

QUBE



Modern Slavery Statement 2020

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Disclaimer:

This statement has been prepared by Qube Holdings Limited and its controlled entities (and any Qube-operated joint ventures for reporting under the *Modern Slavery Act 2018* (Cth) in relation to Qube's activities during the 2020 financial year. Qube has prepared this document based on information available to it at the time of preparation. It is general in nature and does not purport to be complete or without error. This document should be read in conjunction with Qube's other periodic and continuous disclosure announcements lodged with the ASX, including Qube's FY20 Annual Report and FY20 Corporate Governance Statement which are available from Qube's website. Except as required by law or regulation, Qube does not undertake to review or update any forward-looking statements in this statement as a result of new information or future events.

Purpose of this joint statement

This Modern Slavery Statement has been prepared for the purpose of reporting in accordance with Qube’s Human Rights Policy and section 16 of the Australian *Modern Slavery Act 2018 (Act)* for the financial year ended 30 June 2020.

This is an inaugural joint statement made by Qube Holdings Limited for itself, as parent company and principal governing body of the Qube group of companies, and on behalf of those entities constituting reporting entities as defined under the Act (**Qube** or the **Qube Group**). This statement describes the steps taken by the Qube Group to assess and address Qube’s modern slavery risks and report these steps in accordance with the mandatory reporting criteria under the Act. The reporting entities are the companies principally conducting operations of the Logistics, Ports and Bulk businesses within the Operating Division – see Consultation and Approvals at page 12.

The statement applies to the reporting entities and all other controlled entities of the Qube Group, being wholly-owned subsidiaries and controlled joint ventures.¹ This statement does not cover our non-controlled and non-operated joint ventures. A description of our joint ventures, and how we engage with them in relation to modern slavery, is set out at page 5.

This statement describes the steps taken by the Qube Group to assess and address Qube’s modern slavery risks and report these steps in accordance with the mandatory reporting criteria under the Act. The mandatory reporting criteria and how we are addressing them in this statement are set out below.

MANDATORY CRITERIA FOR MODERN SLAVERY STATEMENTS		PAGES
1	Identify the reporting entity	2
2	Describe the reporting entity’s structure, operations and supply chains	5-6
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	7
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 processes	8-10
5	Describe how the reporting entity assesses the effectiveness of these actions	11
6	Describe the process of consultation with any entities the reporting entity owns or controls	12
7	Any other relevant information (COVID response)	3



¹ A list of these entities is contained at page 105 of Qube’s 2020 Annual Report. In this statement, unless expressly mentioned otherwise, references to ‘Qube’ and the ‘Qube Group’, the ‘Company’, ‘we’, ‘us’ and ‘our’, refer to Qube Holdings Limited, its controlled entities and any Qube-operated joint ventures. This statement does not cover our non-controlled or non-operated joint ventures.

1. Introduction

We recognise the potential existence of modern slavery in our operations and supply chains. Our approach is to manage modern slavery risks as a subset of a broader suite of human rights concerns pertinent to our business. We are committed to the objectives and principles underpinning the the Act and to working with our business partners, contractors and suppliers in preventing and mitigating any modern slavery impacts associated with our operations.

The *Australian Commonwealth Modern Slavery Act 2018* defines modern slavery as including eight types of serious exploitation: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour. The worst forms of child labour include situations where children are subjected to slavery or similar practices, or engaged in hazardous work.

Qube's primary focus is to prevent "harm to people" in all aspects of our business. We recognise that to address modern slavery and to meet the spirit and mandatory requirements of the Act is a complex task and requires specialised competencies, processes and industry collaboration. Given the pervasive and often hidden nature of modern slavery in complex networks and supply chains, in keeping with the *United Nations Guiding Principles for Business and Human Rights (UN Guiding Principles)*, we will focus our resources and effort on the most salient modern slavery risks and use our influence to achieve better outcomes where we can.

During FY 2020 we embarked on a process to identify potential modern slavery risks in our operations and supply chains and determine how best to address these in line with our values, sustainability commitments and the mandatory requirements of the Act. During the reporting period, a Human Rights and Modern Slavery Working Group (**HR & MS Working Group**) was established to develop our management response to human rights and modern slavery. The HR & MS Working Group comprises members from our finance, procurement, sustainability and legal teams. The HR & MS Working Group, with the support of external experts, undertook the following:

- A high-level mapping and risk assessment of potential modern slavery risks in our operations and supply chains.
- An assessment of our own governance, risk and management systems.
- The development of a Human Rights and Modern Slavery Framework and Action Plan.

Qube has a solid governance, risk and management culture that encourages an entrepreneurial and "can-do" spirit together with a strong ethical and socially responsible approach to all our business activities. We also have a mature policy, governance and management system for protecting our people's health and safety and a group-wide Sustainability Framework that is informed by the UN Guiding Principles and the *United Nations Sustainable Development Goals (SDGs)*, in particular SDG 8 - Decent Work and Economic Growth.

MODERN SLAVERY RISKS AND THE COVID PANDEMIC

We acknowledge that the COVID pandemic has created a shift in economic activity which consequently can impact modern slavery risks.

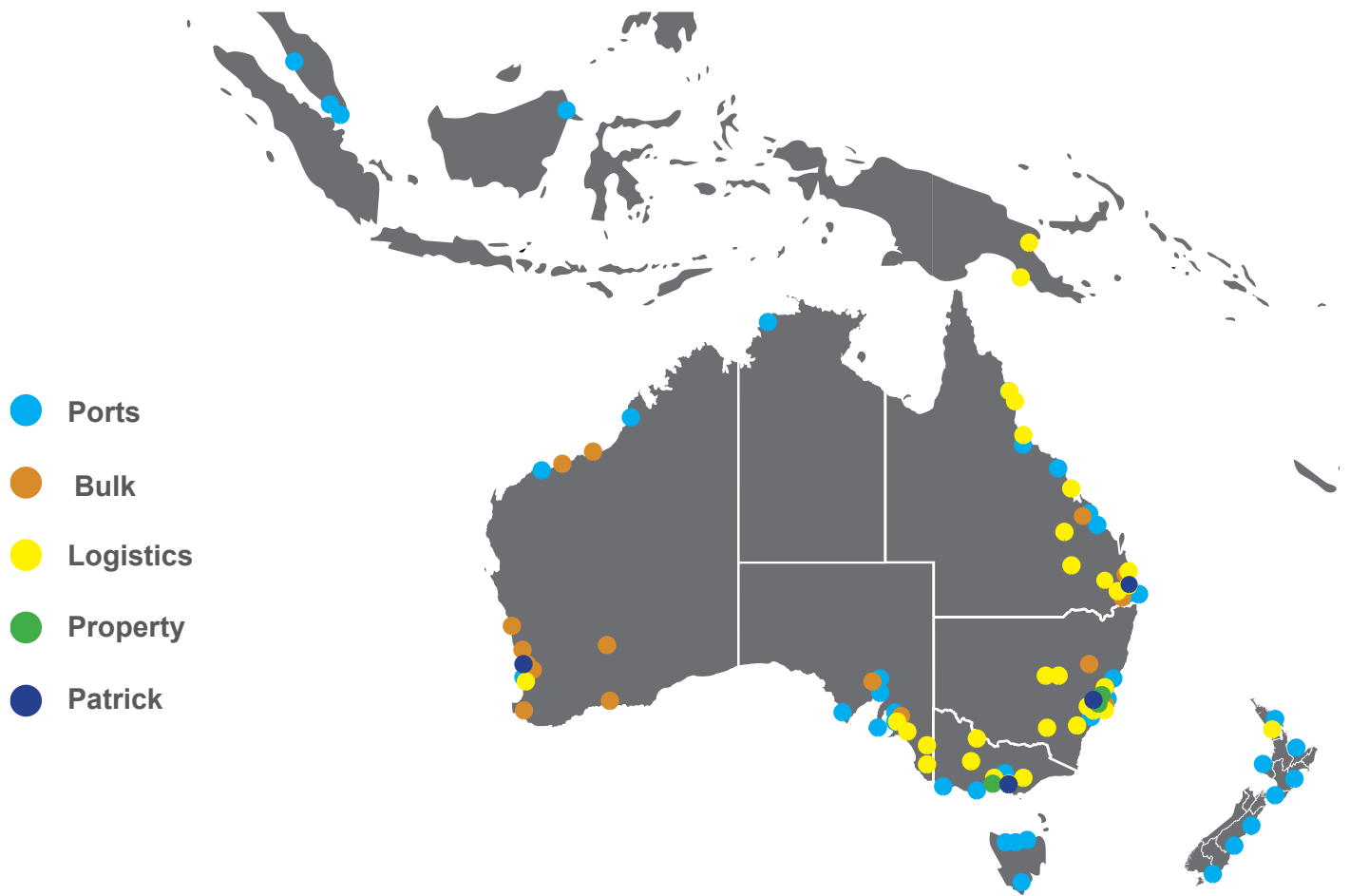
Most of Qube's operations were defined by government as essential services and therefore were able to continue to operate throughout the period. The impact of the pandemic on Qube's activities varied significantly with minimal impact on Qube's bulk export operations, a modest impact on its New Zealand forestry stevedoring and marshalling operations (mainly due to the closure of forestry activities for three weeks) and a more significant impact on container, import break bulk cargo, and automotive volumes.

By April 2020, Qube had established a COVID Response Committee and implemented a COVID Response Plan which included considerations of safety and employment retention while controlling costs and expenses. Qube's Board of Directors and senior management accepted significant pay reductions to support the business.

A proactive and focused COVID Risk Mitigation Action Plan and COVID Safe site plans and guidelines were rolled out across the workplace, which included guidelines on responding to a workplace outbreak and strict protocols which were immediately implemented to minimise the possibility of workplace transmission. These protocols have been applied to all supplier and contract personnel attending Qube-owned or -operated sites. This allowed Qube to ensure that its regional and automotive ports operations continued, significantly assisting Qube to effectively maintain its employee numbers and helping to mitigate any job losses and stand-downs of our suppliers.

While Qube's revenue-generating operations were significantly impacted by the pandemic, disruption to our supply chains was minimal. Qube has been focused on ensuring that its suppliers have been adequately managing human rights risks that may be accentuated given the practical and economic circumstances created by the pandemic. In particular, this has included Qube's focus on cleaning contractors given the increased hygiene and sanitation measures implemented across Qube's sites.

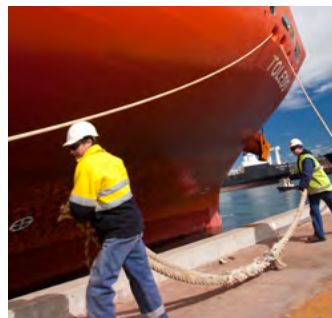
2. Our structure, operations and supply chains



OVER
6,500
EMPLOYEES



OVER
135
LOCATIONS



2.1 Our structure and operations

Qube is Australia's largest integrated provider of import and export logistics services with over 6,500 employees operating in over 135 locations, with the majority of the workforce in Australia and New Zealand and a smaller presence in South East Asia.

The Qube Group is comprised of:

- the Operating Division with its business units, Ports, Bulk and Logistics
 - the Property Division
1. Ports is a specialist, integrated port services provider, providing bulk and general handling facilities in over 40 Australian, New Zealand and South East Asian ports.
 2. Bulk provides customers with the full range of bulk material handling services including road and rail transport, stockpile management and bulk ship loading.
 3. Logistics operates services covering road and rail transport, warehousing and distribution, container parks and related services, and intermodal logistics hubs including rail terminals and international freight forwarding.
 4. The Property Division is responsible for key expansion projects and investments for Qube, including development of the Moorebank Logistics Park, a 243-hectare site located at Moorebank, NSW. Upon completion, the Moorebank Logistics Park will be the largest intermodal freight precinct in Australia.

Qube holds a majority interest in the Bintan Offshore Marine Centre (**BOMC**) located on the island of Bintan, Indonesia. BOMC is a supply base servicing regional oil and gas producers. Qube is also involved in the provision of global freight logistics services in China and India and mining service operations in Papua New Guinea.

JOINT VENTURE CONSULTATION

Qube is working with its joint ventures in relation to human rights risks, and in particular modern slavery. For the majority of FY 2020, Qube held non-controlling interests in the following non-operated joint ventures which are not covered by this statement:

- Patrick Terminals – a 50% interest in Patrick Terminals, with the other 50% held by Brookfield Infrastructure. Patrick Terminals is one of two major established national container terminal operators providing stevedoring services at its terminals located in Brisbane, Sydney, Melbourne and Fremantle.
- Prixcar Services – an indirect 25% interest in PrixCar Services. PrixCar Services is an automotive logistics company specialising in vehicle transport, vehicle processing and storage, fleet conversions and dealer vehicle storage. Prixcar has depots in all Australian capital cities.²
- Northern Stevedoring Services (**NSS**) – a 50% interest in NSS, with Glencore Xstrata the other 50% holder. Based in Townsville, NSS is regional Queensland's largest supply chain management provider.
- Quattro Ports – a 47% interest in Quattro Ports, a grain and fuel storage and handling terminal, located in Port Kembla, NSW.³
- TQ Holdings – a 50% joint venture with Japanese-owned ENEOS Corporation for the development of fuel storage, handling and transport solutions.⁴
- Intermodal Group – a 49% interest in Intermodal Group, a provider of rail transport services and an operator of rail terminals in Perth, WA.

During the reporting period, Qube engaged with Patrick Terminals in relation to modern slavery. As a stand-alone reporting entity, Patrick Terminals has developed a modern slavery review framework, code of conduct and prepared its own FY2020 Modern Slavery Statement. The other joint ventures are not reporting entities for the purpose of the Act and are not required to lodge their own Modern Slavery Statements. Nevertheless, Qube is developing a protocol for engagement with these entities to ensure they are aware of human rights and modern slavery issues in their supply chains and procurement processes, are offered support and assistance in relation to supplier due diligence, and report to Qube any related risks of which they become aware.

² In December 2020, Qube increased its indirect interest in Prixcar to 50%.

³ In March 2020, Quattro ceased being a joint venture and became a wholly-owned Qube subsidiary.

⁴ In December 2020, TQ Holdings ceased being a joint venture and became a wholly-owned Qube subsidiary.

2.2 Our Supply Chains

Due to the diverse nature of our business operations, Qube has adopted a decentralised procurement function. The procurement department within each of our business divisions, and with business units within the Operating Division, is responsible for managing the sourcing and procurement process. This covers the procurement of capital assets and goods and services in compliance with group-level policy and statutory performance criteria. These include health, safety, environment and anti-bribery/corruption indicators. Modern slavery requirements will be integrated into these procurement processes during FY 2021.

On our major infrastructure project, the Moorebank Logistics Park (MLP), a dedicated procurement function has been established for the construction phase which is responsible for ensuring all health, safety and environmental standards are factored into the procurement process. During the reporting period, the procurement function began the process of integrating modern slavery provisions into MLP contracts.

Whilst many of our major suppliers are based in Australia, some are global suppliers with operations across the world, and most are likely to have operations in, or source products from, a range of regions, including Asia.

Qube's business structure, main operations and supply chains are as follows:

BUSINESS DIVISION	BUSINESS UNIT	MAIN OPERATIONS	MAIN SUPPLY CHAINS
OPERATING DIVISION	QUBE LOGISTICS	<ul style="list-style-type: none"> Container handling, storage and transport Container sales and hire Global freight forwarding Warehousing and distribution Rail transport services Agri services including grain storage, transport and export/import 	<ul style="list-style-type: none"> Rolling stock (locomotives and wagons) Prime movers and railers Road transport subcontracting Equipment maintenance, spare parts and servicing Tyres Fuel, oil and lubricants Labour hire
	QUBE PORTS	<ul style="list-style-type: none"> Vehicle, bulk and general cargo stevedoring, storage and handling Forestry Oil & gas support services Government and defence services 	<ul style="list-style-type: none"> Fuel Labour hire Port cranes and ancillary equipment Equipment maintenance, spare parts and servicing
	QUBE BULK	<ul style="list-style-type: none"> Mine site management services Bulk commodity haulage and storage Stevedoring and port facility management 	<ul style="list-style-type: none"> Prime movers and trailers Earth-moving and mining equipment Equipment maintenance, spare parts and servicing Tyres Fuel, oil and lubricants Labour hire
PROPERTY	MOOREBANK	<ul style="list-style-type: none"> Planning, design, construction and maintenance of warehousing, embedded precinct infrastructure services and intermodal transport terminals 	<ul style="list-style-type: none"> Architectural services Engineering services Building & construction products
COMMON TO BUSINESS		<ul style="list-style-type: none"> IT Services Facilities management 	<ul style="list-style-type: none"> IT software and hardware Cleaning and sanitation services

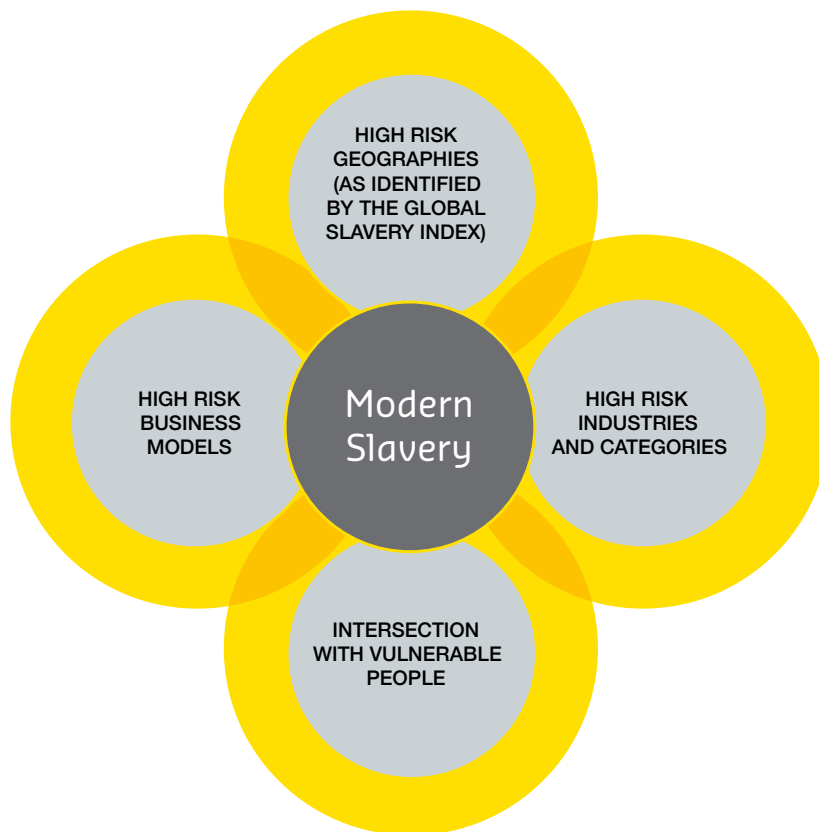
3. Modern slavery risks

During the reporting period, we assessed modern slavery risks in our operations and supply chains based on their potential to cause, contribute or be directly linked to, modern slavery practices.

With the support of external experts, we completed:

- a high-level operations and supply chain mapping exercise to develop a visual map of the Qube Group's businesses; and
- an initial risk assessment of our operations and supply chains to identify areas of potential high human rights and modern slavery risks.

To identify areas of high risk in our operations and supply chains, Qube considered four different modern slavery risk criteria as indicated below:













Where multiple modern slavery risk factors co-exist, there is a higher likelihood of harm to people. Whilst Qube has not yet identified any specific instances of modern slavery, we have however, through our preliminary assessment, identified the following potential hot spots for salient human rights risks across our operations and supply chains, as shown below:

- Direct employment practices in our operations and joint ventures in countries with differing degrees of regulation as identified by the Global Slavery Index;
- We engage labour hire companies to support our operational requirements;
- Contractor employment activities associated with our infrastructure projects and facilities management; and
- Some procurement categories that are known to have a higher prevalence of human rights and modern slavery risks in their industries such as textiles and operating equipment.

4. Our Approach

An important step in our modern slavery approach was to assess our current capabilities and maturity. With the support of external experts, we conducted a gap analysis of our operations, supply chain and risk management against the UN Guiding Principles and the 'mandatory criteria' reporting areas under the Act in order to determine the following areas of concentration:

 COMMITMENT	 DUE DILIGENCE
 GOVERNANCE	 SUPPLY CHAIN (ISO 20400 ALIGNMENT)
 STRATEGY	 GRIEVANCE & REMEDY
 MANAGEMENT	 COLLABORATION
 ENABLERS	 REPORTING & ASSURANCE

During the reporting period, our HR & MS Working Group conducted a high-level risk assessment of our operations and supply chains to identify areas of potential human rights and modern slavery risks. We carried out a gap analysis to determine where and how we should integrate a response to human rights and modern slavery risk into our business. We also reviewed our governance, risk and management systems. Based on this work, the HR & MS Working Group developed a Human Rights and Modern Slavery (**Framework and Action Plan**). Other actions we completed during the reporting period included integrating modern slavery considerations into some of our MLP works contracts.

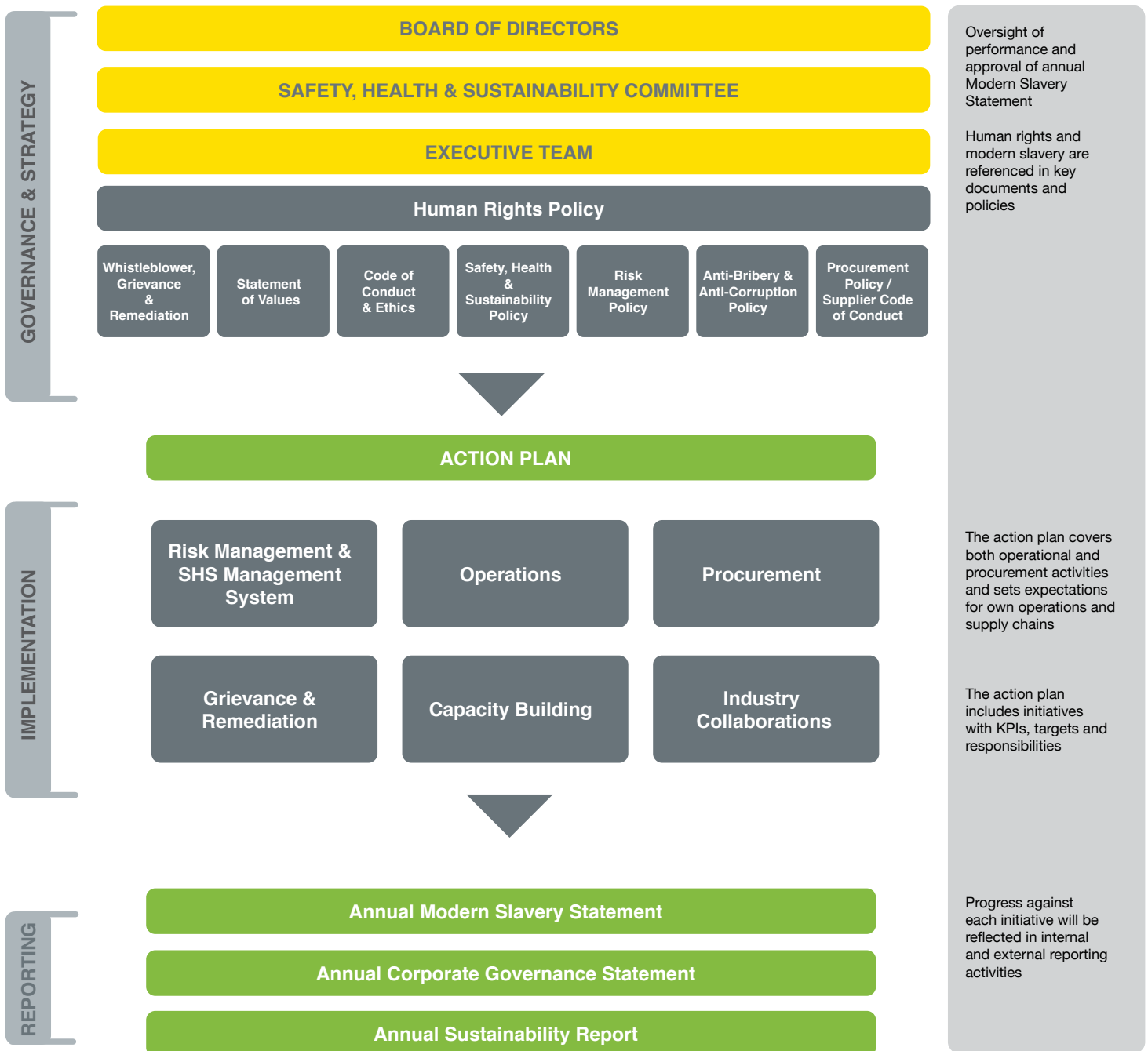
The work undertaken indicated that Qube has well-established governance, policy, risk framework and management systems that are well suited to addressing and managing human rights risks. The established framework elements below will be used to manage our response to human rights and modern slavery risks. In keeping with our principle of treating modern slavery as a material business risk that needs to be managed, our overall approach under the Framework and Action Plan is to integrate the assessment and prevention of modern slavery risks into the following core governance, policy and risk management frameworks, management systems and processes:

- Our [Safety, Health and Sustainability Committee Charter](#) and [Safety, Health and Sustainability Policy](#) establish a clear governance structure and commitment to embed human rights and modern slavery considerations into our operations, including our procurement process and approach to significant infrastructure developments.
- Our [Statement & Values](#), [Code of Conduct and Ethics](#) and [Anti-Bribery and Anti-Corruption Policy](#) provide a practical set of guiding principles to help our people to act lawfully and ethically in accordance with Qube's values and culture. Principles such as honesty and integrity, treatment of others, privacy and confidentiality and reporting breaches sets an expectation for Qube to work within a strong ethical framework. This will be enhanced with our commitments to respect human rights in a new policy to be developed in FY 2021.
- Our [Safety, Health and Sustainability Management System \(SHS Management System\)](#), as part of our overall risk management framework provides a platform for comprehensive and efficient management processes, responsibilities, internal controls and Board oversight of Qube's major risks including human rights and modern slavery risks.
- Our [Whistleblower Policy](#) promotes and supports a culture of honest and ethical behaviour by setting out the process for reporting concerns and the support, protections and remedies which persons may be eligible to access in respect of reporting for all Qube employees, contractors, suppliers and consultants. The protocols and reporting regime will be expanded to include human rights grievance reporting.

- Procurement at Qube is decentralised across the business divisions and business units within each division. The SHS Management System establishes a requirement to consider health and safety issues relating to the procurement of goods and services. During FY 2021, this management system will be further refined for the integration of human rights and modern slavery considerations specific to the procurement process (e.g. supplier evaluation, performance reviews, terms and conditions). In FY 2021, we are taking a risk-based approach, prioritising engagement and due diligence of suppliers and contractors in these high-risk categories.

Building on our existing operating model and commitments, our Framework and Action Plan comprises the key elements of our governance and management of human rights and modern slavery risks across our operations.

HUMAN RIGHTS AND MODERN SLAVERY FRAMEWORK AND ACTION PLAN



Qube’s policies and procedures apply to all controlled entities of the Qube Group and to those joint ventures over which Qube exercises operational control. The above policies are publicly available within the corporate governance section of Qube’s website at: www.qube.com.au/about/corporate-governance.

5. FY 2021 Planned Actions

Addressing modern slavery risks can be a complex and challenging process. As part of our Framework and Action Plan, we have developed a two-year plan to build our internal capabilities and processes in line with the UN Guiding Principles, leading industry practice, stakeholder expectations and the mandatory reporting criteria under the Act.

Below are the initiatives we intend to implement during FY 2021.

AREA	FY 2021 PLANNED ACTIONS
 COMMITMENT	Develop and approve a group-wide Human Rights Policy.
 GOVERNANCE	Update all relevant group policies to reflect human rights and modern slavery considerations and commitments.
	Update procurement documentation with integrated human rights and modern slavery considerations.
 MANAGEMENT	Refine the SHS Management System for human rights and modern slavery considerations.
	Monitor the integration of human rights and modern slavery considerations into risk management processes at a group and divisional level.
 ENABLERS	Engage and support staff on implementation of the Framework and Action Plan.
 DUE DILIGENCE	Ensure ongoing assessment and identification of material human rights and modern slavery risks in our operations and supply chains.
	Develop management responses for material human rights and modern slavery risks identified and the means to assess the effectiveness of those responses.
 SUPPLY CHAIN (ISO 20400 ALIGNMENT)	Develop a new Supplier Code of Conduct, incorporating human rights and modern slavery expectations and develop a group-wide Procurement Policy.
	Integrate human rights and modern slavery provisions (i.e. supplier evaluation, performance reviews, terms and conditions) into our procurement function, focusing on high-risk categories and major infrastructure projects.
	Engage high risk suppliers to assess their modern slavery mitigation processes.
 GRIEVANCE & REMEDY	Integrate human rights and modern slavery complaint reporting within the grievance reporting mechanism under Qube's Whistleblower Policy and develop appropriate grievance and remediation protocols.
	Communicate the grievance and remediation process to all staff and suppliers.
 COLLABORATION	Explore opportunities to engage relevant stakeholders and participate in collaborative industry initiatives.
	Formalise a protocol for engagement with joint ventures.
 REPORTING & ASSURANCE	Include human rights and modern slavery considerations into Management reviews and Qube's annual Corporate Governance Statement.
	Include human rights and modern slavery as a regular agenda item at meetings of the Safety, Health and Sustainability Committee.
	Publish the FY 2021 Modern Slavery Statement.

6. Assessing effectiveness

Integrating human rights and modern slavery considerations into our SHS Management System provides a process for inclusion of human rights and modern slavery risk management performance (e.g. progress of action plan, effectiveness of grievance mechanisms, remediation, risk assessments) into internal audits, management reviews and the annual Corporate Governance Statement.

Under Qube's Risk Management Policy each Qube business unit is responsible for identifying, assessing and managing material risks to their business through their risk management committee in accordance with Qube's Board-approved Risk Appetite Statement. These include non-financial risks such as environmental and social sustainability risks, including modern slavery.

The risk management committee for each Qube Business includes senior managers of the relevant Qube business with a strong understanding of the relevant business and who are best equipped to identify the risks associated with the relevant business.

Each Qube business unit provides for reporting on risk management as part of its regular reporting. On a periodic basis the risks for each Qube business unit, as set out in divisional risk registers, are formally reviewed and consolidated into an overall group risk register. These registers are assessed by the Managing Director, in consultation with senior management, to ensure that each division and material associate has an effective risk management process in place and that the risk registers accurately reflect all current key risks of the Qube Group and its associates.

Our HR & MS Working Group will continue to monitor implementation of the Human Rights and Modern Slavery Framework and Action Plan and report progress annually to the Safety, Health and Sustainability Committee of the Board. This will include an update on modern slavery risk management activities including setting the next year's activities under the Action Plan and reviewing the prior year's activities. Reporting will assess changing risk exposures, and processes and controls to address and monitor the effectiveness of such actions. Reporting will also include a summary of Qube's engagement with its joint ventures for the period. These processes will form the basis of Qube's annual reporting in its Modern Slavery Statements.



7. Consultation and Approvals

Reporting Entities

Qube's reporting entities (unshaded) and their associated business units are set out below.

QUBE HOLDINGS LIMITED			
OPERATING DIVISION			
LOGISTICS	PORTS	BULK	
Qube Logistics (Aust) Pty Ltd	Qube Ports Pty Ltd	Qube Bulk Pty Ltd	
Qube Logistics (Qld) Pty Ltd		Giacci Holdings Pty Ltd	Giacci Bros.
Qube Logistics (Vic) Pty Ltd		Giacci Bros Pty Ltd	
		LCR HoldCo Pty Ltd	LCR Group
		LCR Finance Pty Ltd	
		C&H Acquisition Pty Ltd	
		C&H Finance Pty Ltd	

The boards of directors of all the reporting entities comprise a small number of common officeholders who are members of Qube Holdings' senior management team and directors of the various business divisions. The reporting entities within a division are closely related and effectively operate as one business within that division. By virtue of their senior executive management positions, the officeholders of these companies have a deep understanding of Qube's businesses, operations and supply chains.

The senior management team, in the course of their everyday duties, were provided training on the requirements under the Act, including the mandatory reporting criteria and apprised of the work of the HR & MS Working Group. They provided input into the formulation of the Framework and Action Plan and the preparation of this statement.

This statement was prepared by the HR & MS Working Group in consultation with senior management (including the reporting entities' officeholders) and operational teams including procurement representatives responsible for overseeing the work required under the Framework and Action Plan.

The Safety, Health and Sustainability Committee endorsed this statement as part of its human rights and modern slavery reporting to the Board of Directors of Qube Holdings Limited.

This statement was approved by the Board of Directors of Qube Holdings Limited on 24 February 2021.



Allan Davies
Chairman



Maurice James
Managing Director

Qube Holdings Limited
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