation of vessels to third parties at the lowest possible price is common practice. Cost-cutting measures often result in poorer working conditions for seafarers. The risk of human rights abuses also increases as the chain of authority and responsibility becomes more complex.
3. Seafarers are a highly vulnerable workforce, comprised of workers who:
  - a. Work in remote locations, where they are isolated from friends, family, support networks and potential legal supports.
  - b. Are often citizens of nations with complex human rights, labour rights and corruption challenges.
  - c. Are generally reliant on their employers to provide a suitable means of communication while at sea.





# 5 OUR ACTIONS

In addition to the supplier audit discussed above, Port of Newcastle undertook the following actions during the reporting period to address modern slavery risks associated with our operations and supply chains:

1. Continuing to support seafarers within Port of Newcastle.
2. Developing a Stakeholder Engagement Plan to facilitate discussions about modern slavery risks with shipping lines, tenants, community members and other non-supplier stakeholders.
3. Ongoing compliance with modern slavery KPIs in sustainability linked loan arrangements.
4. Reviewing internal policies, processes and contract precedents to better address modern slavery risks.
5. Updating governance mechanisms, including terms of reference for Port of Newcastle's Modern Slavery Taskforce.
6. Providing further face-to-face staff training with industry experts and embedding modern slavery training into Port of Newcastle's employee onboarding process.



## 5.1 SEAFARER SUPPORT

Seafarers are a group that is known to be particularly vulnerable to modern slavery practices. It is typical for seafarers to work on ships for nine months at a time, with limited ability to access appropriate means of communication, which can leave many isolated from family, friends, and other supports.

Providing practical supports to this vulnerable group within Port of Newcastle's supply chains is a practical way to minimise the risks of modern slavery practices in those industries.

The Mission to Seafarers Newcastle is part of a global mission founded in 1856 operating in more than 230 ports world-wide. It operates through a network of chaplains, honorary chaplains, lay staff and helpers and provides psychological, emotional, practical and spiritual support for Seafarers and their families.

Port of Newcastle provides financial and in-kind support to the Mission to Seafarers Newcastle. During the reporting period the Port:

1. Worked closely with the Mission to Seafarers (MTS) Newcastle to supply care packs to vessels on their arrival and facilitate access for MTS on common user berths.
2. Made a \$25,000 financial contribution, which was used to support a range of operations, including seafarer transportation services and pastoral support.
3. Continued to provide funds, facilities and logistical support for covid-19 vaccination efforts throughout 2022.

### MTS – Testimony

"In 2022, Port of Newcastle's support directly contributed the Mission's operating expenses, allowing us to keep our doors open. It was also instrumental in the Mission being able to purchase a new bus for transportation of Seafarers."

"An open Centre and transportation allow the Seafarers to access the right to shore leave. The Mission provides a place to talk freely and confidentially and to have concerns heard and addressed without fear."

**Christine Smith**  
Manager | MTS Newcastle

### 5.1.1 SEAFARER VACCINATIONS

During 2022, Port of Newcastle continued its collaboration with both Hunter New England Health and the Mission to Seafarers Newcastle, to offer critical COVID-19 vaccinations to seafarers arriving at Port of Newcastle.



## 5.2 STAKEHOLDER ENGAGEMENT PLAN

Port of Newcastle encourages members of our local community to assist with our goals of identifying and combatting modern slavery risks. Port of Newcastle staff discuss Modern Slavery risks and organisational initiatives at customer engagement meetings, Community Liaison Group, Port User Group meetings and other relevant community forums.

The Port also publishes news stories about modern slavery risk management initiatives on its website and social media platforms. Port of Newcastle's Modern Slavery Stakeholder Engagement Strategy has now been updated for 2023 and will be implemented prior to the next statement.

## 5.3 EXECUTIVE ENGAGEMENT

The Port's Executive undertake targeted director development training sessions. In 2022, all the members of Port of Newcastle's board attended a director development session on modern slavery issues ran by GRC solutions and Fair supply.

The Executive have oversight of the development and implementation of the Port's Environmental, Sustainability & Governance Strategy and Port of Newcastle's public Sustainability Report, each of which target measures to address modern slavery in the Port's supply chains.



## 5.4 GOVERNANCE

Good corporate governance is critical to the long term, sustainable success of the Port of Newcastle. Consistent with Port of Newcastle's risk management approach to potential modern slavery risks in its organisation and supply chain, the Board's Audit & Risk Committee is responsible for providing oversight of this issue on behalf of the Board.

## 5.5 SUSTAINABILITY LINKED LOANS

In May 2021, Port of Newcastle entered into landmark loan arrangements with the National Australia Bank. Under these arrangements, the financing of Port of Newcastle is aligned with long-term environmentally and socially responsible outcomes.

This was the first sustainability-linked financing by an Australian seaport and the first such loan in Australia to set financial penalties for not hitting a set Modern Slavery KPI. Port of Newcastle has a 100% success rate in hitting the SLL Modern Slavery KPI.



## 5.6 MODERN SLAVERY TASKFORCE

The Port's Modern Slavery Taskforce is recognised within our organisation as a leadership group that is established and resourced to address the important issue of Modern Slavery Risks in supply chains.

Throughout the reporting period, this Taskforce:

1. Met regularly to allocate responsibility of tasks and actions and prioritise tasks and actions and make recommendations to the Executive Leadership Team with respect to the development and implementation of the Port's 2022 Modern Slavery Action Plan;
2. Communicated with Port of Newcastle staff about new Modern Slavery processes and researched future training options;
3. Advocated for strong action on modern slavery with internal staff and external stakeholders;
4. Regularly briefed the Port's board members on progress in relation to modern slavery issue;
5. Assisted in the preparation of this modern slavery statement;
6. Sought support from professional services providers to update Port of Newcastle's internal policies, contract terms and public-facing codes of conduct, to better address modern slavery risks; and
7. Supported staff to screen suppliers for modern slavery risks.

## 5.4 GOVERNANCE

During 2022, Port of Newcastle implemented the Environmental, Social, Governance (ESG) training program, including compulsory ESG modules to be completed by all members of staff. In person briefings ran by expert consultants Fair Supply and GRC solutions were also conducted.

Port of Newcastle regularly provides information to staff on its intranet page, via email and during scheduled all staff meetings, in relation to:

1. Port of Newcastle's commitment to combatting modern slavery risks;
2. The development of new policies and procedures to identify and address modern slavery risks;
3. How-to guides to help staff navigate new procedures;
4. Online resources and training materials, which can be used to increase their knowledge and awareness about modern slavery;
5. Actual or suspected incidents of modern slavery that occur in Port of Newcastle's supply chains, the Port's operations, or amongst Port users; and
6. Upcoming seminars and training opportunities provided by third parties.





# 6 ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

Port of Newcastle will continue assessing the effectiveness of the actions it is taking to identify and address the risks of modern slavery practices in its operations and supply chains in the following nine ways



# 7 CONSULTATION PROCESS

This Statement was prepared with input by members of our Modern Slavery Taskforce, the Port's Executive Leadership Team, and the Board responsible for each reporting entity.

# 7 CONSULTATION PROCESS

Port of Newcastle has developed a modern slavery action plan for the 2022 calendar year. Key goals in that plan include:

1. Continually improving and automating our supplier auditing procedures and ensuring staff are trained in the new procedures.
2. Implementing our new stakeholder engagement plan.
3. Continuing to provide direct support to seafarers throughout 2023.
4. Updating modern slavery supply chain assessment methodology.





# STATEMENT ANNEXURE

This Modern Slavery Statement was approved by the principal governing body of Port of Newcastle, as defined by the Modern Slavery Act 2018 (Cth) (the **Act**), on 29th June 2023.

This Modern Slavery Statement is signed by a responsible member of Port of Newcastle, as defined by the Act:



Craig Carmody, CEO



Roy Green, Board Chairperson

This statement addresses each of the mandatory criteria in section 16 of the Act as set out in the table below:

MANDATORY CRITERIA	SECTION NUMBER
Identify the reporting entity.	2
Describe the reporting entity's structure, operations and supply chains.	3
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	4
Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation actions.	5
Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement)	6
Any other information that the reporting entity, or the entity giving the statement, considers relevant.	7







**Headquarters:** Level 4 251 Wharf Road Newcastle NSW 2300