



Newcastle Coal
INFRASTRUCTURE GROUP

Modern Slavery Statement 2023



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NCIG MODERN SLAVERY STATEMENT

(for the year ended 30 June 2023)

INTRODUCTION

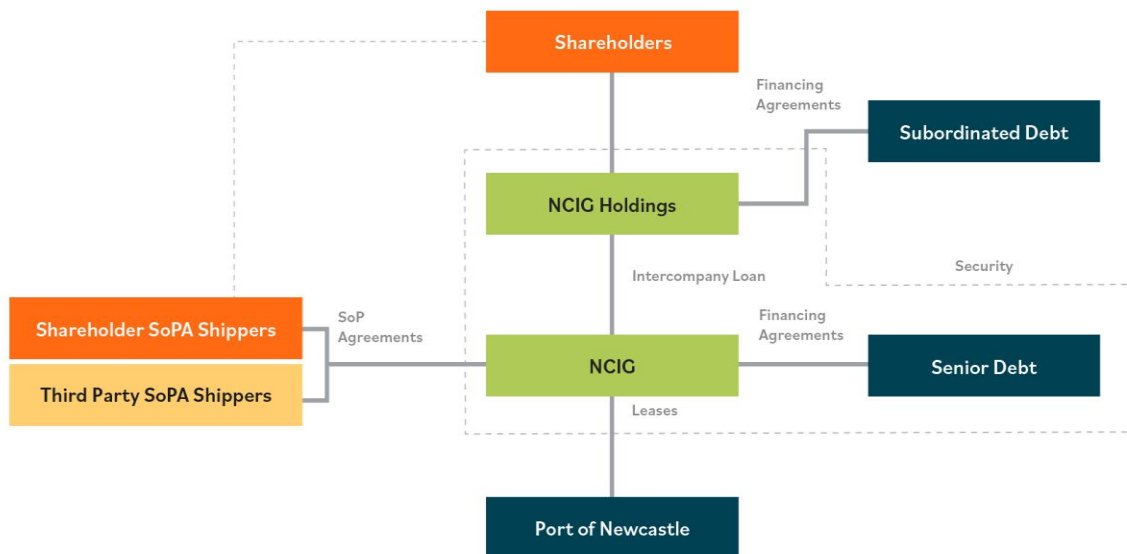
This is the Modern Slavery Statement for Newcastle Coal Infrastructure Group Pty Ltd (**NCIG, our or we**) for the year 1 July 2022 to 30 June 2023 (**Reporting Period**). This Statement responds to the requirements of the Modern Slavery Act 2018 (Cth) (Act). It describes our Structure, the risks of Modern Slavery in our operations and our supply chain, and the actions we have taken to address those risks during this Reporting Period. It is based on the steps outlined in NCIG’s Modern Slavery Statement for the year ended 30 June 2022. It also provides details of our assessment of these actions taken and their effectiveness, governance and risk management processes and sets out future identified actions. This Statement was approved by NCIG’s Board of Directors on 8 December 2023 and signed by a Director of NCIG.

ABOUT US

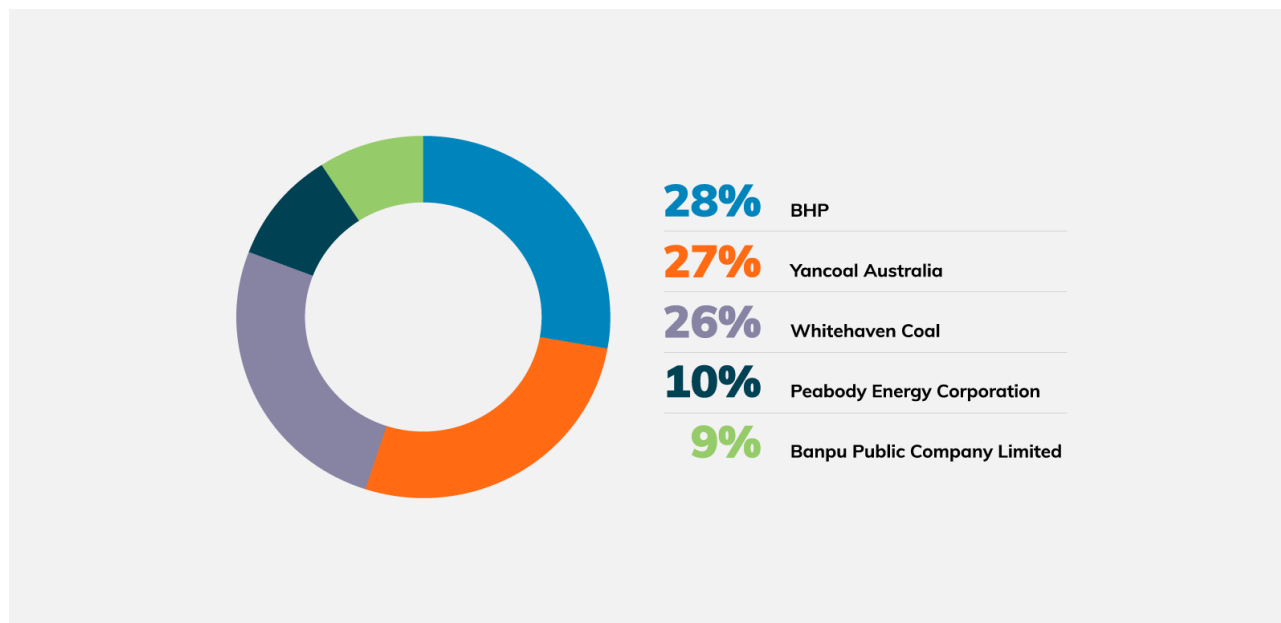
NCIG respects universal human rights and manages the risks of Modern Slavery in its own operations and in its supply chain where feasible. We work hard to provide a healthy, safe and sustainable workplace and will not tolerate any instances of Modern Slavery. We expect the same high standards from all our contractors, suppliers and other business partners, and are committed to continuously improving transparency in our business, and to managing the risk of Modern Slavery in our supply chain.

OUR STRUCTURE

NCIG is a wholly owned subsidiary of NCIG Holdings Pty Ltd, and a reporting entity in accordance with the Act. NCIG owns and operates the Newcastle Coal Infrastructure Group export terminal, which is our sole business. NCIG does not own or control any other entities. The corporate structure of the NCIG group and its key contractual arrangements, including Ship or Pay Agreements (SoP), are depicted in the diagram below.



NCIG Holdings Pty Ltd is a privately held corporation owned and governed by a shareholder group that is solely comprised of coal producing companies and exporters in the Hunter Valley Region, ultimately owned by BHP, Yankuang Group Co (Yancoal), Whitehaven Coal, Banpu Public Company Limited, and Peabody Energy Corporation. All shareholders are affiliates of shippers that have long-term capacity contracts at the terminal for the majority of our terminal's capacity. NCIG Holdings Pty Ltd is a holding company and does not conduct any operations.



OUR OPERATIONS

What we do

NCIG is an integral part of Australia's coal supply chain and generates strong economic benefits for the Hunter Region and for New South Wales. Our facilities operate 24/7 and include rail, coal storage, ship loading and associated infrastructure, ensuring reliability and continuity of coal supply from Newcastle, Lake Macquarie, the Hunter Valley, Gloucester, Gunnedah Basin and Western Coalfields to the world export market.

NCIG is one of three coal export terminals in the Port of Newcastle. Our export terminal has an approved capacity of 79 million tonnes per annum (Mtpa) and in FY23 we exported 44.7 million tonnes (Mt). In FY23, the Port of Newcastle had a total throughput of approximately 145Mt, making it the largest coal export port in the world based on throughput.

Our export logistics service is flexible, agile and considerate of our customers' needs, and we work closely with them to safely transport coal from rail to ship. As part of our approach to sustainably manage our business, we also promote and provide innovation, economic stimulus, ecological enhancement and community support.

Our workforce

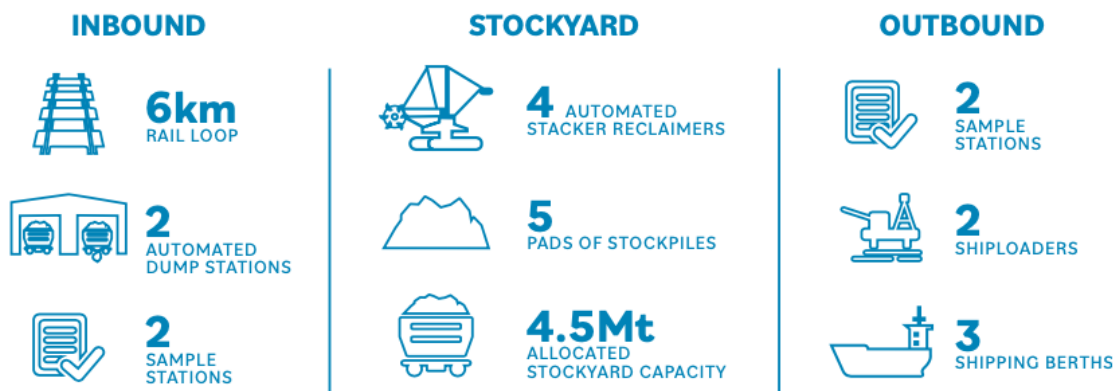
NCIG has operated one of Australia's major coal export terminals on Kooragang Island within the Port of Newcastle since 2010. We have a lean and highly productive workforce of 108 FTE employees, which is supplemented by contract labour to support our operations and maintenance activities. Of our employees, NCIG's Technicians are covered by the Coal Export Terminal (CET) Operations Workplace Agreement, which includes labour related standards as is approved by the Fair Work Commission.

The daily operation of NCIG relies on the critical role played by several key local contractors across maintenance, engineering, human resources and other specialist disciplines. Although we recognise that there are risks associated with contracted labour, NCIG sources from local and preferred contracting companies that undergo due diligence and regular audits.

Our infrastructure assets

Our primary infrastructure is located across three operational and geographical areas being:

- Inbound – privately owned rail track, comprising of two 6km loops and additional track, two automated dump stations (coal unloading stations), an inbound sample plant and associated conveyor infrastructure
- Stockyard – consisting of five 1km long stockpads, four stacker reclaimers and associated conveyor infrastructure
- Outbound – three shipping berths, two shiploaders, an outbound sample plant and associated conveyor infrastructure.



More information about what we do and how we work can be obtained on our website at www.ncig.com.au

OUR SUPPLY CHAIN

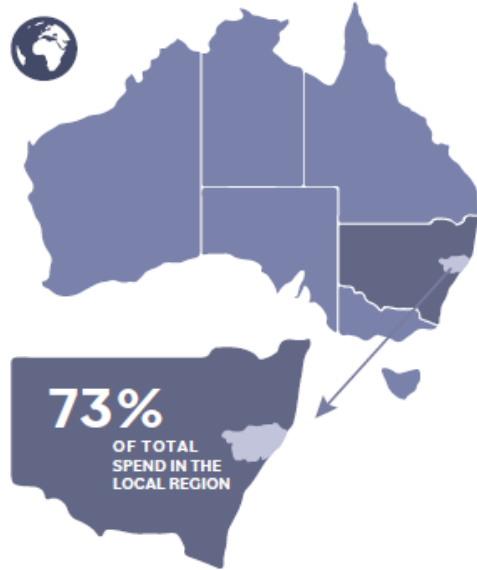
Each year NCIG typically purchases more than \$30 million worth of goods and services in this Reporting Period was \$35 million. We recognise that this represents opportunities for us to promote social and economic value creation, and to contribute to the potential for development of social and environmental innovation. We are a member of a global supply chain and acknowledge that we are potentially exposed to Modern Slavery risks. Our suppliers in high-risk industries include those in heavy plant, rubber, IT equipment, bulk materials and personal protective equipment (PPE).

Local supplier focus

As part of our sustainability strategy, 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. During this Reporting Period, we further defined what local procurement means for NCIG, which is: the purchase of goods and services from businesses that have a local office in the Local Government Areas of Newcastle, Port Stephens, Lake Macquarie, Maitland, Dungog, Muswellbrook, Upper Hunter, Singleton, Cessnock and Central Coast (**Local Government Areas**). Our pre-tender identification process considers local businesses favourably, and we give preference to local suppliers where feasible and within criteria boundaries. With a largely local and Australian supplier base (99.5% in FY23 Reporting Period, which is similar to the FY22 Reporting Period), and a commitment to fair employment conditions for employees, NCIG's exposure to direct Modern Slavery risk is considered to be low.

Through our focus on local procurement, in this Reporting Period our total local spend was \$28.2 million, which is 73% of our total procurement expenditure. The total amount spent within the rest of Australia was \$10.5 million, bringing total spend in Australia to \$38.7 million (99.5%). Only 0.5% of procurement expenditure was spent with suppliers incorporated outside Australia, and according to the [Global Slavery Index](#), risk in the countries of spend is considered either low (United Kingdom, and United States, or moderate (China)).

FY23 ECONOMIC SPEND



highlights

\$38.9M total expenditure

\$28.2M spent with local suppliers

\$10.5M spent with other Australian suppliers

99.5% total expenditure in Australia

\$0.2M spent with rest of the world

The above excludes major utilities (water, electricity) taxes, licences, fees, interest, and other government charges. Not included lease expenditure as part of the review on definitions for local expenditure.

IDENTIFYING OUR MODERN SLAVERY RISKS

NCIG is aware that exposure to Modern Slavery could exist in our operations and supply chain. We take a targeted risk-based approach to identifying Modern Slavery risks and acknowledge that there are several types of risk to consider, including: products and services risk, sector and industry risk, geographic risk and supply chain model risk. We aim to identify our risks primarily through our policies and procedures, risk assessment and management, due diligence, sustainability strategy and training.

The vast majority of our supply chain is locally based and accordingly low risk. There is increased risk associated with international entities within the supply chain who may engage in Modern Slavery to minimise production costs. Our largest Modern Slavery risks relate to maintenance of our asset base, including supply of products such as heavy plant, IT equipment and rubber, where those products are manufactured overseas. Other high-risk relates to the supply of personal protective equipment (PPE) in a competitive market. NCIG prioritises our Modern Slavery control efforts towards these risk areas. In the FY23 Reporting Period, one of our largest expenditures (\$1.8M) was for the purchase of replacement rubber conveyor belts and other parts. The procurement process included a review of the supplier's general environmental and social policies, management systems and performance and its approach to modern slavery risk management and reporting, as well as a site visit to the manufacturing plant in Melbourne, Australia.

NCIG is cognisant of other risks that we may be exposed to with respect to our customers' operations and being part of an international supply chain. We are committed to better understanding these risks over time.

During this Reporting Period, we did not become aware of any instances of Modern Slavery in our operations or supply chain.

MANAGING OUR MODERN SLAVERY RISKS

NCIG is committed to acting ethically and with integrity in all our business dealings and relationships. This includes implementing and enforcing effective systems and controls to identify risks that may cause, contribute to or be directly linked to Modern Slavery Practices. We are also committed to ensure Modern Slavery is not taking place within our business through taking appropriate steps to reduce and mitigate the impacts of Modern Slavery within our global supply chain.

GOVERNANCE STRUCTURE

NCIG's governance structure includes a constituted Board of Directors representing each of our shareholder companies, and an independent Chairperson. The Board is consulted on, and ratifies, strategic decisions by the business, including our vision, mission, values and risk management. Our risk to Modern Slavery is also overseen by the Board's Audit and Risk Committee.

The executive level of the 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 teams.

Commitment to continuous improvement

Our governance framework is supported by a guiding principle of continuous improvement. It is important that we continuously assess our business risks and opportunities beyond our day-to-day terminal operations.

POLICIES AND PROCEDURES

Policies

NCIG's Modern Slavery Policy defines Modern Slavery and the behaviours that could amount to Modern Slavery, and mandates employee and contractor behaviours and commitments with respect to the management and mitigation of Modern Slavery, real or potential, across the organisation. Our Modern Slavery Policy, Whistle-blower Policy and Code of Conduct (**NCIG Policies**) all provide support for our employees and contractors with respect to the identification of potential Modern Slavery risks across our business and supply chain. Our Code of Conduct and Whistle-blower policies also facilitate confidential and anonymous reporting of any concerns that staff or external parties may have regarding Modern Slavery risks within our operation and across the supply chain.

These NCIG Policies are regularly reviewed to ensure consistency as modern slavery risks evolve. The NCIG Policies can be accessed on NCIG's website - www.ncig.com.au under [Policies & Reports - NCIG](#).

Procurement procedures

Modern slavery criteria and requirements are incorporated in all procurement templates and conditions of tender. A detailed questionnaire (Tender Schedule 12) is required to be completed by respondents addressing how Modern Slavery is managed across their business. Respondents are also requested to provide supporting documentation regarding their Modern Slavery policies and procedures. This allows NCIG to assess their commitment to mitigating Modern Slavery and reducing NCIG's exposure to potential Modern Slavery risks before contracts and relationships with suppliers are formed. These conditions and requests for information have a two-fold effect, namely they:

- highlight to potential contractors NCIG's commitment to the management and mitigation of Modern Slavery within its business; and
- provide NCIG with the opportunity to review the commitment and maturity of potential contractors to the mitigation and management of Modern Slavery. NCIG's procurement process continues to require all tenderers to understand this commitment and to provide NCIG with relevant

documentation and information through a detailed survey, to be submitted during procurement processes for NCIG's consideration and evaluation.

NCIG's standard supplier contracts and terms and conditions have provisions to address Modern Slavery, and all new contracts entered into with NCIG contain these provisions. The provisions highlight NCIG's commitment to mitigating Modern Slavery risks within our business and requires confirmation from respondents that these provisions are acknowledged and can be complied with.

Sustainable procurement target

NCIG's Sustainability Strategy describes our future direction and ambitions towards optimising sustainable operations. It demonstrates how we incorporate environmental, social and governance (ESG) considerations across our operations, and how we mitigate and manage our risks. As part of this strategy, we established a formal target to have at least 70% of total annual expenditure being spent locally. This contributes to our commitment and goal to support the prosperity of Newcastle and the Hunter Region and give preference to local businesses where feasible and within criteria boundaries.

In this Reporting Period, we met this formal target having 73% of NCIG's total annual expenditure spent in the Local Government Areas.



RISK ASSESSMENT AND MANAGEMENT

Our risk management processes help us systematically identify and assess foreseeable risks, including those related to Modern Slavery. 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 (CRR) – prioritises our risks based on their risk profile and level of severity as identified during the risk assessment. It is regularly reported to the Board and reviewed annually. The CRR includes Modern Slavery within the risk category Non-Compliance Events, which relates to legal and regulatory compliance.
- 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 the risk management activities.

DUE DILIGENCE AND EFFECTIVENESS

During this Reporting Period, NCIG adopted a staged approach to the due diligence process, which will continue to be our focus for future reporting periods. In particular, the updated contractual terms, Modern Slavery Policy and updated procurement conditions address some of our key internal needs. Our due diligence and risk assessment process is enhanced by:

- monitoring the mitigating actions our suppliers are taking to address real or potential Modern Slavery risks; and
- identifying gaps in our risk assessment and supplier relationships that will require further investigation over the next reporting periods.

TRAINING

NCIG has provided high-level training for key management personnel on our Modern Slavery Policy and actions taken to date. NCIG is committed to providing relevant staff and contractors with training in recognition of potential risks, actions that should be taken when a risk (real or potential) is identified, and the expectations of our suppliers and contractors in managing and mitigating Modern Slavery risks.

STAKEHOLDER CONSULTATION AND ENGAGEMENT

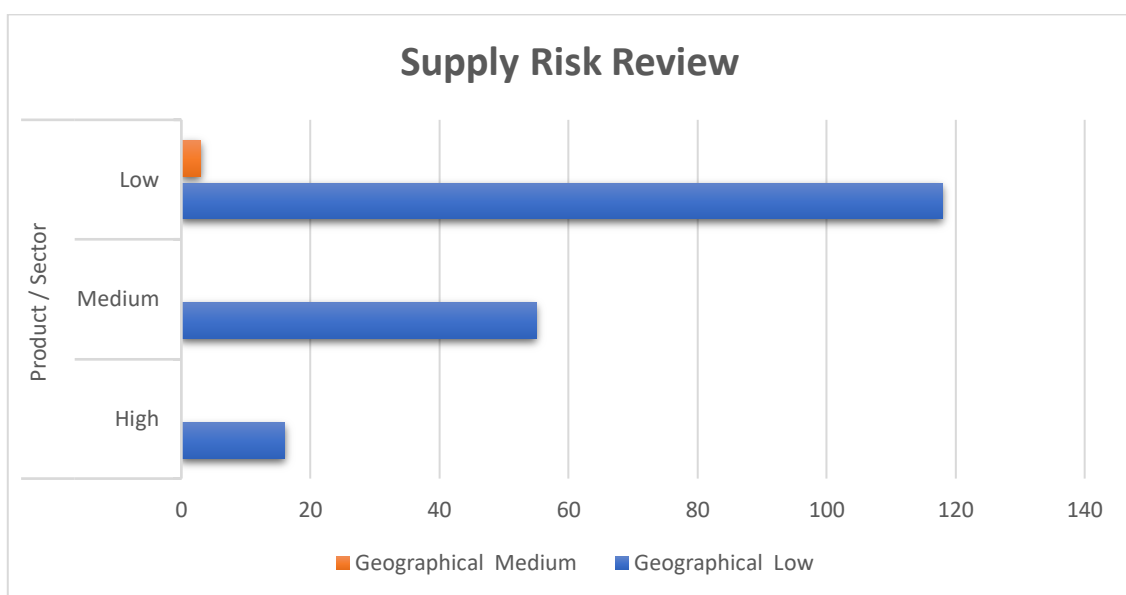
NCIG is committed to consulting and engaging with our key stakeholders and seeking opportunities to collaborate to manage Modern Slavery risks. We recognise that stakeholder consultation and engagement is an effective measure in the identification, management and mitigation of Modern Slavery. Our key stakeholders extend beyond our personnel, contractors and suppliers to customers, industry peers, the local community in which we operate and associated government entities.

We communicate with our key stakeholders, which allows us to develop trusting relationships through transparent reporting of performance and the sharing of information about our approach. One example is our Sustainability Report, in which we report our sustainability performance aligned to our Sustainability Strategy and in accordance with the Global Reporting Initiative Standards.

ACTIONS UNDERTAKEN IN FY23

NCIG recognises that managing and mitigating our Modern Slavery risks requires continuous effort. Several actions were performed during the reporting period (FY23). The actions were:

- **Establish an NCIG Modern Slavery Working Group** – An internal Modern Slavery Working Group was established to help drive internal awareness of the risks of Modern Slavery in our business and track progress against our FY23 actions. Four meetings were held during the reporting period and a program of initiatives were established that align with the prevention of Modern Slavery risk and incidents.
- **Policies and procedures revised** – NCIG’s Modern Slavery Policy and Code of Conduct were reviewed, updated and approved by the Board in November 2022.
- **Due diligence** – A risk review of NCIG’s suppliers was undertaken in the FY23 Reporting Period. A total of 192 suppliers were classified by risk level related to their product/sector and their geographical location. Of the 16 high risk product/sector companies, the majority were Australian manufacturing businesses. We have identified a subsequent action to engage further with those companies in the next reporting period. Almost all suppliers were assessed as Low risk from a geographical perspective.



- **Training** – A Modern Slavery awareness training session was conducted in the FY23 Reporting Period with 24% of our employees (plus contractors) attending. Participants were selected based on their frequency/quantity of purchases and on the dollar value of purchase orders raised in the previous year. Each team across the business was represented,
- **Stakeholder consultation** – Key sustainability and environment personnel engaged with the Port of Newcastle Welfare Committee several times throughout the year. The meetings discussed the welfare of seafarers coming into Newcastle’s port, regulatory developments and risk factors that require response. Reports from a national network of welfare agencies for seafarers were also discussed. A workshop delivered by our landlord, (Port of Newcastle) with a key focus on risks in the port, including modern slavery, was also attended.



ACTIONS IDENTIFIED FOR FY24

NCIG recognises that managing and mitigating our Modern Slavery risks requires continuous effort. Actions identified for our next reporting period in FY24 include:

- **NCIG Modern Slavery Working Group** – Group to continue to drive internal awareness of the risks of Modern Slavery in our business and develop and monitor a program of initiatives to prevent and investigate Modern Slavery risk and incidents.
- **Policies and procedures** – Review current procurement procedures to further embed references to Modern Slavery and other sustainability considerations.
- **Due diligence** – Continue to conduct supply chain analysis and engage with high-risk suppliers looking at product/service risk and geographic risk to better understand our vulnerability and exposure to these risks.
- **Training** – Include awareness training slides on Modern Slavery to our induction training for new employees and contractors.
- **Stakeholder consultation** – Continue to actively engage with our customers, industry partners and the port operator to better understand how they are managing Modern Slavery risk and how we can assist and/or collaborate.

ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

NCIG recognises the importance of regularly assessing the effectiveness of the actions we take to mitigate the risk of Modern Slavery occurring in our operations and supply chain.

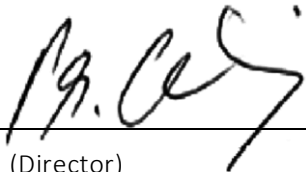
The primary ways we are able to assess the effectiveness of our actions are:

- a) Through our grievance mechanisms – we did not receive any reports regarding instances of Modern Slavery or other human rights abuses within our operations or supply chain during the Reporting Period.
- b) Risk identification process – our Corporate Risk Register prioritises risks, including Modern Slavery, based on their risk profile and level of severity as identified during our annual risk assessment. Supplier profiles will be enhanced to include additional risk categories (sector and country risk), which will further enhance our procurement due diligence processes.
- c) Commercial and procurement processes – our contractual terms are recognised and accepted by our suppliers and contractors.

NCIG will continue to look to ways to improve our assessments and review of the actions we are taking to adhere to our Modern Slavery commitments.

APPROVAL

This Modern Slavery Statement was approved by the Board of Directors of NCIG on 8 December 2023.



Signed (Director)

Phil Garling

Name



Newcastle Coal

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