

# 2022 Sustainability Strategy

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# Message from the CEO



**“Our vision is to be a world-class port and logistics manager driving sustainable growth.”**

The challenges experienced globally in recent years remind us that sustainability is a shared concern. We all have a part to play in working towards a better future for the environment, the economy and our society.

NSW Ports is a critical link in the nation's supply chain. Our key trade gateways at Port Botany and Port Kembla contribute more than \$13 billion annually to the NSW economy and support about 65,000 jobs. Sustainability is essential not only to our business but to the success of the industries and communities with which we work closely.

Our 2022 Sustainability Strategy builds on our previous initiatives to ensure we remain highly resilient, responsive and responsible in our operations. Our vision is to be a world-class port and logistics manager driving sustainable growth.

Our strategic environmental, social and governance priorities plot the path towards realising that vision, through:

- Responsible asset management delivering fit-for-purpose infrastructure that supports the sustainable and efficient movement of goods
- Decarbonising our operations by 2025 and working with our suppliers, tenants and customers to reduce our value chain emissions
- Building strong, trusted and mutually beneficial relationships with the communities within which we operate
- Ensuring a workplace where our people feel engaged, included and supported to be their best
- Developing a monitoring and evaluation framework that demonstrates and communicates impact.

Our 2022 Sustainability Strategy demonstrates our commitment and contribution to securing a sustainable future for current generations, and generations to come.

*Marika Calfas*

**Marika Calfas**

Chief Executive Office

## Acknowledgement of Country

NSW Ports acknowledges the traditional custodians of the land and waters on which we operate and pay our respects to Elders past, present and future.

# Our business at a glance

## Our Assets



### Port Botany

#### Australia's Premier Port

Located within Australia's largest population centre, Port Botany is a key trade gateway for the nation. Port Botany is New South Wales' container port, the State's primary bulk liquid and gas port and Australia's largest multi-user bulk liquids facility. The Port operates 24/7 to import goods to support the people and businesses of New South Wales and to export goods to international customers.



### Port Kembla

#### The Port of Growth for New South Wales

Port Kembla is a key infrastructure asset for New South Wales and an economic driver for the Illawarra region. Port Kembla is New South Wales' motor vehicle import hub and the largest grain export terminal in the State. The Port handles the import/export of minerals, bulk and liquid bulk cargo. Port Kembla has been approved by the NSW Government as the site of New South Wales' next container terminal once Port Botany nears capacity. Its proximity to Sydney and access to Western Sydney and South West Sydney mean Port Kembla is well positioned to handle the expected growth in freight volumes.



### Enfield Intermodal Logistics Centre

#### A key logistics hub servicing Sydney and New South Wales

The Enfield Intermodal Logistics Centre is an intermodal terminal and warehousing facility, centrally located just west of Sydney's CBD. Located within an industrial area, it offers direct and regular connections into Port Botany on dedicated freight-only rail, and rail connections to regional areas of New South Wales. Enfield Intermodal Logistics Centre is being developed as a key logistics hub to support Sydney's growing container transport needs.



### Cooks River Intermodal Terminal

#### The largest empty container storage facility in New South Wales

Cooks River Intermodal Terminal plays an important role in Port Botany's supply chain and New South Wales' overall container freight logistics task.

As the State's largest empty container park, also connected by dedicated freight rail to Port Botany, Cooks River Intermodal Terminal is a key off-port facility for handling containers.

Cooks River Intermodal Terminal offers direct and regular connections to Port Botany.



# Our contribution

**\$13.6bn**

contribution to NSW Gross State Product (2.2% of total GSP).

**64,570 jobs**

Supported by NSW Ports 52,270 in Sydney region 9,750 in the Illawarra 2,550 elsewhere in NSW

**42%**

of all goods in a Sydney household are imported in containers through Port Botany.

**80%**

of containers imported via Port Botany travel no further than 40km from the port – the most efficient port to service the people and businesses of NSW.

# Our achievements

**64%**

growth in container volumes on rail since 2014. Investment continues in on-dock rail to support more freight by rail.

**20%**

reduction in our scope 1 and 2 emissions (since FY15); targeting net zero scope 1 and 2 greenhouse gas emissions by June 2025.

**Reducing our impact**

by partnering with University experts. Includes trialing use of low carbon concrete hanbars in our seawalls and ways to reduce impacts of anchoring on ocean seafloor ecosystems.

**32**

different community groups supported over the past 3 years through our community investment program.

**2.8ha**

of wetland areas restored in our local communities in partnership with Conservation Volunteers Australia; protected 2ha of habitat on our land to support endangered Green and Golden Bell Frog.

**350**

vessels registered with NSW Ports for our Environmental Ship Emissions Incentive at 30 June 2022.

**70%**

of our electricity supplied by wind and solar (as of June 2022); includes 920kW of solar installed across our assets.

**33%**

reduction in potable water consumption (since FY15).

**2,500+**

seafarers vaccinated for COVID 19 at our ports since 2021. NSW Ports was the first port to arrange such a vaccination program.

**14**

heritage items managed across our sites, protected and recognised for their cultural importance.



# Governance, measurement and reporting

NSW Ports takes a holistic and integrated approach to sustainability. This strategy has been developed by a cross-functional group of specialists from across our business and with external specialist and stakeholder input. Sustainability is governed by the members of our Executive Team in consultation with the NSW Ports Board, who are responsible for corporate governance, policies and risk management, including those relevant to sustainability. The Board oversees and guides NSW Ports' sustainability approach and reporting requirements and has endorsed this strategy.

We will monitor our performance against this strategy and report on our performance annually.



# Our sustainability approach

To develop our approach, we conducted a materiality assessment to help us understand which environmental, social and governance issues were most important to the sustainability of our business.

The seven interrelated topics in the middle layer of our diagram represent the most important risks and opportunities for us to focus on to ensure our business remains strongly competitive, highly resilient, responsible and adaptable.

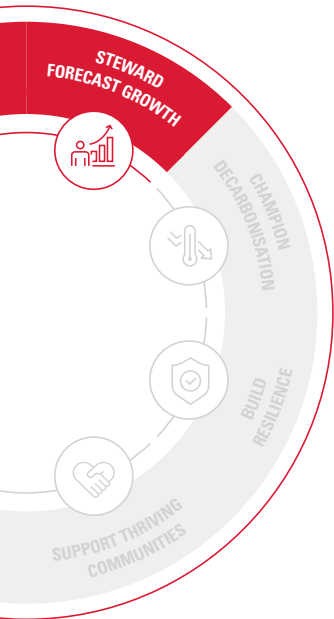
The outer layer shows our four strategic priorities for the years ahead and illustrates which material topics inform them.

We also considered how this strategy enables our business to contribute to the UN Sustainable Development Goals. We can deliver the greatest contribution towards Goals 8, 9, 11 and 13.

## Our strategic priorities



# Steward forecast growth



## Material topics that inform this priority

- Navigating shifts in global trade
- Securing key land and transport corridors to optimise supply chain efficiency

## Why is it important to us?

Proactively monitoring population growth trends and the urban environment, as well as changing consumption, production and traded goods patterns, are key to our ability to responsibly manage our assets and cater for forecast trade growth.

This ensures we protect and optimise the utilisation and productivity of existing land and infrastructure, while strategically planning for sustainable development of our ports and intermodal terminals. It also informs our advocacy for the delivery of supporting infrastructure connectivity.

## Strategic initiatives

Develop and implement an **updated sustainable development code** for consistent inclusion of sustainability elements in all port and intermodal developments.

Continue to **advocate for the protection** of ports, intermodal centres, freight corridors and industrial lands to support the efficient movement of goods.

Improve efficiency and environmental outcomes by continuing to work in partnership with other port stakeholders to **shift a greater proportion of goods from road to rail**.

## Supporting initiatives

Continuously improve our **environmental management** plans and compliance tracking programs.

Continue to **protect and enhance natural ecosystems and heritage values** in and around our sites.

Continue to **implement water efficiency** projects across our assets.

Support industry developments to **embed circular economy principles** in construction.

## What does success look like?

Our ports and intermodal terminals are fit-for-purpose, sustainably managed assets, now and into the future.

Our stakeholders are informed about our strategic role in society and collaborate with us to continue building a sustainable port supply chain.

### Targets:

- 100% of development projects comply with our sustainable development code.
- No loss of industrial zoned land surrounding our ports and intermodal terminals.
- Year-on-year increase in freight on rail to and from our ports.

## How will we measure success?

### KPIs:

- Developments that are compliant with our sustainable development code (%).
- Loss of industrial zoned land surrounding our ports and intermodal terminals (ha).
- Freight volumes on rail (TEU).
- Environmental incidents resulting in a regulatory response (#).

## SDG Target Alignment

Key SDGs	
 <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p><b>9.1</b> Develop quality, reliable, sustainable and resilient infrastructure to support economic development and well-being.</p>
 <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>	<p><b>11.3</b> By 2030, enhance inclusive and sustainable urbanisation.</p> <p><b>11.4</b> Strengthen efforts to protect and safeguard the world's cultural and natural heritage.</p>
 <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p><b>12.5</b> By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</p>



# Champion decarbonisation

## OUR PLAN

### Material topics that inform this priority

Championing the clean energy transition

### Why is it important to us?

As a critical node in the national economy we are committed to reducing our scope 1 and 2 emissions in line with the Paris Agreement goal of limiting global warming to 1.5°C and to working collaboratively with our suppliers and customers to reduce theirs.

### Strategic initiatives

Invest in **onsite and offsite renewable energy** to achieve 100% renewable electricity.

Implement a **sustainable procurement procedure and Supplier Code of Conduct** that, amongst other objectives, enables us to work in partnership with suppliers to decarbonise our supply chain.

In collaboration with our tenants and customers, investigate and develop **decarbonisation roadmaps for our precincts**.

Procure **carbon offsets** to eliminate residual scope 1 and 2 emissions.

### Supporting initiatives

**Transition our vehicle fleet to electric vehicles** as appropriate models become available and install charging infrastructure powered by renewable electricity.

Continue to **implement energy efficiency** projects across our infrastructure.

Continue to implement efforts to **reduce operational waste** sent to landfill and to **reduce embodied carbon** in construction projects.

### What does success look like?

We have decarbonised our own operations.

We are effectively collaborating in the decarbonisation of our broader port and intermodal terminal precincts.

#### Targets:

Net zero scope 1 & 2 greenhouse gas emissions by end of FY25.

Define and measure our scope 3 emissions and work with our customers and suppliers to reduce these.

100% renewably sourced electricity.




### How will we measure success?

#### KPIs:

- Total greenhouse gas emissions (scope 1 and 2).
- Renewable electricity (%).



### SDG Target Alignment

Key SDGs	
 <p><b>13</b> CLIMATE ACTION</p>	<p><b>13.3</b> Build knowledge and capacity to meet climate change.</p>
 <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	<p><b>7.2</b> By 2030, increase substantially the share of renewable energy in the global energy mix.</p>
 <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p><b>12.6</b> ...adopt sustainable practices and integrate sustainability information into their reporting.</p>

# Build resilience



## Material topics that inform this priority

Building resilience in a changing environment  
Investing in technology to strengthen port capacity and efficiency

## Why is it important to us?

Ports are a critical part of global supply chains and their reliability and performance are essential to a flourishing economy and society.

We recognise the strategic value of anticipating, withstanding and learning from disruptive events – whether environmental, social or regulatory – to create a smarter, stronger and more resilient port supply chain.

## Strategic initiatives

Our 2021 climate change risk assessment enhanced our understanding of the physical risks we face from a changing climate. In 2022, we will complete our **first Transition Risk study** to understand the wider business-related risks that we may face from climate change.

Align our climate risk management with **the recommendations from the Taskforce on Climate-related Financial Disclosures (TCFD)**.

Invest in **smart technology** to enable us to proactively monitor and manage environmental factors (such as noise, resource use and weather) across our assets.

**Strengthen our IT security** in line with relevant legislation and industry practice.

## Supporting initiatives

Continue to **implement and improve our emergency response and business continuity plans**.

## What does success look like?

We have the systems, processes and relationships in place to enable our business to withstand and adapt to changing conditions and to recover positively from shocks and stresses.

### Targets:

More than 90% of training, drills and exercises in our business resilience framework completed by due date.  
All material climate-related risks (physical and transition) identified and embedded in organisational risk registers.

## How will we measure success?

### KPIs:

- Business resilience framework actions completed by due date (%)
- Key climate related risks monitored (%)

## SDG Target Alignment



### Key SDGs

- 13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters.
- 13.3** Build knowledge and capacity to meet climate change.

# Support thriving communities

## OUR PLAN

### Material topics that inform this priority

Safeguarding our licence to grow  
Creating a safe work environment

### Why is it important to us?

People are key to our success. A strong social licence, built on effective engagement and a thriving workforce, is critical to our business.

Listening to our customers, stakeholders, local communities and employees helps us plan for and invest in initiatives that create equitable, safe, healthy and prosperous environments.

### Strategic initiatives

Implement our **community engagement and investment program** and engage with local communities around our sites to ensure it remains fit for purpose.

Promote **reconciliation** and mutually beneficial relationships with local First Nations communities.

Continuous improvement of our **workplace health and safety program**.

Encourage and support the professional development of all staff via our **Professional Development program**.

**Uphold human rights** in the supply chain in accordance with the Modern Slavery Act.

### Supporting initiatives

Continue our **noise mitigation and management program**.

Continue to **build a pipeline of talent** such as through graduate / cadet employment.

### What does success look like?

Our communities understand the important role of our assets and feel positive towards our business and its success.

Our workplaces are safe, healthy, diverse and inclusive environments that support the wellbeing, professional development and engagement of our people.

#### Targets:

Establish a social impact monitoring and evaluation framework.

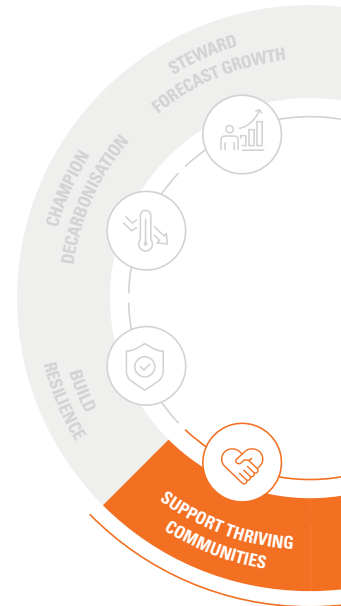
More than 90% of safety actions closed by due date.

Maintain an employee engagement score of more than 75%.

### How will we measure success?

#### KPIs:

- Safety actions completed by due date (%)
- Employee engagement score (%)



### SDG Target Alignment

#### Key SDGs



- 8.5** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
- 8.7** Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking.
- 8.8** Protect labour rights and promote safe and secure working environments for all workers.



- 5.5** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making.



- 10.2** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.



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