



STEAMSHIPS

SUSTAINABILITY REPORT | 2017

# CONTENTS

Foreword.....	3
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## About Steamships

Fast Facts.....	4
Group Structure.....	4
Our Businesses.....	6
Sustainable Development.....	9
Scope of Report.....	10

## Group Performance Review 2017

Our People.....	12
Occupational Health and Safety.....	13
Our Community.....	13
Our Environment.....	11
2017 Sustainable Development Highlights.....	16

## Governance

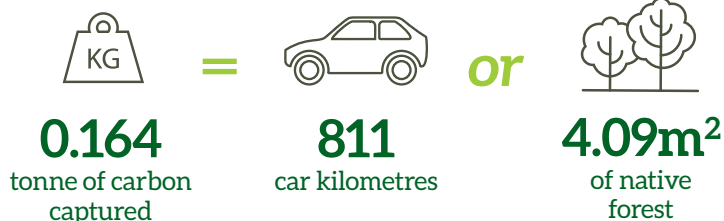
Group Sustainable Development Policy.....	17
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## Environmental Impact Statement



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# FOREWORD



Steamships people are its most critical asset. At Steamships the focus is to ensure that employees are afforded every opportunity to build strong, rewarding and successful careers in an environment of safety, trust, fairness and respect.

Environmental Sustainability continues to be a priority area for Steamships. Responsible and sustainable energy consumption is an area of increased focus and this is done through the regular monitoring and reporting of energy use, water use and environmental emissions at operational level. There is an intention to further enhance reporting to align with internationally recognized best practice and reporting standards.

It is considered essential to have a positive impact on the various communities in which Steamships operates.

Engagement with the community is facilitated through an involvement in social programs that prioritize four key areas; health, social welfare, education, sports and culture. The aim is to identify projects and partnerships that bring measurable, meaningful, and positive impact to those in most need.

**Peter Langslow,**  
Managing Director,  
Steamships Trading

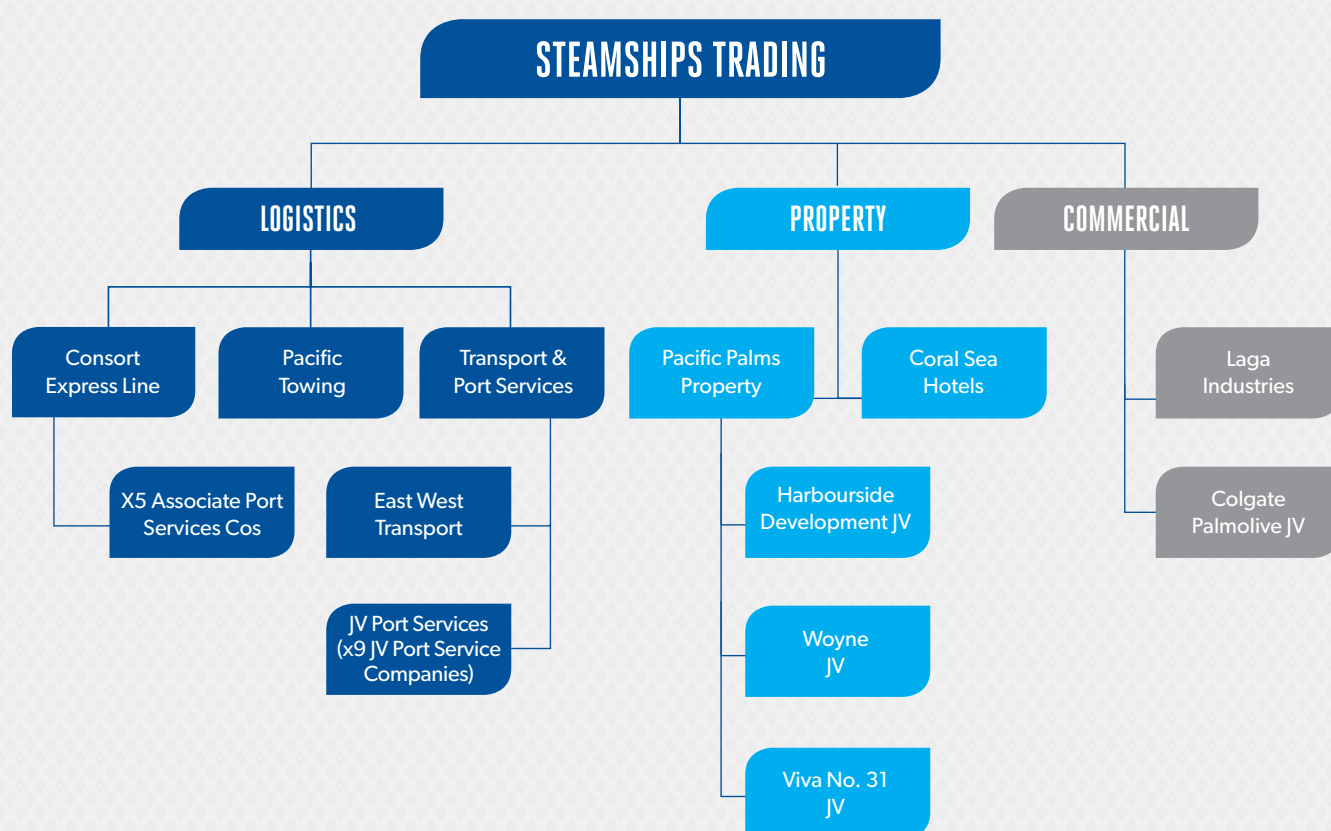
“ The three pillars of Our People, Our Environment and Our Community, underpin the Sustainability strategy of the company ”



## FAST FACTS

Steamships is recognized as one of the leading commercial entities in Papua New Guinea and in 2018 celebrates a centenary of doing business in the country. Today Steamships is a well-established conglomerate with diverse commercial interests and listings on both the Port Moresby and Australian Stock Exchanges.

The Group employs just over 3,000 people in six divisions grouped under the three operating categories of Hotels and Property, Logistics and Commercial.



## SCOPE OF THIS REPORT

- The report covers all major business units of Steamships. It does not include joint venture operations that are not under its management control.
- Steamships' sustainability performance aligns with the requirements of the Global Reporting Initiative (GRI), a worldwide corporate transparency initiative that Steamships has followed since 2013.
- Management approach and the Economic Performance, Legal, and Governance aspects of Steamships are reported in the Annual Company Report.
- The reporting period is for the calendar year 2017

# HOTELS & PROPERTIES

## Coral Sea Hotels

The largest hotel chain in Papua New Guinea, Coral Seas Hotels (CSH) operates hotel and apartment complexes in major business and cultural centres throughout Papua New Guinea. Providing comfortable accommodation in a secure environment and offering extensive dining, meeting and conference opportunities, CSH is the perfect choice for the business or leisure traveler.

It's award winning hotels include the luxurious Grand Papua Hotel and the popular Gateway Hotel in Port Moresby as well as the Highlander Hotel in Mount Hagen and the iconic Bird of Paradise Hotel in Goroka.

The Group will open the Cassowary Hotel in Kiunga, Western Province in 2018.

## Pacific Palms Property

Papua New Guinea's most innovative property developer, Pacific Palms Property (PPP), has delivered some of PNG's most progressive commercial developments, including the iconic Harbourside Development in Port Moresby.

Owning commercial, industrial and residential properties across PNG, PPP performs developments on its own behalf, for Coral Sea Hotels and as a partner in several joint ventures. PPP's vision to undertake quality developments delivering a high level of tenant support, is supported by its experienced development and letting teams, which manage its portfolio of properties.





# LOGISTICS: MARINE SERVICES

## Consort Express Lines

Consort operates a fleet of 14 vessels including a barge in PNG, providing the most comprehensive coastal shipping service in the country.

All vessels are registered and flagged in PNG and manned by Papua New Guineans. Of a total workforce of 890 staff, 420 are crew and the majority of which have been trained at the Madang Maritime college as Consort cadets.

Consort's Liner service offers weekly and fortnightly calls into 16 ports around the country and has a fleet of over 8,000 containers. Consort has 5 offices in PNG.

Consort also operates a modern fleet of landing craft designed for riverine operations in support of mining and other development projects.

In support of its shipping services Consort has stevedoring and transport services as well as bonded yards and freight consolidation capabilities.

## Pacific Towing

Performing over 5,000 ship assists a year in Papua New Guinea and the Solomon Islands, Pacific Towing ensures safe and uninterrupted access to the nation's harbours and terminals for both coastal and international shipping around the clock.

Operating out of PNG's major ports, Pacific Towing's tugs also offer emergency response to vessels in distress and a short sea coastal towage service, including a shallow water capability for river and estuarine voyages.

Pacific Towing's highly skilled team of commercial divers are experienced in all aspects of undersea work, from class approved in-water surveys to welding & cutting and propeller polishing & repairs and its dedicated team of life raft technicians service & sell leading brands of life rafts.

A commitment to safety, training and continual improvement ensures that customers can expect professional, reliable & timely services that exceed industry best practice.



## LOGISTICS: TRANSPORT & PORT SERVICES



### East West Transport

East West Transport is one of Papua New Guinea's largest multifaceted transport and logistics companies.

Based in Port Moresby with significant presences in Lae, Wewak, Madang, Rabaul, Kimbe and Kavieng, East West Transport operates across a wide spectrum of transport related activities including the cartage of bulk fuel, containerized freight, LCL & break bulk cargo along with depot related services of equipment hire, third party logistics, warehousing and yard storage.

East West Transport is an experienced Dangerous Goods logistics provider, providing explosives and fuel logistics to customers. It also offers a licensed customs cargo clearance service in Port Moresby and Lae. East West Transport provides quarantine and customs agents on-site five days per week. This unique offering facilitates FAK & General FCL Containers / Bulk Shipments to be removed quickly from the wharf to its bonded sites removing significant costs for its clients.



### JV Port Services

Through Joint Ventures with more than ten local landowner groups, the JV Port Services (JVPS) businesses offer a full range of stevedoring and handling facilities throughout PNG. Each joint venture employs a local workforce and is a joint venture equity arrangement with local community partners.

With a fleet of specialist equipment the businesses handle all types of containers, as well as project cargo, breakbulk, RO-RO, LO-LO and grains. Local trucking businesses are also operated at several locations.

The JVPS businesses have increased vessel productivity by up to 100% in the past 5 years, which matches industry best standards for our method of operation and cargo mix.

Safety standards are benchmarked against industry best practices and in accordance with AS/NZS standards.

## CONSUMER GOODS



### Laga Industries

Laga Industries (Laga) is PNG's Premier Consumer Foods business. Fully HACCP accredited, Laga consistently produces high quality, great value and affordable products that are enjoyed daily throughout PNG.

The bedrock of its business is the iconic Gala Ice Cream, which is sold through all retailers and at more than 200 Gala Pala's in every corner of PNG. An estimated 20,000 Gala ice cream cones are consumed daily throughout PNG, which is an average of a Gala ice cream cone every 5 seconds!

Laga employs almost 500 staff across its major processing plant in Lae, its warehouse and distribution centre in Port Moresby as well as at its many sales offices, local in the major population centres of PNG.



# SUSTAINABLE DEVELOPMENT

At Steamships, sustainability is central to everything we do. We believe that our environmental and social performance is as important as our financial performance, as is our duty of care to our staff. By maintaining a clear focus on the three pillars of Our People, Our Environment and Our Community, Steamships remains a major contributor to the economic development of PNG and a committed steward of the unique environment and culture of our nation.



## OUR PEOPLE

Our people remain our most important asset. We strive to ensure that work at a Steamships business is a rewarding and enjoyable experience.

- Steamships is an equal opportunity employer and treats all employees with dignity and respect.
- We provide a safe and secure work environment and promote healthier lifestyles.
- We provide development opportunities and rewarding careers.



## OUR ENVIRONMENT

Papua New Guinea is world renowned for its rich biodiversity and Steamships is committed to ensuring that we operate in such a way as to minimise the effect of our operational footprint on the environment. We will continue to strive to improve our performance in this area as part of our responsibility as a good corporate citizen.



## OUR COMMUNITY

Steamships Trading Company has a considerable footprint in PNG and it is considered essential to have a positive impact on the various communities in which it operates. The Steamships Sustainable Development Policy commits the Group to playing an active role as a responsible corporate citizen.



# AREAS OF SUSTAINABILITY FOCUS

## Our Environment

Responsible and sustainable energy consumption is an area of increased focus at Steamships. There is regular monitoring and reporting of energy use, water use and environmental emissions at operational level with the intention of improving performance wherever possible. At present environmental reporting is still restricted to CO2 emission and water consumption data. Total usage is measured and recorded however as yet there is no relevant business analysis of the supplied information.

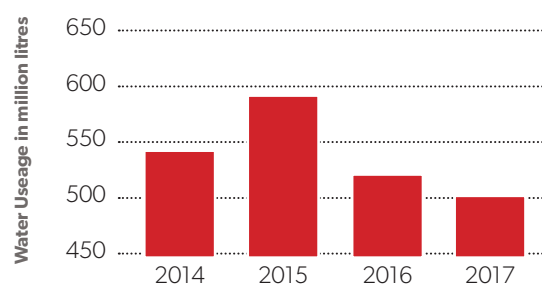
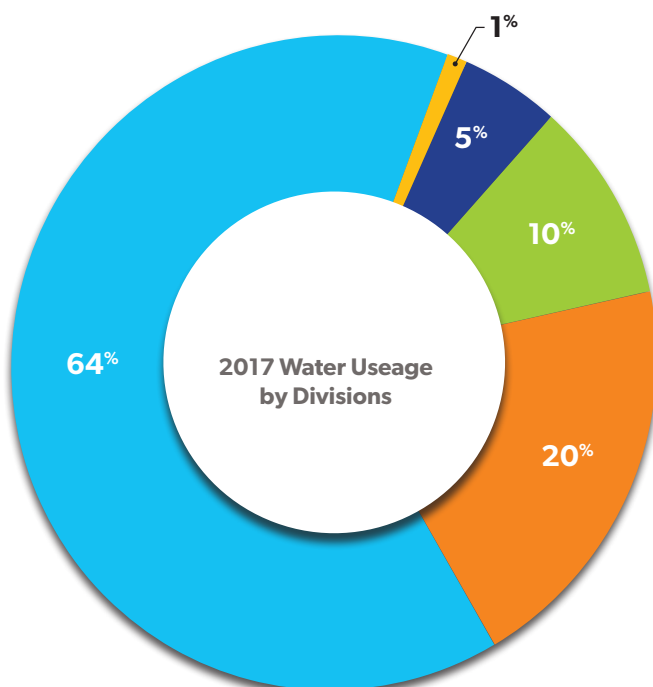
There is planning in place to move to a more complete reporting framework wherein a materiality matrix has been developed for Steamships as a means to confirming the basis

of data collection and reporting. Intensity and operational efficiency measurement will be applied to data so as to report meaningful environmental performance for use as a business tool. The new reporting format will be applied to 2018 information.

### 2017 Highlights

- Total water usage trending downward by 4% from 2016
- Total energy usage trending downward by 7% from 2016
- Total carbon emissions trending downward by 8% from 2016

### 2017 Water Usage by Division (EN8)



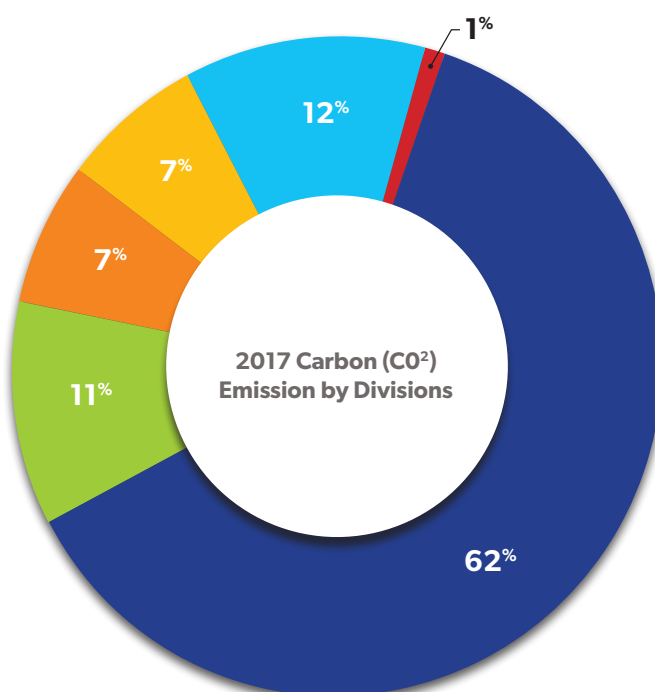
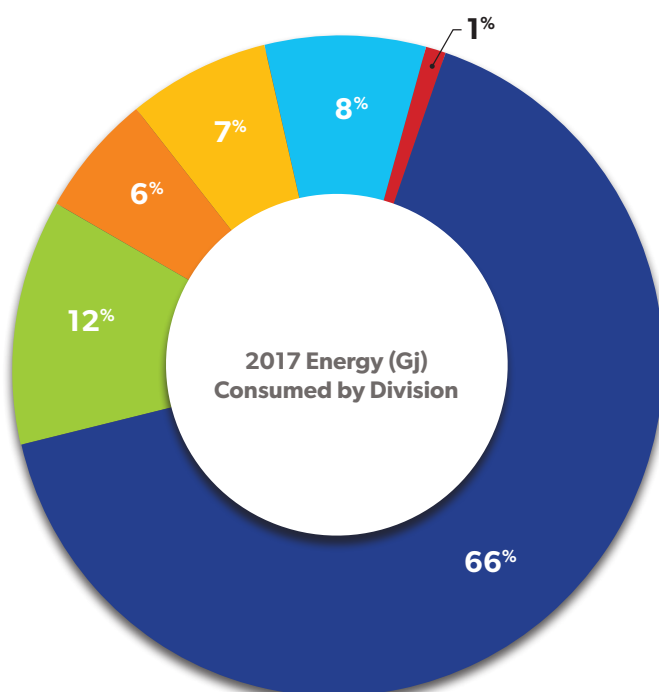
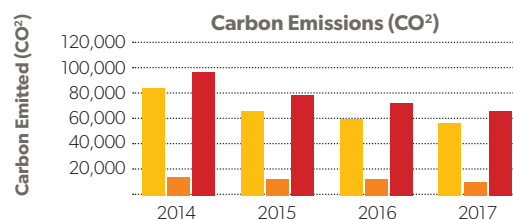
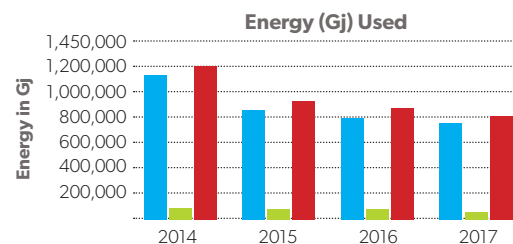
Consort Pactow TPS Laga Hotels Properties Corporate

	Water Usage (L)
Consort	24,947,000
TPS	51,107,000
Laga	102,291,000
Pactow	3,114,000
Hotels	320,556,000
Properties	666,000
Corporate	-
<b>Group</b>	<b>502,681,000</b>

	2014	2015	2016	2017
<b>Water Usage (ltrs)</b>	547,982,000	594,310,000	524,330,974	503,825,816

Energy (Gj)	2014	2015	2016	2017
Direct Energy	1,118,174	852,492	801,189	751,819
Indirect Energy	80,379	70,456	73,419	62,373
<b>Total Energy</b>	<b>1,198,553</b>	<b>922,948</b>	<b>874,608</b>	<b>814,192</b>

Carbon (Tonnes)	2014	2015	2016	2017
Direct (Scope 1)	82,800	66,244	59,300	55,645
Indirect (Scope 2)	12,950	11,405	11,829	10,049
<b>Total Emissions</b>	<b>95,750</b>	<b>77,649</b>	<b>71,129</b>	<b>65,694</b>



■ Consort ■ Pactow ■ TPS ■ Laga ■ Hotels ■ Properties ■ Corporate

**2017 Energy (Gj) Consumed by Division (EN3 & EN4)**

	Energy Usage (Gj)
Consort	544,147
TPS	94,761
Laga	45,282
Pactow	58,674
Hotels	61,964
Properties	11,788
Corporate	1,693
<b>Group</b>	<b>818,309</b>

**2017 Carbon (CO<sub>2</sub>) Emission by Divisions (EN15)**

	Carbon Emission (t)
Consort	40,695
TPS	7,411
Laga	4,803
Pactow	4,365
Hotels	7,595
Properties	950
Corporate	145
<b>Group</b>	<b>65,964</b>



## OUR PEOPLE...

**Steamships people are its most critical asset. At Steamships the focus is to ensure that employees are afforded every opportunity to build strong, rewarding and successful careers in an environment of safety, trust, fairness and respect.**

In 2017 Steamships HR and Training commenced a journey of revision, with a clear focus on fairness and consistency in people management across all divisions as well as a focus on heightening the professional development of employees at all levels with a "Growth from Within" vision.

A key achievement has been the development of an STC Remuneration Framework which will be applied across all divisions, whilst maintaining flexibility, and acknowledging the diverse industries we are competing with in the labour market. The STC Remuneration Framework and Policy is fair to all employees, competitive against the market, and validated by evaluation and benchmarking.

To support our "Growth from Within" vision, a Learning and Talent Development Manager was sourced and commenced at the later stage of 2017 to provide support and momentum to a number of conceptual people development initiatives. Steamships Graduate Development Program has been enhanced, Leadership Programs have been sourced and confirmed for implementation in 2018 (two Team Leader Development Programs to be conducted with maximum participation of PNG Citizen employees) and the commencement of the development of a Junior Staff Development Program which will identify, support and development junior employees to gain

professional qualification to support them in their current roles, expanding their future opportunities and set them on a path of a long term career with Steamships. This will continue to be supported with our soft skills development programs.

Both of these focus areas will support Steamships in remaining an employee of choice in PNG as well as supporting employees who possess a good attitude towards their work, who continue to commit to their roles and who have a vision of a long-term career with Steamships. Retention and Growth will continue as a focus for 2018 and beyond.



## AND THEIR SAFETY

**Steamships' approach to safety is focused on the development of a "Wok Seif" culture and the adoption of a "zero harm" mandate at all levels of the operation.**

This approach has been promoted through the implementation of safety management systems, and managed through regular and detailed reporting of safety statistics, the continuous conduct of safety awareness and training, and robust safety performance monitoring through regular meetings and audits.

Effective management of health and safety and security performance translates directly to superior employee and business performance, so a clearly articulated and effectively executed HSSE strategic plan is important. There has been a measurable improvement in the HSSE performance of Steamships companies over successive years since 2013 but fluctuations occur, and the challenge remains to put in place robust systems, processes and behaviour that deliver 'best in class' safety performance.



## OUR COMMUNITY...

**Community is one of three pillars of the Steamships Sustainability strategy, alongside People and the Environment. Steamships Trading Company has a considerable footprint in PNG and it is considered essential to have a positive impact on the various communities in which it operates.**



Steamships Trading Company has a considerable footprint in PNG and it is considered essential to have a positive impact on the various communities in which it operates. This is done through an involvement in community engagement initiatives that prioritize four key areas: health, social welfare, education, sports and culture. These priority areas align with the development aspirations of Papua New Guinea with specific focus on; good health and wellbeing, quality education, reduced inequalities, and gender equality.

The aim is to identify projects and partnerships that satisfy the community engagement strategy and that bring measurable, meaningful, and positive impact to project beneficiaries.





## YWAM

**Steamships 2017 contribution:** K100,000

**Purpose:** STC has supported YWAM over last couple of years and has continued their support to provide the fund for their outreach work in the Western Province.



## Buk Bilong Pikinini

**Steamships 2017 contribution:** K324,700

**Purpose:** STC is proud to announce its continued support for BbP. A new library in Hagara Community School was opened on Tuesday 13th March 2018. STC sponsors 2 libraries in Lae and Goroka.

## Gateway Children's Fund

**Steamships 2017 contribution:** K118,400

**Purpose:** STC has come on board to support Gateway Children's Fund who have been here in PNG since 1990, supporting marginalized children living in Port Moresby. The financial support goes towards building of a new classroom.

## New Guinea Binatang

**Steamships 2017 contribution:** K124,500

**Purpose:** The launch of STC Community Grants Fund saw the New Guinea Binatang Research Centre located in a remote village of Wanang in Madang receive the funding to purchase education materials to enhance education quality.







### Susu Mamas

**Steamships 2017 contribution:** K100,000

**Purpose:** STC funded two projects in WHP, a volunteer Health clinic program and the construction of a new men's clinic in Hagen aimed to reduced maternal and child mortality. Also provide services and awareness to men and boys.

### Salvation Army

**Steamships 2017 contribution:** K503,500

**Purpose:** STC has been supporting Salvation Army for the past 20 years. STC supports Salvation Army through paying rental for House of Hope and the purchase of new vehicle.



### Hanuabada Fire Appeal

**Steamships 2017 contribution:** K20,000

**Purpose:** STC have had a historical relationship with the people of Hanuabada. In 2017 a fire destroyed houses and STC donated in cash which went towards needs for the families that lost their homes.

### Rose Batty Lecture

**Steamships 2017 contribution:** K20,000

**Purpose:** STC through Femili PNG sponsored the Rose Batty lectures at the University of PNG and University of Technology. The lectures were aimed at raising awareness on violence in the family and gender based violence.





# 2017 SUSTAINABLE DEVELOPMENT HIGHLIGHTS

GR4 Indicator	Description	2017	2016	% Change
G4-10	Total employees	3165	3899	- 23%
EC6	Citizens in senior roles %			

## Proportion of Senior Management Hired from the Local Community at Significant Locations of Operation (EC6)

STEAMSHIPS GROUP	2017	2016	% change
Total Workforce	3165	3899	-23%
Total Staff in Senior Roles	155	244	-36.4%
Citizen Staff in Senior Roles	103	176	-41.4%
% Citizen Staff in Senior Roles		72%	

## Total Number and Rates of New Employee Hires and Employee Turnover by Age Group, Gender and Region (LA1)

STEAMSHIPS GROUP	2017		2016	
	M	F	M	F
<30	182	122	242	150
30 to 50	159	53	261	90
>50	23	3	21	4
Total	364	178	524	244
Turnover %				

STEAMSHIPS GROUP	2017		2016		% change
	Subtotal	% of workforce	Subtotal	% of workforce	
Citizen Fulltime – Male	1866	58.9	2135	36.5	22.4
Citizen Fulltime – Female	805	25.4	807	13.8	11.6
Citizen Casual (FTE) – Male	395	12.5	911	48.3	-34.7
Citizen Casual (FTE) - Female	34	1.0			
Non-Citizen Fulltime – Male	57	1.8	83	1.4	0.6
Non-Citizen Fulltime – Female	8	0.3			
<b>Total Workforce</b>	<b>3165</b>	<b>100</b>	<b>3888</b>	<b>100</b>	<b>-0.1</b>

CATEGORY	ASPECT	GRI INDICATOR	DESCRIPTION
Environmental Performance	Energy	EN 3	Direct energy consumption by primary energy source.
		EN 4	Indirect energy consumption by primary energy source.
	Water	EN 8	Total water withdrawal by source.
	Emissions, Effluent, and Waste	EN 15	Total direct greenhouse gas emissions by weight.

More information on the GRI and the G4 Guidelines can be found at [www.globalreporting.org](http://www.globalreporting.org)

# SUSTAINABLE DEVELOPMENT POLICY

**Steamships Trading Company and its subsidiary companies will conduct our activities in a manner that protects the environment, health, security and safety of our employees, contractors, and customers. We wish to excel as corporate citizens.**

## **To do this, Steamships will meet or exceed all legal requirements and;**

- Operate in a manner which safeguards the health and safety of all our stakeholders. Zero harm is our goal.
- Provide and maintain safe places of work and equipment;
- Continually review work places, equipment and procedures to further improve safety;
- Provide occupational health and safety training for employees
- Play an active role as a responsible corporate citizen, being involved in community engagement programs and encouraging staff to participate.
- Be a good steward of the natural resources under our influence and ensure that all potential adverse impacts of our operations on the environment are identified and appropriately managed.
- Favour suppliers and contractors who promote sustainable development.
- Strive to be an employer of choice by providing an environment in which all employees are treated fairly and encouraged to realise their full potential.

## **Making it happen:**

- The promotion and maintenance of HSSE is the responsibility of all staff.
- All companies in which Steamships Trading Company Limited has a controlling interest will have action plans for applying this policy in a way which is relevant to their business.
- We will encourage other companies in which we have an interest as a shareholder or through our supply chain to implement similar policies.
- We will monitor our performance and report regularly.
- Operate in a manner which safeguards the health and safety of all our stakeholders. Zero harm is our goal.
- Provide and maintain safe places of work and equipment;
- Continually review work places, equipment and procedures to further improve safety;
- Provide occupational health and safety training for employees
- Play an active role as a responsible corporate citizen, being involved in community engagement programs and encouraging staff to participate.
- Be a good steward of the natural resources under our influence and ensure that all potential adverse impacts of our operations on the environment are identified and appropriately managed.
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