

QUBE



Modern Slavery Statement 2021

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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 2021 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 FY21 Annual Report and FY21 Corporate Governance Statement

About this 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 2021.

This is the second 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 14.

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 4.

¹ A list of these entities is contained at page 118 of Qube's 2021 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.

Our Approach and Progress to Date

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 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.

KEY AREAS OF ACTION IN 2020/2021

ACTIVITIES

Group-wide Human Rights Policy and Modern Slavery framework developed and approved.

Development and integration of Qube's Sustainable Procurement Procedure.

Modern Slavery Statement endorsement by the Qube Board.

Commencement of Modern Slavery training.

Development of Supplier Code of Conduct.

Our Structure and Operations

Qube is Australia's largest integrated provider of import and export logistics services with over 7,000 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 50% 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.
- 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.

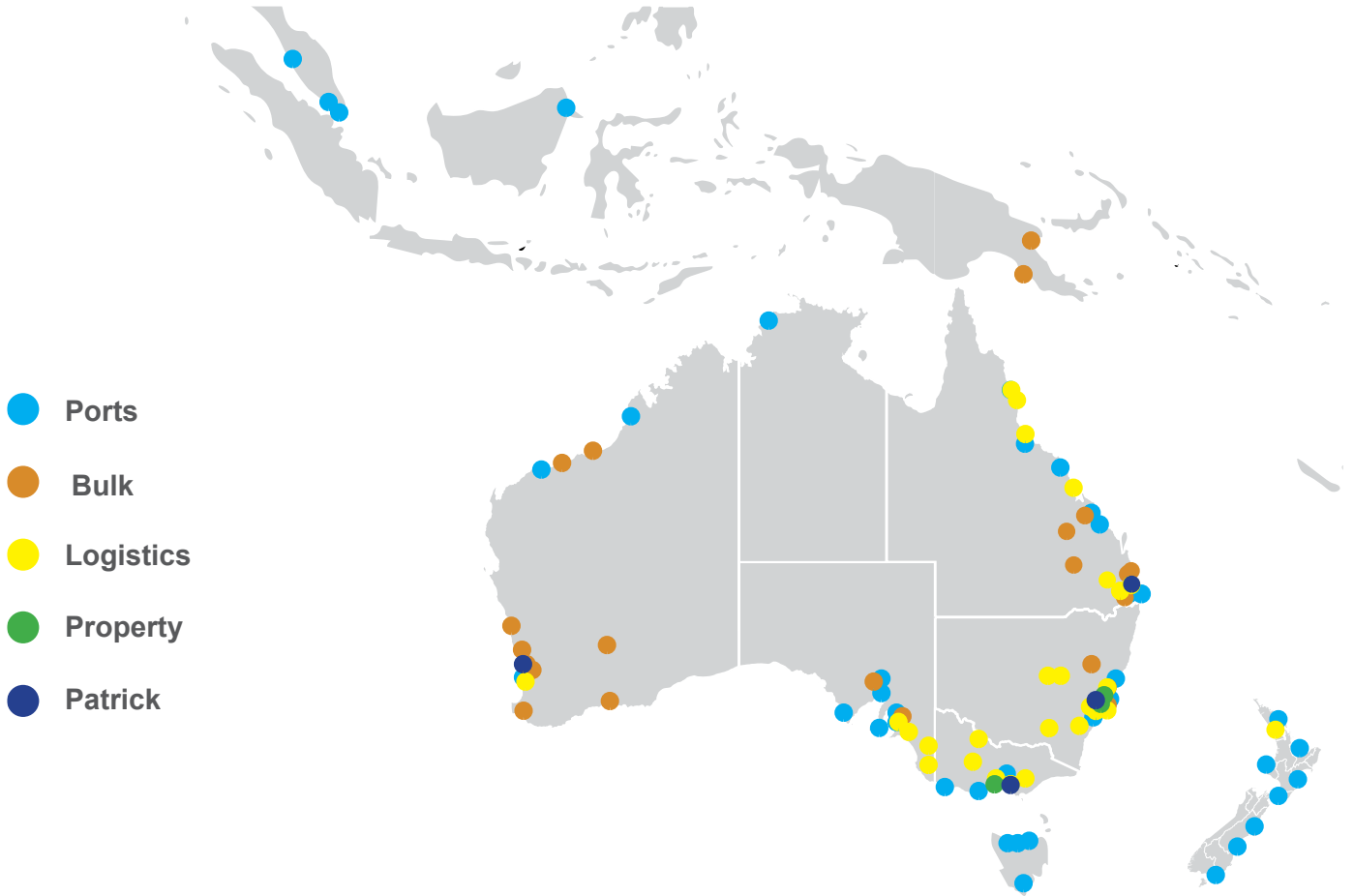
² In December 2020, Qube increased its indirect interest in Prixcar to 50%.



OVER
7,000
EMPLOYEES



OVER
135
LOCATIONS



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 have been integrated into these procurement processes during FY21.

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 trailers 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

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.

Our Approach

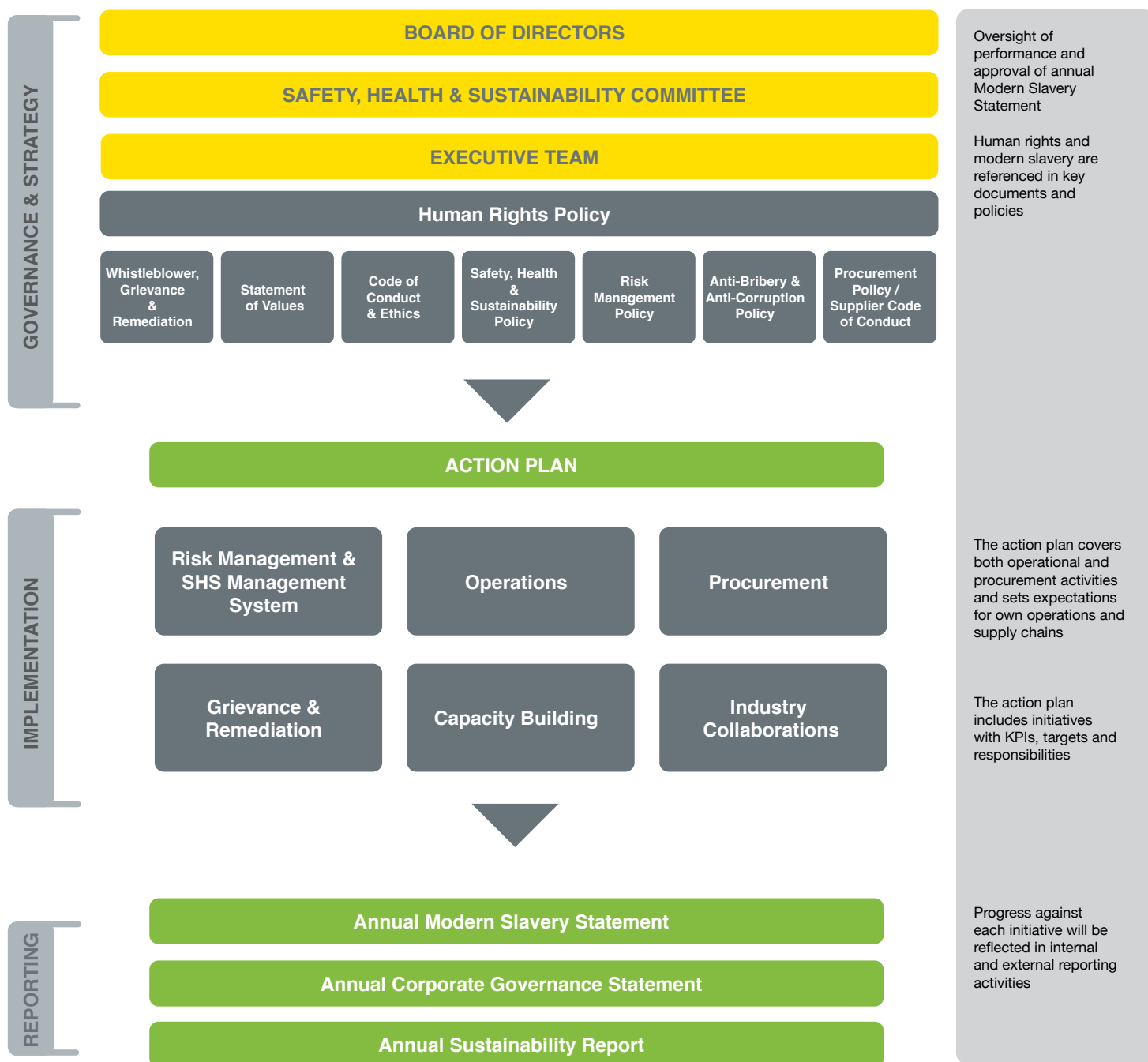
The following areas have been identified as areas of concentration in regards to Qube’s modern slavery approach:

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

The Qube 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, Anti-Bribery and Anti-Corruption Policy and Human Rights 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.
- 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 include the 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 FY21, this management system was 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 FY21, we undertook a risk-based approach, prioritising engagement and due diligence of suppliers and contractors in 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



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.

FY21 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 and the progress in FY21.

AREA	FY21 FOCUS	STATUS	FY21 ACTIONS
COMMITMENT	Develop and approve a group-wide Human Rights Policy.	Complete	A group-wide Human Rights Policy and Modern Slavery Framework has been developed and approved. People are the core of our business, and our commitment to respect human rights of all workers starts in our own operations.
	Update all relevant group policies to reflect human rights and modern slavery considerations and commitments.	Complete	Our Group governance approach promotes ongoing consultation with operating divisions on human rights due diligence and the outcomes are reported annually in this Statement.
GOVERNANCE	Update procurement documentation with integrated human rights and modern slavery considerations.	Complete	Integration of procurement documentation. Qube's Sustainable Procurement Procedure, outlines our approach to creating more positive environmental, social and economic outcomes by making responsible and sustainable purchasing decisions.
	Refine the SHS Management System for human rights and modern slavery considerations.	Complete and ongoing	Qube's procurement framework is aligned with ISO 20400 - International Standard for Sustainable Procurement. The procedure provides the guide for integrating sustainable procurement across the business and the process by which Qube manages the procurement of Goods and Services within the context of its Safety and Sustainability obligations.
MANAGEMENT	Monitor the integration of human rights and modern slavery considerations into risk management processes at a group and divisional level.	Complete and ongoing	The Managing Director and Divisional Directors are responsible for managing human rights risks. The Managing Director is directly accountable to the Board, and endorses the final Modern Slavery Statement to the Board and Safety, Health and Sustainability Committee.
	Engage and support staff on implementation of the Framework and Action Plan.	Complete	Employees with relevant roles in relation to modern slavery and ethical sourcing will receive adequate training on the policy and any supporting processes applicable to their role.
DUE DILIGENCE	Ensure ongoing assessment and identification of material human rights and modern slavery risks in our operations and supply chains.	Complete and ongoing	Qube's procurement framework will continue to guide the integration of sustainable procurement across the business.
	Develop management responses for material human rights and modern slavery risks identified and the means to assess the effectiveness of those responses.	Ongoing	Qube will continue to work with suppliers to developing ongoing dialogue and action that seeks to assess modern slavery risk and human rights.
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.	In progress	Work has been completed to establish the Human Rights Grievance Handling Mechanism and this will be implemented in FY22.
	Communicate the grievance and remediation process to all staff and suppliers.	In progress	The Human Rights Grievance Handling and remediation process will be communicated in FY22 to all relevant parties.

AREA	FY21 FOCUS	STATUS	FY21 ACTIONS
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.	Complete	<p>In alignment with Qube's values, Qube is committed to conducting ourselves lawfully, responsibly and ethically throughout our supply chain. Although Qube acknowledges its suppliers as independent entities, supplier business practices may impact Qube's reputation. Thus, it is important that suppliers completely understand and follow the standards of conduct detailed in this Code</p> <p>The intent of the Supplier Code of Conduct is to share our commitment, values and expectations to our suppliers.</p> <p>Qube requires its suppliers to conduct their own due diligence to convey their expectations and requirements to their suppliers down the supply chain. Compliance with such laws, standards and principles is a material consideration for us in assessing every aspect of our Supplier relationships.</p>
	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.	Complete	Development of Sustainable Procurement Procedure. Due to the diverse nature of our business operations, Qube and its subsidiaries has adopted a decentralised procurement function. The procurement department within each of our operating divisions is responsible for managing the sourcing and procurement process for that operating division. The Sustainable Procurement Procedure covers the procurement of capital assets, goods and services in compliance with group-level policy and statutory performance criteria.
	Engage high risk suppliers to assess their modern slavery mitigation processes.	Ongoing	Qube's procurement procedure provides the ongoing framework for engaging with high risk suppliers.
COLLABORATION	Explore opportunities to engage relevant stakeholders and participate in collaborative industry initiatives.	Ongoing	Qube is actively reaching-out to our partners and stakeholders. Collaboration with industry-wide initiatives, government and on-government organisations is an important strategy to better manage modern slavery risks.
	Formalise a protocol for engagement with joint ventures.	Ongoing	Qube aspires to lead by example to assist our joint venture partners in mitigating the risk of modern slavery in their operations and supply chains Qube has actively engaged and offered support and assistance to ensure they are aware of human rights and modern slavery issues in their supply chains and procurement processes. Joint ventures report to Qube any related risks of which they become aware.
REPORTING & ASSURANCE	Include human rights and modern slavery considerations into Management reviews and Qube's annual Corporate Governance Statement.	Complete and ongoing	Established ongoing training for all relevant staff on Modern Slavery Policies and Framework.
	Include human rights and modern slavery as a regular agenda item at meetings of the Safety, Health and Sustainability Committee.	Complete	Human rights and modern slavery included as regular agenda items for the Safety, Health and Sustainability Committee.
	Publish the FY 2021 Modern Slavery Statement.	Complete	Qube's procurement procedure provides the ongoing frameworks for engaging with high risk suppliers

Planned Focus Areas for the next 12 months

1 | Refine the SHS Management System and further integrate the Qube Sustainable Procurement. Procedures by continuing to identify and assess opportunities to improve the potential sustainability outcomes of procurement.

Focusing on, but not limited to;

- greenhouse gas emissions
 - energy consumption
 - reduction of waste
 - use of recycled products
 - end-of-life recycling
-

2 | Work with identified high risk suppliers to develop robust risk mitigation processes and develop risk assessment documentation.

3 | Embed Modern Slavery Policies and Framework training into relevant roles and responsible persons training programs with a continued focus to educate Qube employees that are managing higher risk categories.

4 | Continue to prioritise Modern Slavery risk at SHS Committee and Board level.

5 | Continue to address and remediate any modern slavery breaches or deficiencies, by continuing to commit and work with our suppliers to fulfil this common goal and continuously improving strategies to identify and mitigate modern slavery risks.

6 | Embed the Human Rights Grievance Handling and Remediation Process into Qube and the supplier network. Qube will continue to build human rights awareness and knowledge among employees and suppliers, encouraging them to voice their concerns without fear of retribution and with full confidentiality.

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.

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	
Qube Logistics (SB) 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 10 November 2021.



Allan Davies
Chairman



Paul Digney
Managing Director

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