

A white QUBE truck is parked outdoors. A worker wearing a high-visibility yellow shirt, a dark cap, and safety glasses is leaning on a large, heavy-duty tire. The truck has a QUBE logo on the side and a '1300 SAFELY' sticker. The background shows trees and a clear sky.

**QUBE**

**SUSTAINABILITY  
REPORT  
2020**

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# Message from Maurice James, Managing Director

During FY20, our team at Qube has been continuing to work towards achieving stronger outcomes for our business from a sustainability perspective. Every year we review the environmental, social and economic factors relating to our business to ensure that we sustain value and manage risk as an organisation.

Specifically, for sustainability, we focus on four key pillars to form our strategy:

- Our People
- Our Environment
- Our Community
- Our Governance.

These key pillars drive initiatives that deliver improved long-term sustainability for the organisation ensuring that Qube is contributing favourably to shareholder value as well as acting responsibly as a good corporate citizen.

During the past 12 months, the Qube Group has worked on building clear targets and KPIs that will guide our sustainability initiatives. These KPIs have been detailed in this report. Through these KPIs, we reinforce our commitment to sustainability and good governance via 12 key priority areas across regulatory compliance, climate and environment, science and governance (ESG).

Tragically, despite Qube's efforts and initiatives, in September 2019 there was a fatality of a Qube employee working at the IGO Nova Mine site in Western Australia. The learnings from the fatality investigation have been shared across the organisation. Qube will continue to work to improve and enhance its safety systems and performance.

One particular highlight in our FY20 Sustainability Report has been the recent 'Excellent' Infrastructure Sustainability (IS) rating (for Design) from the Infrastructure Sustainability Council of Australia (ISCA) for the first stage of Moorebank Logistics Park. Moorebank is one of only a select group of privately developed projects to ever achieve this rating. I congratulate the Qube employees and contractors who have worked so diligently to deliver this large-scale and complex infrastructure development. This award demonstrates the innovations available to deliver major industrial development in a more efficient and environmentally sustainable way.

I am particularly proud of the personal initiative taken by Qube employees to give back to causes and their committees both at a national and local level. These monetary and time contributions show the empathy and generosity of our people in what has been a very uncertain time.

Whilst FY20 has definitely been a challenging period for the Qube organisation, our customers and our people, we remain committed to delivering a future where sustainability is central to our core strategy.



Maurice James  
Managing Director

# OUR SUSTAINABILITY



Qube Energy team, Chinchilla and Miles Supply Bases, Queensland.

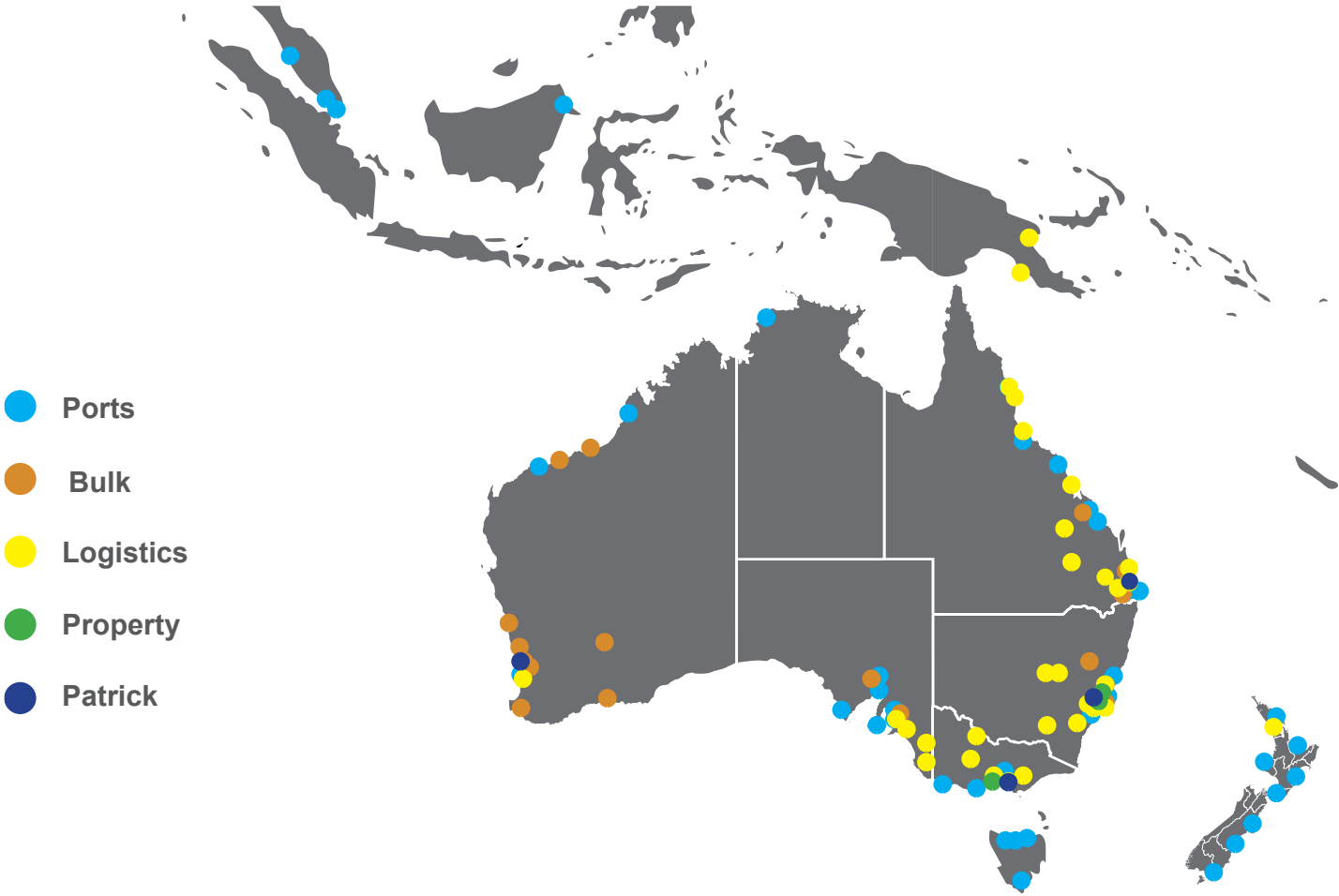
# Our Business at a Glance



OVER  
**6,500**  
EMPLOYEES



OVER  
**135**  
LOCATIONS



# Our Values & Guiding Principles

## PURPOSE AND VISION

To be a leading provider of safe, efficient and sustainable import and export focused logistics services in Australasia and South-East Asia.

## GUIDING PRINCIPLES

We believe values on their own are abstract and need to be linked to, and inspire, the behaviours expected of everyone working for Qube.

Accordingly, we have established the following guiding principles:



Zero Harm – planning and carrying out our operations safely and with due respect to the environment is our paramount focus and ingrained in decision-making at all levels.



Integrity and Reliability – conducting ourselves lawfully, responsibly and ethically - that is with integrity - is critical to our ability to work as a team and for our stakeholders to be able to trust and rely on us.



Customer Commitment – being committed to achieving reliable, value-for-money solutions for our customers. We play an essential role in our customers' businesses so their success is ultimately our success.



Shareholder Return – focusing on performance and results to maintain profitability and deliver returns for our shareholders.



Inclusion and equity – recognising the benefits of providing an inclusive, equal and diverse workplace to enhance employee well-being and drive Qube's performance.



Knowledge and Innovation – appreciating and developing our people's knowledge, skills and experience to provide innovative and sustainable logistics services for the benefit of all our stakeholders.

Qube believes in and is committed to these guiding principles: they govern how we conduct our business and underpin our culture.

## QUBE CULTURE

Qube Culture involves preserving an entrepreneurial spirit within a strong ethical framework to engender both a 'can-do' attitude and a socially responsible approach in all of our business activities. Our aim is to do the best by and for our customers, investors and the broader community. We are honest and straightforward in our dealings, mean what we say, and are accountable for our actions. Qube values its reputation as an excellent employer and a good corporate citizen. We believe it is by staying true to our culture that we will maintain this reputation and achieve our purpose and vision.

# Our FY20 KPI Performance



0.9

LTIFR\* 18% reduction (1.1)

8.3

TRIFR\*\* Target <8.0

1.79

CIFR \*\*\* 19% reduction (2.2)

0

Notifiable Environmental Incidents

96%

Corrective Action Closure Rate Target >90%



1,628

Critical Risk Verification activities completed

1% ↑

Increased female representation in the workforce

36 ↑

Site-driven community programs

\*LTIFR refers to Lost Time Injury Frequency Rate – the number of lost time injuries occurring in a workplace per one million hours worked.

\*\*TRIFR refers to Total Recordable Injury Frequency Rate – the number of fatalities, lost time injuries, substitute work, and other injuries requiring treatment by a medical professional per million hours worked.

\*\*\*CIFR refers to Critical Incident Frequency Rate – the number of actual 4+ and potential 4+ incidents per million hours worked.



# Sustainability Benchmarking

In FY20, Qube undertook a KPI assessment based on domestic and global initiatives and benchmark reporting schemes to identify sustainability KPIs that we believe are the most relevant for the organisation.

## Sustainable Development Goals (SDGs)

The Qube FY20 Sustainability Report includes icons in the KPIs section to show the alignment between our sustainability actions and the United Nations Sustainable Development Goals. In September 2015, the United Nations General Assembly adopted the 2030 Agenda for Sustainable Development that includes 17 Sustainable Development Goals (SDGs). Building on the principle of 'leaving no one behind', the Agenda emphasises a holistic approach to achieving sustainable development for all.



## National Greenhouse Energy Reporting (NGER)

The National Greenhouse and Energy Reporting (NGER) scheme, established by the National Greenhouse and Energy Reporting Act 2007 (NGER Act), is a single national framework for reporting and disseminating company information about greenhouse gas emissions, energy production, energy consumption and other information specified under NGER legislation. Our environment data aligns to our reporting under the National Greenhouse Energy Reporting Scheme for the twelve months ending 30 June 2019. Qube's latest annual report provides an overview of Qube's energy consumption and greenhouse gas emissions for the FY19 reporting period as reported in October 2019.



The Infrastructure Sustainability Council of Australia (ISCA) is a member-based, not-for-profit peak body operating in Australia and New Zealand with the purpose of enabling sustainability outcomes in infrastructure. The Infrastructure Sustainability (IS) Rating Scheme is Australia and New Zealand's only comprehensive rating system for evaluating sustainability across infrastructure programs, projects, networks and assets. The tool evaluates the sustainability performance of the quadruple-bottom-line (Governance, Economic, Environmental and Social) of infrastructure development. The ISCA rating system has been used in reference to Moorebank Logistics Park (MLP) refer to page 29-31.

# Sustainability at Qube

Qube is committed to continuing to invest in building a sustainable organisation that is focused on optimising and improving the way in which we operate and by doing our part in enabling a sustainable shared future. We are committed to making a positive contribution to the local areas in which we operate, ensuring we protect the environment and encourage, train and support our people, whilst focusing on managing the organisation with good governance.

In FY20, Qube continued to work towards improving our sustainability outcomes, developing measurable targets and focusing on diversity in our workforce. We enhanced our strategy and risk management of climate-related impacts and improved our approach to identifying and managing the modern slavery risk.

## Sustainability Pillars & Initiatives



### OUR PEOPLE

#### ZERO HARM

We are committed to Zero Harm for all people throughout our businesses.

#### HEALTH & WELL-BEING

We are focused on educating and engaging with employees to inspire healthy lifestyles.

#### DIVERSITY & INCLUSION

We are committed to promoting a diverse and inclusive culture in everything we do.

#### TRAINING & INNOVATION

We seek out opportunities to provide comprehensive training and inspire innovative approaches to deliver the best solutions for our customers.



### OUR ENVIRONMENT

#### ASSET INNOVATION

We are focused on ensuring that we drive innovation in our technology and processes to minimise environmental impact.

#### NEW INFRASTRUCTURE

We are focused on building new infrastructure for the future that provides positive environmental outcomes.

#### LOW-CARBON FUTURE

We seek out ways to manage our future emissions and implement environmentally-focused initiatives to reduce our carbon footprint.



### OUR COMMUNITY

#### ACTIVE COMMUNITY

We actively engage with the communities in which we operate to add value.

#### EDUCATION & AWARENESS

We aim to drive education and awareness in regard to safety in the local communities at all levels.

#### PARTICIPATION

We encourage and support our employees in contributing to their communities, and ours, to make a difference.



### OUR GOVERNANCE

#### REGULATION & ACCOUNTABILITY

We ensure our governance complies with legislation and regulation.

#### MANAGING RISK

We are committed to effective risk management that aligns our systems and processes to Qube's risk management framework.

# OUR PEOPLE



# Our People

A key focus during FY20 was to continue the development of our culture that fosters collaboration, confidence and engagement of all employees. We take a truly employee-centric approach to putting our people first. We recognise that our employees' feedback plays a crucial role in creating a desirable employee experience and provides us cues as to how our culture can grow and develop along with overall success. FY20, we launched a platform for measuring the level of employee satisfaction that Qube provides. During FY21, we plan to expand our feedback channel to gather regular insights from our people to develop our programs and initiatives and to seek valuable feedback for improvement.

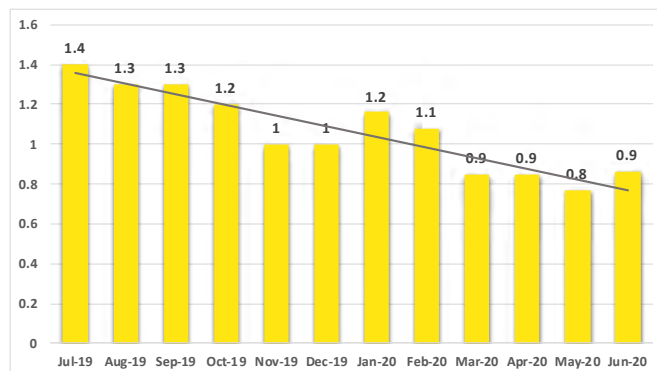
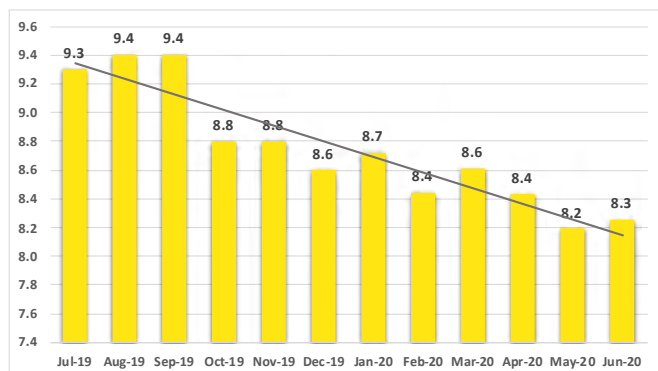
# Zero Harm

Our efforts in FY20 have focused on embedding a Zero Harm culture through proactive leadership, improvement programs, safety training and ongoing engagement with our people.

- We enhanced our critical risk program by improving our on-site critical risk inspection and verification activities. These inspections and verifications are providing valuable information used proactively to manage risk and minimise, as far as practicable, the occurrence of serious incidents.
- We continue to invest in our people through our internal/external development programs. We provide opportunities to build their skills, capabilities and offer people the challenge of working in different areas of our business.
- Improvement in the effectiveness of our safety leadership walks during FY20 for the Board and senior executives. Specifically, we focused on employee engagement, understanding the 'way work is done' and testing our critical risk controls.
- In FY20 we offered a range of programs focused on the physical and mental well-being of our people, helping them to be more effective at work and in their personal lives. These included:
  - Health and fitness checks
  - Drug and alcohol support
  - Mental health training
  - Group "StepUp Challenge" exercise program
- We enhanced our Safety, Health & Sustainability Management System by reviewing, and removing unnecessary duplication, taking a more proactive stance in analysing the way things are done in order to improve safety outcomes.

TRIFR QUBE HOLDINGS

LTIFR QUBE HOLDINGS



The Qube injury rates improved in FY20 continuing our long-term trend.

Tragically, despite Qube's efforts and initiatives, in September 2019, there was a fatality of a Qube employee working at IGO's Nova mine site in Western Australia.

THE RESULTS:

Critical Risk - Zero Harm

**Q1 - Q2 : Jul – Dec**

Distributed Critical Risk documentation to divisions explaining 'Critical Risk Elements'.

Reinforced Zero Harm message through employee app.

**Q3 - Q4: Jan – Jun**

Evoked Crisis Management Procedures to address COVID-19 pandemic.

Implemented COVID-19 Safe Plan.

**2021 - Ongoing**

Continuing to upskill our managers and supervisors to embed critical controls in our business.

Offering a Diploma in Logistics to employees through expressions of interest & manager recommendation.

**1,628**

The number of Critical Risk Verifications completed in Qube.

**4**

Critical Risks Audits undertaken as per the Corporate Audit Schedule.

**18% ↓**

Reduction in actual 3, 4 & 5 incidents.



Qube Energy, Miles Supply Base, Queensland.

# Health & Well-Being

Qube is committed to creating a healthy place of work for our people. Qube acknowledges the importance of healthy lifestyles and the associated benefits to employees, customers and the wider community.

Creating a culture of wellness is key to preventing injury and illness. Qube wants employees to come to work healthy and return home healthy every day. To achieve this, Qube:

- Provides and maintains healthy and safe workplaces.
- Educates and assists employees to understand the importance of a healthy lifestyle.
- Ensures our work practices are subject to risk management and control.
- Reports and investigates all incidents and injuries, and works collaboratively with employees to identify controls to mitigate the risk of future occurrences.
- Implements early intervention programs to assist injured employees recover while still working.
- Provides resources and support from industry experts.

## QUBECARE

Our employee Health and Wellness strategy, QubeCare, aims to prevent injury and illness through a culture of proactive health promotion and early intervention. We believe in a holistic approach to wellness, considering not only physical health, but mental health and well-being.

QubeCare encourages everyone at Qube to take responsibility, accountability and care in all of their interactions at work. Throughout FY20, the QubeCare program has been implemented at every Qube location and via our myQube employee app. Initiatives have included Mental Health Awareness, Addiction Awareness, and the Qube StepUp Challenge exercise program.

The results of the 2019 Qube StepUp Challenge were:

- Total number of steps across four weeks = 324,917,432 million.
- Combined weekly steps of all teams = 81,229,358 (versus 2018 - 63,075,880) - an improvement of 28.8% versus 2018.
- Individual weekly steps on average per person = 67,131 (versus 2018 - 59,618) - resulting in 12.6% improvement in steps by all participants.
- Every week during the challenge, our participants as a team circumnavigated the earth 1.6 times.

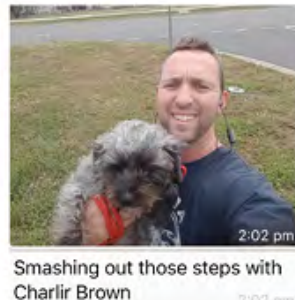


### CASE STUDY

Charles Vunga works as the Nightshift Yard Supervisor and Reachstacker Operator at West Melbourne. Twelve months ago, Charles topped the scales at 152.8kg. He was suffering from high blood pressure, aching joints, constant back pain and was starting to develop sleep apnoea. He knew something needed to change.

After making some adjustments to his diet, he committed with his colleagues, to join the Qube StepUp Challenge. In six weeks, Charles dropped 11kg during the Qube challenge and then, with his ongoing commitment to a diet and exercise regime, Charles has achieved a weight loss of over 40kg across the 12 months.

For Charles, the loss in weight has really changed everything for him. One of the more unusual things was when he put his hat on his head and it fell down over his eyes. He realised that his head had actually shrunk with the weight loss! Likewise, Charles is enjoying the fact that he can now walk into a shop and select clothing off the rack, either a large or sometimes even a medium - 12 months ago, he was a 7XL. Additionally, his joint pain has disappeared and climbing a flight of stairs is no trouble at all.



### EMPLOYEE ASSISTANCE PROGRAM (EAP)

The Employee Assistance Program (EAP) is a work-based intervention program designed to assist employees in resolving personal issues that may affect the employee's performance. The core service of EAP is confidential counselling. Confidential counselling is a short-term and solution-focused service offered to individual employees. Employees and immediate family members (in some cases) have 24/7 access to qualified counsellors for any psychological problems. EAP also focuses on proactive and preventive measures to help organisations better understand and prepare for mental health issues arising in their personal and working lives. The focus of our EAP is to enhance the level of the employee's well-being and to promote a positive workplace culture.

### MYQUBE EMPLOYEE APP

myQube is an internal app communications platform. It provides regular corporate news, employee updates, health and well-being advice. The app was recently updated to incorporate user options for content across 17 different languages. The app provides critical updates regarding COVID-19.

**Current registered users 3,303 as at 20 August 2020 - 51% of current employees.**

### MEDIBANK

Qube partners with Medibank to provide access to a corporate health cover program for employees. The program includes access to specific Qube rates and extras cover.

### WHEREFIT

Qube partners with WHEREFIT to offer employees access to discounted corporate rates at gym and fitness outlets across the country.

### COVID-19 RESPONSE TEAM

The events of 2020 have undoubtedly tested the strength and resilience of the company in ways which no-one could have predicted. A Qube COVID-19 Response Team was established at the start of the pandemic to manage Qube's response, focusing on protecting our people and minimising job losses. COVID-19 Safe plans were rolled out across Qube workplaces and strict protocols implemented to minimise the risk of workplace transmission.

Regular communication to all employees and contractors reinforced the importance of social distancing and hygiene. Operational activities were adjusted, including shift scheduling, to minimise interaction between different work groups. Mental health was prioritised using Zoom and other videoconference check-in protocols for personnel who were working from home to ensure they did not become disconnected.





THE RESULTS:

Workers' Compensation / Health & Well-Being

Q1 & Q2: Jul – Dec	Q3 & Q4: Jan - Jun	2021 - ONGOING
<p>Undertook internal injury management audit in preparation for self-insurance (TAS, NSW &amp; QLD).</p> <p>'Save a Mate' campaign.</p> <p>Qube StepUp Challenge.</p>	<p>Implementation of COVID-19 Safe plans, employee and stakeholder communications.</p>	<p>Health promotion campaigns targeting key lifestyle and health factors. Campaign Calendar to be distributed to National HSE Managers and HR GM for discussion and approval.</p> <p>Quarterly updates to executive management on workers' compensation performance.</p>

**100%**

Injury management audits completed as part of self-insurance preparation (TAS, NSW and QLD).

**2**

Health promotion campaigns rolled out ("Save a Mate" & "StepUp Challenge").



Phenomenal women of Qube, International Women's Day 2019, Moorebank, NSW.

# Diversity & Inclusion

Creating a workplace where everyone feels they belong is at the core of our culture and ultimate success. Our commitment in FY21 to being a truly diverse and inclusive workplace will see us working to raise the profile of equality, diversity and inclusion and ensure this focus is front of mind in the design of our people activities and initiatives.

During FY20, Qube:

- launched our first Diversity and Inclusion Strategy, which includes a range of measurable objectives to drive progress in diversity and inclusion practises.
- continued to offer employment opportunities to improve the health and well-being of our Indigenous families and communities by supporting the Clontarf Program.
- through the Wayfinder program, we partnered with Deakin University to undertake a research project focusing on:
  - designing and evaluating activities to facilitate the transition of women into supply chain and logistics careers.
  - helping industry to understand how to recruit and retain women.

## PHENOMENAL WOMEN OF QUBE

For International Women's Day, Qube celebrated and recognised the phenomenal women throughout the organisation. The campaign was designed to encourage the recognition of the achievements of the female team members and celebrate the diversity within the organisation.



The Wayfinder: Supply Chain Careers for Women program is an initiative of the Deakin University's Centre for Supply Chain and Logistics. The program aims to increase career opportunities for women in the supply chain and logistics industry, breaking down industry stereotypes and rethinking talent acquisition, retention and promotion in supply chain and logistics. The program also seeks to increase female participation in the sector by providing education pathways and equipping individuals with key industry knowledge.

Qube participated in the Wayfinder research investigation, the research sought to understand the under-representation of women in supply chain roles, their perception of supply chain and logistics positions, what attracts them to supply chain and logistics careers and the issues that influence their decisions to remain in or leave the sector.



Qube partners nationally with the Clontarf Foundation. The Clontarf Foundation aims to improve the education, discipline, life skills, self-esteem and employment opportunities for young Aboriginal men. Qube supports the Clontarf Foundation through workplace visits, work experience and employment opportunities.



Qube is an endorsed WORK180 employer supporting diversity, inclusion and equality for working women. WORK180 is Australia's only jobs board which pre-screens employers before they can advertise jobs against a set of 20 criteria. These include pay equity, flexible working conditions, promotion and leadership opportunities and paid parental leave. WORK180 focuses on attracting female job seekers and does so by approving employers with a genuine commitment to supporting women at work, making it easy for job seekers to find Australia's best workplaces.

## WAYFINDER RESEARCH PROJECT

As freight volumes and supply chain complexity increases, we need to optimise the opportunities for women to meet the growing demand for talented and capable people. Women represent a crucial resource for the food and agribusiness industry, organisations; contributing to the variety of perspectives, backgrounds and experience so important for 21st century businesses. While there has been a 58% growth in employment in the supply chain workforce over the last five years, only 14% are women (Transport and Logistics Industry Council 2017). If food and agribusiness companies are to create a pipeline of women in the future, they need to better understand why women are not attracted to careers in the field.

The research has been co-funded by Food Innovation Australia Limited and the 14 major companies that sponsor the Wayfinder: Supply Chain Careers for Women initiative, a program set up to address the under-representation of women in the supply chain and logistics workforce. CSCL is one of Australia's leading research centres in freight logistics and value-added supply chains and is a Wayfinder partner.

CSCL has been contracted to undertake research into why the numbers of women working in the agricultural supply chain workforce is so low and what companies can do to address the gender gap.

The researchers interview 30-40 women from each of three groups: female students who are in their final year of TAFE or university or a recent graduate; women currently working in supply chain and logistics careers in agriculture and agribusiness; and women who are no longer working in supply chain and logistics careers but have done so in the past.

The results of this study will be used to help better understand and address the reasons so few women work in the agricultural and agribusiness supply chain workforce. The findings will be reported at an industry forum hosted by the sponsor companies and will also be published in industry journals.



Members of the Qube Logistics team, Vic Dock, Melbourne. L-R: Yan Liu, Mei Shin Lau, Andrea Koloamatangi and Ellie Stott.

THE RESULTS:

Diversity & Inclusion

<p><b>Q1: Jul – Sept</b></p> <p>Unconscious bias awareness training was made mandatory for all managers of Qube.</p> <p>Developed Qube Cadet Program in conjunction with Deakin University (now on hold due to COVID-19).</p>	<p><b>Q3: Jan - Mar</b></p> <p>Conducted research program in conjunction with Deakin.</p>	<p><b>Q4: Apr - Jun</b></p> <p>Conducted employee survey.</p> <p>Set a measurable objective of having a gender balance on the Qube Board of 40:40:20 (i.e. at least 40% of its directors from each gender) within five years commencing from 1 July 2020.</p>	<p><b>2021 - Ongoing</b></p> <p>Continue to work with Work180 - careers platform for women.</p> <p>Ensure our training packages are culturally and linguistically diverse across our communication and training platforms.</p> <p>Continue to engage with our Indigenous partners the Clontarf Foundation &amp; the Wayfinder program.</p>
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<p><b>198</b></p> <p>Managers who have completed mandatory unconscious bias training.</p>	<p><b>10.4%</b></p> <p>Female employees (Australia).</p>
<p><b>74.4%</b></p> <p>Employees agree or strongly agree with the statement 'You feel safe at work'.</p>	<p><b>64.5%</b></p> <p>Employees agree or strongly agree with the statement 'You feel connected to your co-workers'.</p>



Farid Dhat (R), Pilbara Maintenance Manager, Qube Bulk, with school-based trainee, Joel Comeagain.

# Training & Innovation

Qube has a strong track record of leveraging technology to deliver innovative supply chain solutions to our customers. To further grow and improve this capability, we have formed a Group Innovation Committee. The committee brings together the Operating Division's management leadership team to develop strategies to leverage developed solutions, determine the investment and resources that will benefit our clients, and improve safety and service delivery.

The company has continued to invest and develop our leading robotics technology utilised in our forestry (log marshalling) operations and is well advanced in developing a new vehicle handling technology utilising digital imaging, artificial intelligence and machine learning for the import motor vehicle import operations.

Qube's innovation efforts remain focused on the continuous improvement of our material handling and mobile equipment assets along with our operating procedures to deliver superior operational efficiency, performance and safety. This program incorporates the identification and evaluation of opportunities for adopting semi and fully-automated material handling equipment and autonomous mobile equipment across a number of business areas.

Qube has formed a working relationship with The Melt, a regionally-based industrial prototyping laboratory and innovation accelerator hub, and is working on several key projects that further enable the automation and digitalisation of supply chains.

Qube has been utilising virtual reality and simulation technologies within several training centres to improve the delivery of training and skills development for our employees and will continue to develop the capability and further embrace online training programs.

Qube continues to implement structured training programs throughout the organisation to best equip our employees. These programs have included:

- Driver Safety
- Safety Systems
- Manual Handling
- Zero Harm
- Site Specific Safe Work Procedures
- Diversity Education

## REGISTERED TRAINING ORGANISATION (RTO)

Qube Learning is Qube's enterprise Registered Training Organisation (RTO). The RTO allows Qube to develop and deliver nationally recognised training that has been developed specifically to meet Qube's business needs. The benefit of this approach is that the accredited training that is delivered to our teams can be specific to our workplace setting and operational tasks. This increased specificity of training is important in making sure people are not only competent and trained to a recognised standard, but are also trained in cultural and other aspects of working at Qube.

A condition of being an RTO is meeting the Australian Skills Quality Authority (ASQA) standards for training delivery, which includes external verification and auditing of the effectiveness of our Training Management and delivery processes and procedures.

Qube Learning currently has the following on the scope for delivery:

- Nationally recognised qualifications in Certificate II in Stevedoring operations and Certificate III in Stevedoring operations.
- Nationally recognised Units of Competency for Skid steer, Excavator and Dozer operations.

Qube continues to explore further opportunities to utilise Qube Learning to improve and enhance training delivery methods within Qube.

### LEARNING MANAGEMENT SYSTEMS (LMS) AXCELERATE

In 2020, Qube Ports introduced a leading learning management system that has enabled improvement and flexibility in training and assessment. aXcelerate is a secure web-based, learning and training management system that enables organisations and RTOs to efficiently coordinate and control virtually all aspects of learning, anywhere, anytime from a standard web browser.

Enhanced processes include:

- Removal of the requirement for paper based records, with records and signatures captured electronically.
- Increased flexibility in how training is delivered, including increased use of technology for delivery, as well as in-field practical real-time verification of competency.
- Interface with other Qube systems such as Microster with electronic workflows for skill updates.
- Dashboard data for key personnel of their site/region training and skills status and forecasting.
- Automated reporting to external agencies to meet our RTO compliance and reporting obligations.

### CASE STUDY

Qube Energy's innovative vacuum pipe-lifting technology was recently awarded the 2019 Australian Pipelines & Gas Association (APGA) Safety Award. Qube and Vacuworx® developed a multi-lift vacuum unit that can be operated remotely using wireless technology; greatly minimising the risks involved and enabling faster lift cycles when handling pipe from vessels, to vehicles and storage yards. This new technology eliminates the need for hooks, slings or chains. It also doesn't require an operator with tag lines on the ground or in vessels' holds. Utilising this technology creates a significantly safer environment for Qube employees. Air sensing technology is used to determine whether a pipe is underneath the pad or not, this allows for the system to lift pipe without requiring a full load. It also eliminates the risk of damaging delicate materials, bonded coatings and pipe ends.



Anthony Wells (second from left) and Leatrice Treharne accept award on behalf of Qube Energy.



Former Prime Minister, The Honourable Malcolm Turnbull, officially opened The Melt, of which Qube is a partner organisation, Australia's first hardware tech innovation hub, 13 December 2019. Qube was represented by Ray Connell (left of image).

# OUR ENVIRONMENT



# Our Environment

Qube is committed to minimising our environmental footprint by investing in technology and infrastructure that monitors, manages and reduces emissions and environmental impacts. Qube, its suppliers and contractors are committed to enhancing the environment in a sustainable manner through innovative approaches to the operation of our assets across the business.

## Asset Innovation

The Qube team is focused on creating innovative practices for asset optimisation and processes to improve operations, efficiency, environmental and safety outcomes. Some recent initiatives include:

### MODERN FLEETS

Qube is focused on maintaining a truck fleet renewal strategy every three to five years to ensure all vehicles offer the latest standards in terms of safety and emissions technology. Fleet upgrades invest in greener and energy-efficient equipment such as Euro Series 5 and 6 EEV enhanced environmentally friendly vehicle standards for trucks.

### ECO REACHSTACKERS

Qube has implemented a consistent approach to upgrading reachstacker fleets to more environmentally efficient models that use less fuel. The Kalmar Eco Reachstacker uses just over 40% less fuel than a five to ten year old year old machine resulting in significantly less emissions.

### REMOTE CONTROL EXCAVATOR

Qube Bulk has recently installed and commissioned remote control excavators that deliver a safer and more productive way to remove bulk cargoes, such as coal, dolomite and limestone from bulk vessels. Machine operators stand at a safe distance and use the automation technology to carry out the full range of functions that would normally be available to them when sitting in the cab of the machine.

### QUBE BULK

Qube operates a fleet of more than 1,000 prime movers, 3,500 trailers and 950 other bulk material handling machinery including forklifts and cranes. Qube's entire fleet is replaced on a useful-life basis, equating to equipment turnover of 10% each year. Qube Bulk has recently upgraded to new Cat® 972M XE Wheel Loader machines from WesTrac. The XE series was selected primarily for the improved fuel efficiency, both in saving fuel and reducing emissions. The system also provide the ability to oversee the operation of the entire fleet using Visionlink, a WesTrac Windows-based program, that provides real-time data to identify equipment operations and maintenance needs.



New CAT® 972M XE Wheel Loader.



## New Infrastructure

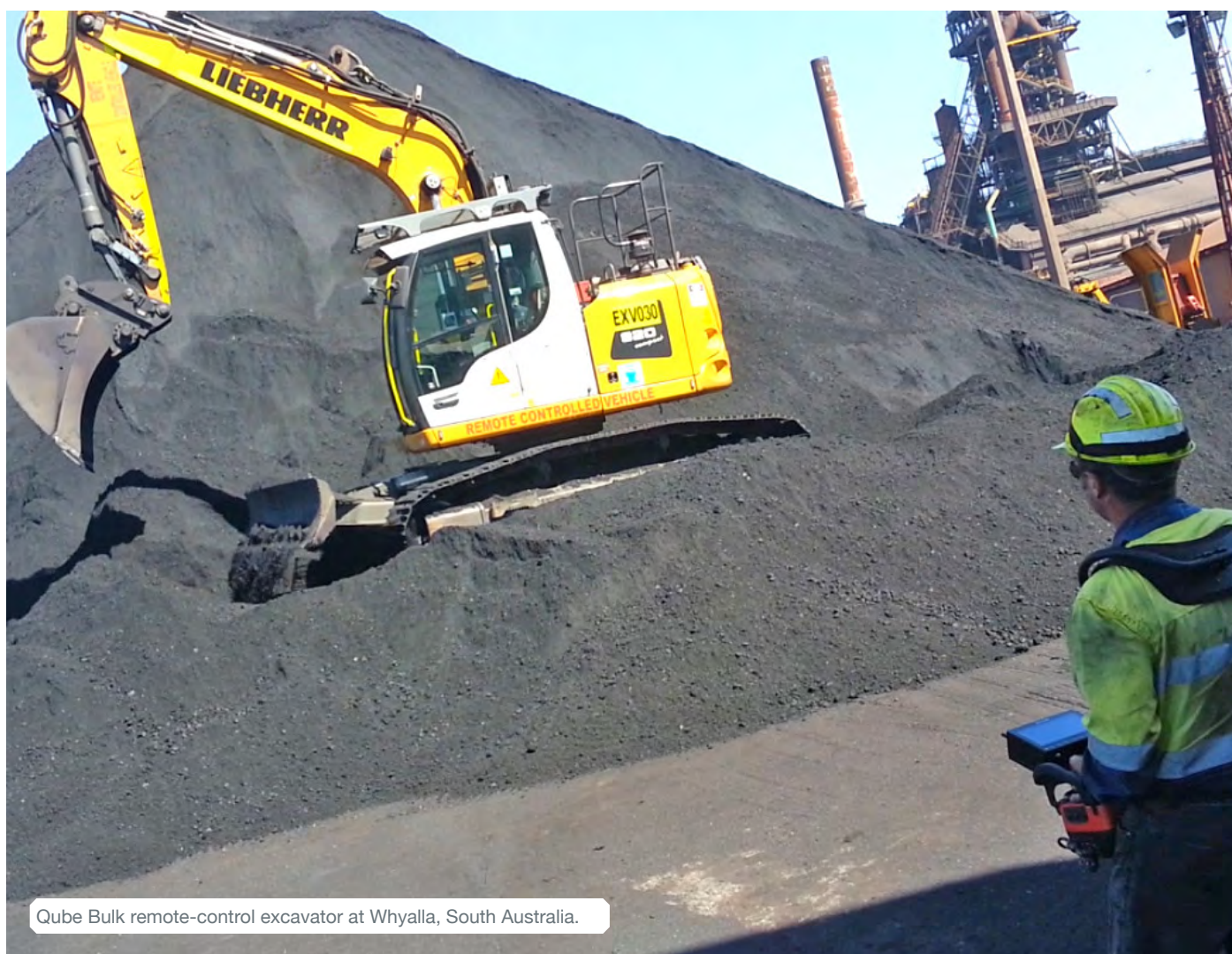
Qube-driven infrastructure projects, such as the Moorebank Logistics Park, are focused on utilising sustainable construction practices and effective management of materials consumption. The aim is to minimise consumption of resources and optimise resource efficiency to reduce environmental impact.

### MOOREBANK LOGISTICS PARK

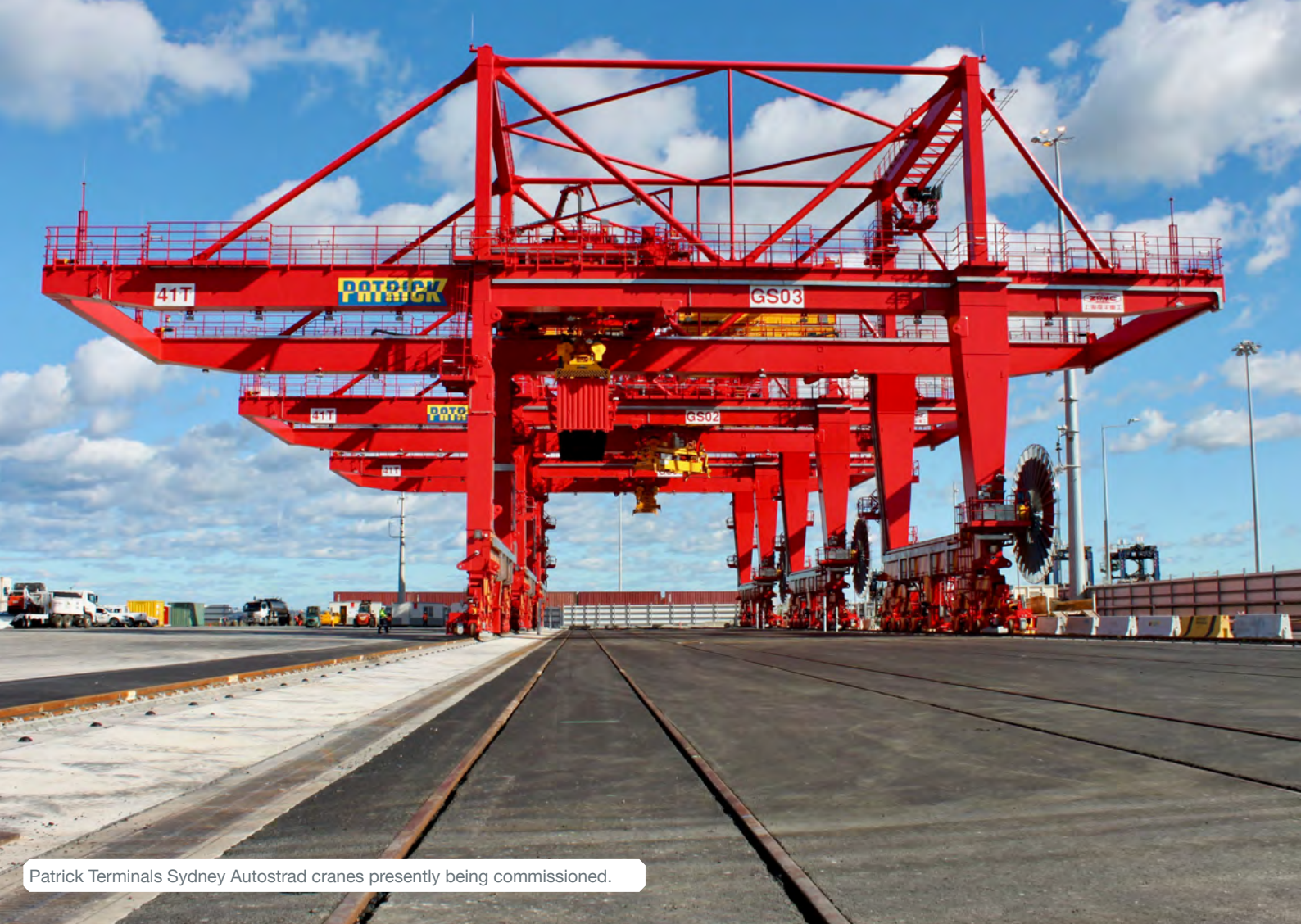
Moorebank Logistics Park is Australia's largest freight infrastructure project and will link Port Botany directly to rail terminals and warehousing on a 243 hectare site. The precinct has the capacity to transport up to 1.05 million TEU (twenty-foot equivalent units) a year of import-export freight and another 0.5 million TEU of interstate freight per year. Moorebank Logistics Park will have 850,000sqm of high specification warehousing, as well as auxiliary services including retail and logistics service offerings. Moorebank Logistics Park will be a benchmark in environmentally sustainable design (ESD) practices across every facet of the development, involving precinct-wide initiatives as well as tenant led activity. To deliver on our objectives, Qube is working with industry-leading bodies including the Green Building Council of Australia (GBCA) and the Infrastructure Sustainability Council of Australia (ISCA) to implement performance-based rating tools for the project and our tenants. Qube has also obtained a \$150 million debt facility from the Clean Energy Finance Corporation (CEFC) in the statutory authority's first major investment in low-emission transport infrastructure for Moorebank Logistics Park.

### OUTER HARBOR WAREHOUSE

A new 10,000sqm insulated and Hazard Analysis and Critical Control Point (HACCP) accredited warehouse facility at Outer Harbor, Port Adelaide, was recently constructed to service the South Australian import-export market. The new warehouse features a full solar panel installation incorporating 125 panels on a 38kw system. Additionally the warehouse is fitted with sensor-driven lights supported by an LED replacement program to reduce energy consumption.



Qube Bulk remote-control excavator at Whyalla, South Australia.



Patrick Terminals Sydney Autostrad cranes presently being commissioned.



John Allen, Fleet Manager, Qube Logistics, Melbourne.

### PATRICK ON-DOCK RAIL PROJECT

NSW Ports and Patrick Terminals (50% owned by Qube) are partnering to construct a \$190 million project to double 'on-dock' rail infrastructure capacity at Patrick Terminals - Sydney AutoStrad, ensuring a sustainable supply chain that will meet the future needs of Sydney's growing population. The project will increase rail capacity at Patrick Terminals - Sydney AutoStrad from 250,000 to 1 million TEU (twenty-foot container equivalent) on rail and is also set to help reduce the volume of trucks on roads around the port. For every 1 million TEU on rail, there is a reduction in the number of truck movements on the roads around the port of approximately 900 movements per day.

### AAT HARBOUR CRANE

Australian Amalgamated Terminals (AAT), a wholly-owned QUBE company, installed a new Liebherr Group LPS 550 rail-mounted harbour crane in its Brisbane operations. This particular crane is the only one of its kind in Queensland. The crane has a rated capacity of 144 tons and twin lift capabilities for container operations. The mobile harbour crane is equipped with the latest generation of diesel engines for the exhaust emissions standards of EU stage IV or EPA Tier 4 final.

## Low-Carbon Future

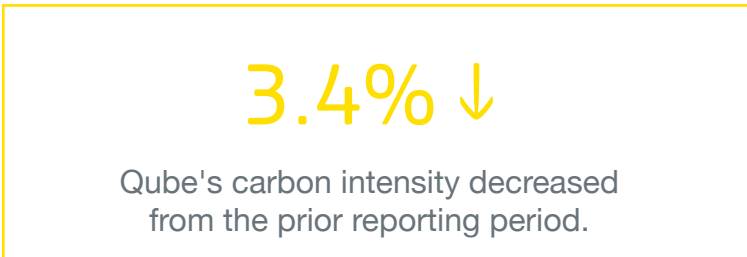
Qube actively seeks out ways to contribute to a low carbon world for future generations. In this context, we seek out new and innovative ways to reduce our carbon emissions intensity over time. Including, but not limited to:

- Fuel switching.
- Fuel efficiency measures.
- Installation of renewable power.
- Energy efficiency measures.
- Utilisation of electric fleet.

### THE RESULTS:

#### Climate Change

<p><b>Q1: Jul - Sept</b></p> <p>Climate Change Statement published in Sustainability Report.</p> <p>Included climate change risks in the Charters of the Safety, Health, and Sustainability and the Audit and Risk Management Committee.</p>	<p><b>Q4: April - Jun</b></p> <p>Completed benchmarking activity aligning to industry best practice.</p>	<p><b>2021 - Ongoing</b></p> <p>Continue to review our climate risks across the business and continue to align our processes with supply chain best practice.</p>
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L-R: Brad Banducci, Chief Executive Officer, Woolworths Group; Maurice James, Managing Director, Qube and Paul Graham, Woolworths Chief Supply Officer at Moorebank Logistics Park.

# Case Study: Moorebank Logistics Park

The Moorebank Logistics Park (MLP) is a vital piece of infrastructure for Australia and NSW that will transform the way containerised freight moves through Port Botany resulting in a more sustainable supply chain that provides a faster, simpler, and more cost-effective logistics service. Qube has invested significantly in best-in-class technology and environmental solutions to deliver world-class infrastructure.

The 243 hectare site will feature Australia's largest purpose-built warehouse and distribution precinct. The MLP will generate more than half of the energy that it requires via solar power to service the latest automated technology which will include driverless shuttle carriers to collect and transport containers around the precinct to be processed, unpacked and stored on site.

## IN NUMBERS

**77%:** The reduction of carbon dioxide equivalents (tCO<sub>2</sub>-e) over 40 years of operations via energy-efficient design (electric forklifts, efficient lighting, and crane regenerative power) when compared to a business-as-usual freight delivery scenario.

**3MW:** The first warehouse includes a 3MW solar array; which will be one of the largest single roof-top solar installations in the Southern Hemisphere.

**4Mt:** The reduction in carbon dioxide emissions over 40 years by transporting containerised freight and removing thousands of heavy trucks from the nation's roads.

## KEY ACHIEVEMENTS

### World-first Innovation

The project achieved a world-first in innovative technology design due to its high degree of automation. This includes automated gantry cranes, straddle carriers, sortation systems and terminal operating systems. Automation reduces energy use and greenhouse gas emissions, enhances safety, minimises environmental impacts and improves productivity and economic output.

### Australian First

An Australian-first innovative process was awarded for the project's design approach to manage Urban Heat Island (UHI) effects, with measures implemented to achieve a 4°C decrease in temperature on the project site compared to neighbouring industrial developments.

The MLP represents the first example in Australia of UHI modelling and assessment, and the development and implementation of an integrated, targeted and goal-driven mitigation strategy for an intermodal terminal development in Australia. The approach is also unique in that it embeds managing UHI effects at the design stage.

### Acknowledgement

It is acknowledged that this rating achievement has been the result of an important partnership between Qube and the Clean Energy Finance Corporation (CEFC).

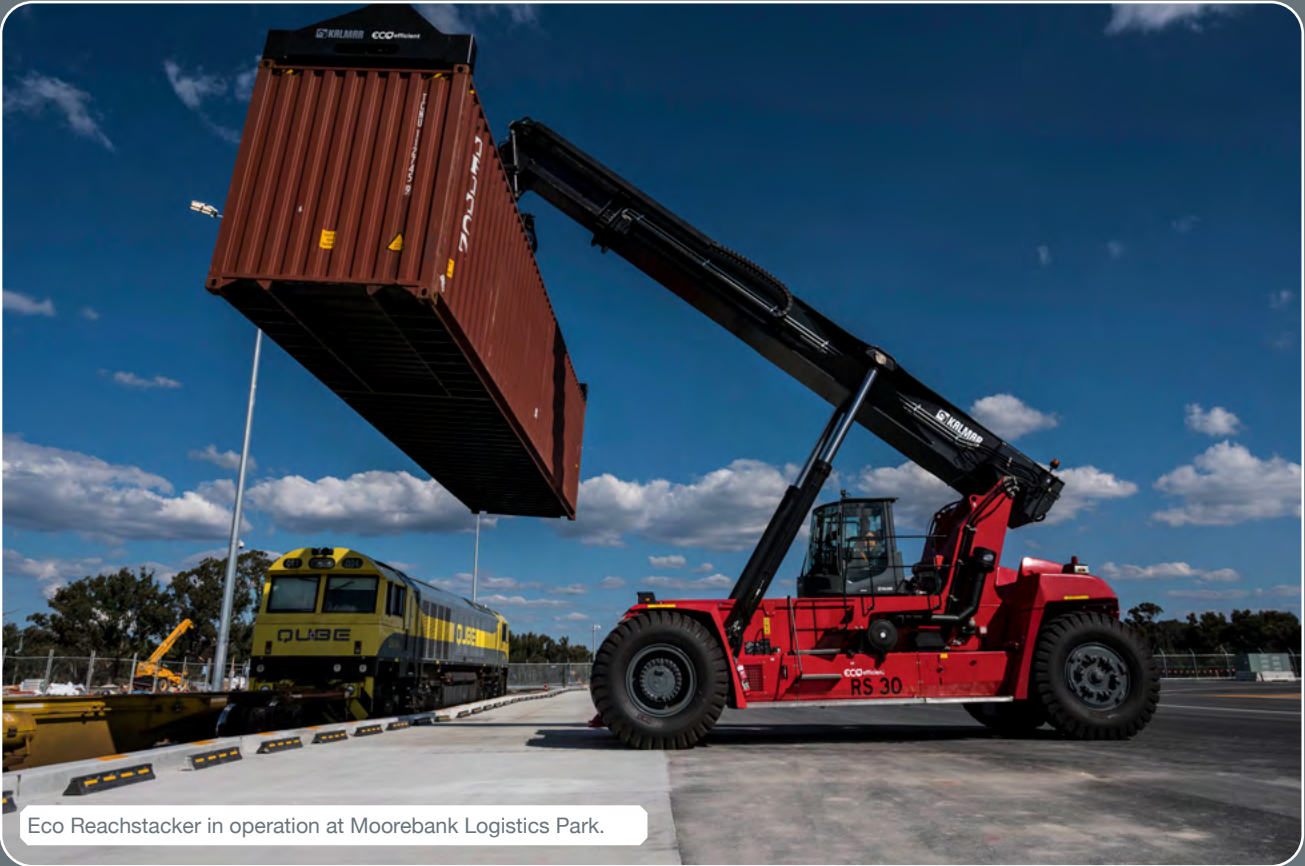
The CEFC, which invested in the Moorebank project, worked alongside Qube to support the implementation of clean energy solutions at the development stage.

"We are proud to be working alongside Qube. Our goal was to help build Moorebank Logistics Park to a sustainability standard that Australia had not seen before, so we set ambitious targets – and then asked Qube to exceed them." Ian Learmonth, CEFC CEO, congratulated Qube on its ISCA achievement.

"Qube's success reflects its commitment to sustainability and demonstrates the possibilities for decarbonisation across even the most complex infrastructure operation. Infrastructure is considered a challenging sector to decarbonise, yet this project shows that it also offers great potential. Qube tapped into that potential to find many creative ways to lower its carbon emissions."



Aerial view of Moorebank Logistics Park construction and solar panel installation, June 2020.



Eco Reachstacker in operation at Moorebank Logistics Park.

**SUMMARY OF MOOREBANK LOGISTICS PARK INVESTMENT POTENTIAL:  
ENVIRONMENTAL AND SOCIAL IMPACT TARGETS**

ENVIRONMENTAL	SOCIAL
<b>Sustainability frameworks</b> <ul style="list-style-type: none"> <li>ISCA rating – 'Excellent'</li> </ul>	<b>Job creation</b> <ul style="list-style-type: none"> <li>6,800 jobs</li> </ul>
<b>Renewable energy</b> <ul style="list-style-type: none"> <li>50,000 MWh/year from renewables installed on site</li> </ul>	<b>Economic benefits</b> <ul style="list-style-type: none"> <li>\$120 million per annum for SW Sydney</li> </ul>
<b>Reduced truck emissions</b> <ul style="list-style-type: none"> <li>110,000 tCO2-e per annum</li> </ul>	<b>Safety</b> <ul style="list-style-type: none"> <li>Cut 3,000 heavy truck movements</li> </ul>
<b>Reduced carbon emissions</b> <ul style="list-style-type: none"> <li>Passive design</li> <li>Double glazing</li> <li>HVAC</li> <li>Efficient lighting and controls</li> <li>Tuning of building services</li> <li>Energy monitoring</li> <li>Electric machinery</li> <li>Renewables</li> </ul>	<b>Well-being</b> <ul style="list-style-type: none"> <li>Cycle facilities</li> </ul>
<b>Water</b> <ul style="list-style-type: none"> <li>Rain water tanks</li> <li>Detention basins</li> <li>Stormwater runoff</li> <li>Water efficient fixtures</li> <li>Air collected airconditioning</li> <li>Water monitoring</li> </ul>	





# FY19 National Greenhouse and Energy Report (NGER)

The National Greenhouse and Energy Reporting (NGER) scheme, established by the National Greenhouse and Energy Reporting Act 2007 (NGER Act), is a single national framework for reporting and disseminating information about companies' greenhouse gas emissions, energy production and energy consumption.

As an organisation Qube Holdings (representing Qube Ports, Qube Bulk, Qube Logistics (incl Rail), Qube Infrastructure and Property and AAT) have met certain thresholds that require the annual reporting of emissions and energy information to the Clean Energy Regulator.

Qube's latest annual report provides an overview of Qube's energy consumption and greenhouse gas emissions for the FY19 reporting period as reported in October 2019.

## GREENHOUSE GAS EMISSIONS

The greenhouse gases that are reported under the NGER Scheme include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and sulphur hexafluoride (SF<sub>6</sub>). Under the NGER Scheme and via the Emissions and Energy Reporting System (EERS), Qube reports data including energy consumption and activities including, fuel and energy commodities; such as diesel, LPG, ULP and oils.

In FY19, Qube marginally increased its scope 1 and scope 2 emissions by 1% to 331,605 tCO<sub>2</sub>-e, (refer Figure 1 below). Although the three main divisions of Qube (Ports, Bulk & Logistics) decreased their emissions, the increase can be contributed to continued development of Moorebank Logistics Park.

A detailed breakdown of Qube's divisional performance has been provided within this report.

Carbon Dioxide makes up the largest emissions to environment at 308000t Co<sub>2</sub>-e with other minor emissions of Methane (468 tCO<sub>2</sub>-e) and Nitrous Oxide (2188 tCO<sub>2</sub>-e) calculated.

## SCOPE 1 & 2 EMISSIONS

Scope 1 & 2 emissions greenhouse gas emissions are the emissions released to the atmosphere as a direct result of an activity, or series of activities at a facility level. Scope 1 emissions are sometimes referred to as 'direct emissions' i.e. emissions from the burning of diesel fuel in trucks, while Scope 2 emissions 'indirect emissions' come from the use of electricity purchased from a utility provider.

Data provided by the Clean Energy Regulator shows that Qube was ranked 95th in the list of total scope 1 emissions for the FY19 period.

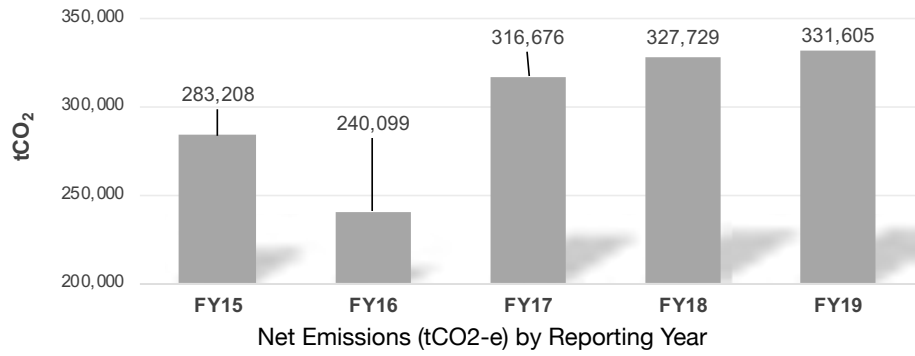
## PERFORMANCE SUMMARY

Qube's net emissions increased in FY19 by 1.2% compared to FY18, while underlying revenue increasing by 4.7% over the same period due to growth in the size of Qube's businesses. This resulted in Qube's carbon intensity calculated as net emissions (expressed in tonnes of carbon dioxide equivalent per million dollars of revenue generated) decreasing by 3.4% in FY19.

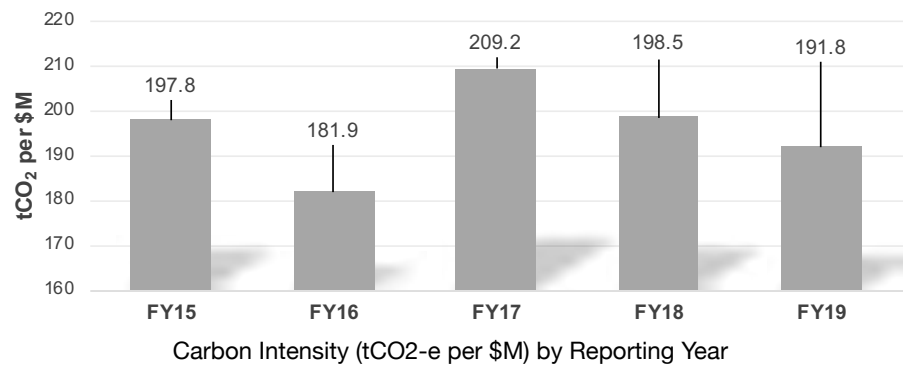
Additional details regarding Qube's year-over-year performance is outlined below.

		FY15	FY16	FY17	FY18	FY19
Net Emissions	tCO <sub>2</sub>	283,208	240,099	316,676	327,729	331,605
Group Revenue	\$M	1,432.0	1,319.7	1,513.7	1,650.7	1,728.6
Carbon Intensity	tCO <sub>2</sub> per \$M	197.8	181.9	209.2	198.5	191.8
YOY Movement	%	-	-8.0%	15.0%	-5.1%	-3.4%

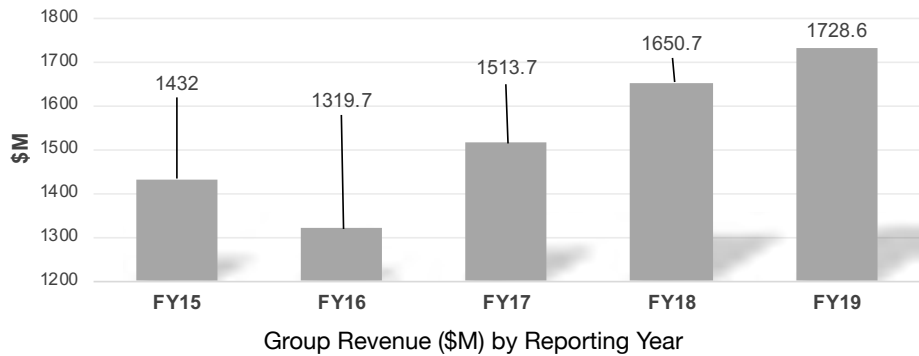
### NET EMISSIONS (tCO2-e)



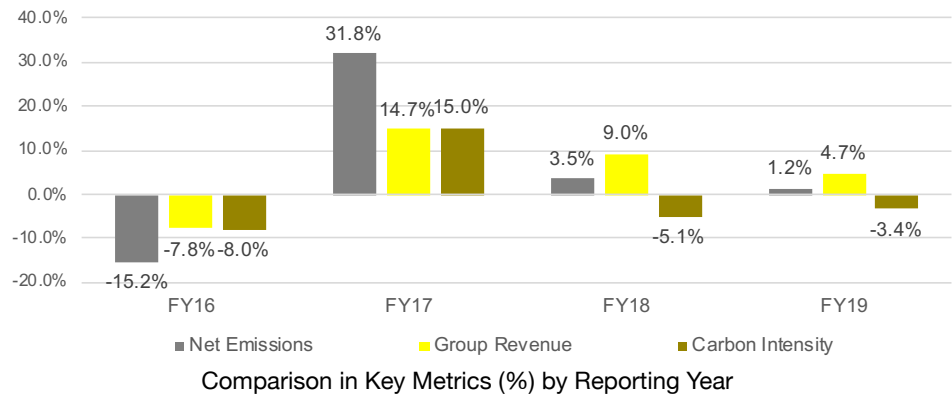
### CARBON INTENSITY (tCO2-e per \$M)



### GROUP REVENUE (\$M)



### YOY COMPARISON IN KEY METRICS (%)



### IMPACT MEASURES

Environmental Management Plans and Aspects and Impact Registers for facilities and projects help drive our emissions performance through a range of actions. These include using more energy-efficient plant and equipment, as well as installing power from renewable sources, such as the 3 MW LG-powered solar panel installation on the rooftop of Moorebank Logistics Park in Sydney. Some of the ways Qube has continued to improve energy efficiency in 2019 includes investing in greener and energy-efficient equipment such as Euro Series 5 and 6 compliant trucks and making our equipment more reliable through regular maintenance and by smart scheduling of maintenance activities among the heavy vehicle fleet.



# OUR COMMUNITY



Qube Bulk Community School Engagement Program with Qube employee.

# Our Community

Qube is committed to social responsibility and working closely with the communities in which we operate. We strive to create positive and long-term relationships that benefit communities, partners and stakeholders.

Some initiatives from FY20 included:

## RURAL AID

Qube, in conjunction with Rural Aid, launched a Buy a Bale program encouraging employees, contractors and suppliers to contribute funds to provide relief for drought stricken regional communities. Every dollar donated through this campaign was matched with two dollars from Qube. Qube sites were also encouraged to collect essential supplies for rural families and these were delivered to Rural Aid for impacted households. The campaign was further extended to assist communities who were then affected by bushfires. In total, the campaign resulted in a total contribution to Rural Aid of over \$75,000 - equivalent to more than 13 full truckloads of hay and supplies.

## DISASTER AND BUSHFIRE RELIEF STRATEGY

After the devastating 2019/2020 Summer bushfire season across Australia, Qube initiated a disaster and bushfire relief and rebuild strategy to consolidate efforts to provide critical transport, logistics and warehousing to assist in relief and rebuilds. Within this \$500,000 initiative, Qube provided delivery and storage for charity partners (including Foodbank), and in-kind transport for emergency supplies and rebuilding infrastructure. Employees actively contributed by donating goods, supporting local charities, making financial contributions and assisting with delivery of supplies. Qube employees who actively volunteered during the 2019-2020 bushfires were provided with additional leave equivalent to their active service.



**DISASTER AND BUSHFIRE RELIEF AND REBUILD STRATEGY**

**\$500,000 INITIATIVE**

**PURPOSE**

To play an active role in providing critical transport and logistics support to certified disaster relief groups to assist in the relief and rebuild strategy for bushfire and drought affected communities.

**BUY A BALE IN CONJUNCTION WITH RURAL AID**

Qube is matching every employee donated dollar with two dollars towards Rural Aid's Buy-a-Bale initiative. Qube is providing in-kind transport for deliveries of items purchased with Qube employee and company donated funds to maximise impact of donated dollars.

**EMERGENCY DISASTER RELIEF**

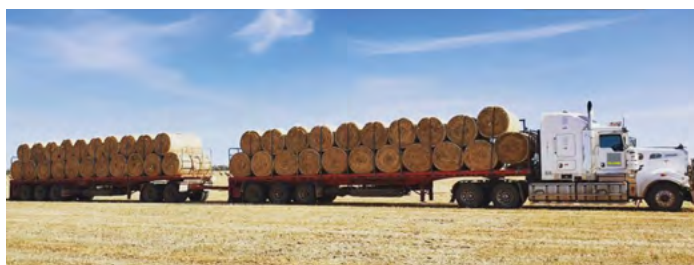
Qube is working with charity partners (such as Foodbank) to provide in-kind delivery and storage of relief products for impacted communities.

**REBUILD SUPPORT**

Qube is providing in-kind transport for rebuild infrastructure to assist with the rebuild efforts by working with certified disaster relief groups.

**EMPLOYEE DRIVEN**

Qube is supporting employee driven initiatives to provide fundraising or donated transport for goods for certified disaster relief groups. Qube is supporting active volunteer firefighters by providing additional leave for active service during the 2019-2020 fire season.



Delivery to bushfire impacted NSW, South Coast region.

## THE CLONTARF FOUNDATION

The Clontarf Foundation exists to improve the education, discipline, life skills, self-esteem and employment prospects of young Aboriginal and Torres Strait Islanders. By doing so equips them to participate meaningfully in society. Qube plays an active role in working alongside the Clontarf Foundation to support a range of initiatives including:

- School-based traineeships in conjunction with Hedland High School.
- Work experience opportunities at various Qube locations.
- Site tours and education sessions for the Clontarf Foundation students.
- Management involvement in the Clontarf Leadership Camp.
- Qube personnel involvement in the Clontarf Employment Forum.
- Team participation in the annual Clontarf Foundation Corporate OzTag fundraising initiative.

## THE RESULTS:

### Community

#### 2020

Engaged with communities in the areas which we operate, by creating and participating in school and community-based programs.

#### 2021 - Ongoing

Supporting local regions by contributing to the social and economic well-being of the regions in which we operate.

**\$200k+**

Raised and donated by local sites for regional support.

**36 ↑**

Site-driven community programs.

## Education & Awareness

Given Qube's significant presence in the communities in which we operate, we recognise that we have a duty to educate and drive awareness around safety and to engage at a local level. We undertake a series of programs that connect with communities at various levels including through:

- School awareness programs to educate and inform school-aged children on pedestrian safety and road rules, particularly regarding trucks (road trains) that operate within their local regions;
- Working with regionally based safety organisations to drive awareness and action on locally-based issues such as animal migration, stray livestock and species populations monitoring;
- Participating in education forums on road train safety and general road safety for members of the public including those who are new to driving and for travellers. Education also incorporated UHF radio techniques, channel selection and communication protocols; and
- Career showcase expos to drive education around available jobs and career opportunities.



Qube Bulk Geraldton team, Bevan Orchard, Glen Wallace, Ray Unwin, Reece Lorne and Claire Gould conduct Safety Awareness talks with travellers.



Qube Bulk Schools Engagement Program.

## CASE STUDY

Qube was the major sponsor of the "Container - the box that changed the world " exhibition presented by the Western Australian Museum in partnership with Fremantle Ports and the Freight and Logistics Council of WA. "Container - the box that changed the world" is an interactive, solar-powered exhibition displayed in six colourful, modified sea containers developed by the Australian National Maritime Museum in Sydney. Each container tells the story of a different aspect of how sea containers have revolutionised trade, transport, business and life. The exhibition sought to engage the public and provide them with better understanding the global supply chain.





Dominic Hearne, Operations Coordinator, Qube Logistics, VicDock Melbourne. Clontarf Program graduate.



Qube Corporate OzTag team at Clontarf Foundation corporate day with Clontarf students.

# Participation

The Qube site operation teams work within local communities to identify opportunities where Qube is able to make a positive impact and support locally-led initiatives.

Our site-based teams build and maintain close relationships with communities and relevant stakeholders. The Qube location-based activities include:

- Local sport and club sponsorships throughout regional Queensland, Victoria, Western Australia and New South Wales.
- Local community initiatives to drive specific local outcomes .
- Regionally-based events and activities that showcase the Qube commitment to building sustainable community partners.
- Some of the local site-based charity and fundraising initiatives that aligned with employee-related causes and passions included:
  - Access Hope Foundation
  - Convoy for Kids
  - OZHelp Foundation
  - The Fremantle Volunteer Sea Rescue Group
  - Leeuwin Ocean Adventure Foundation
  - The Starlight Children's Foundation
  - Socks for School Campaign
  - Kidney Health Australia
  - HeadSpace Push Up Challenge
  - Property Industry Foundation - Tour de PIF Bike Ride
  - Clean Up Australia Day
  - Head and Neck Cancer
  - R U OK
  - Movember
  - National Breast Cancer Foundation







Montage of Qube local site community programs.



# OUR GOVERNANCE

# Our Governance

Qube adheres to high standards of corporate governance through its policies and practices. Qube is focused on behaving in a transparent manner to provide accurate information to all our stakeholders. The annual Qube Corporate Governance Statement (CGS) outlines the key aspects of Qube’s corporate governance framework and practices. The Qube Board is committed to maintaining Qube's high standards of corporate governance and believes that good governance plays a major role in Qube’s success. Qube reviews its corporate governance practices regularly to ensure best practice.

## Regulation & Accountability

### OUR GOVERNANCE FRAMEWORK DEFINES THE ACCOUNTABILITY FOR SUSTAINABILITY WITHIN THE QUBE ORGANISATION

#### QUBE BOARD

The Board is primarily responsible for ensuring that Qube has an appropriate corporate governance structure aimed at creating and protecting shareholder value. The Board is responsible for overseeing the establishment, implementation and maintenance of corporate governance, policies and practices and effective risk management, including in relation to safety, health and sustainability.

#### QUBE COMMITTEES

##### AUDIT AND RISK MANAGEMENT COMMITTEE

The primary purpose of the Committee is to assist the Board in fulfilling its corporate governance responsibilities in regard to financial reporting, audit and risk management.

##### NOMINATION AND REMUNERATION COMMITTEE

The responsibility of the Committee is to assist the Board in fulfilling its corporate governance obligations in regard to remuneration and nomination matters including overseeing the appointment and remuneration of non-executive directors, and making recommendations to the Board on related policies, framework and practices.

##### SAFETY, HEALTH AND SUSTAINABILITY COMMITTEE

The responsibilities of the Committee include assisting the Board in fulfilling its strategy, policy, monitoring and corporate governance responsibilities in regard to safety, health, and sustainability.

#### QUBE LEADERSHIP TEAM

Accountable for the implementation of sustainability initiatives throughout the Qube Group.

# Managing Risk

Effective risk management plays a critical role in positioning us to prepare for, and respond to, threats and opportunities in our operating environment.

We believe that we have a strong foundation for regulatory compliance and stakeholder accountability through our:

- Board and Committee Charters.
- Policies specifically the Risk Management Policy establishing Qube's risk management framework including a Board-approved Risk Appetite Statement.
- Systems and processes.

## ZERO HACK PROGRAM

Zero Hack is Qube's cyber security awareness training program. The Zero Hack program is designed to ensure cyber security awareness is front of mind for all digital users within Qube. The program aims to educate employees on taking care when accessing and using Qube's systems, as well as their digital and online behaviour at work and at home. The program seeks to reduce risk of individual identity theft and cyber-attacks



## MODERN SLAVERY

Qube is committed to the principles and objectives underpinning the Modern Slavery Act 2019 (Act). During the reporting period, a working group was established to focus on Modern Slavery and Human Rights. The working group comprises of members from finance, procurement, sustainability and legal. The working group was involved in a detailed review and risk assessment in relation to the supply chains of the Qube Group. Based on this work, Qube is developing a framework and action plan to address modern slavery risks and facilitate the preparation of Qube's first Modern Slavery Statement under the Act.

### Corporate Audit Program

<p><b>Q1: Jul - Sept</b></p> <p>Continued Corporate Audit Program, with Group and Associates, Patrick, Quattro &amp; LCR.</p> <p>Qube Rail participated in Qube Corporate SHS Standards Audit.</p>	<p><b>Q2: Oct - Dec</b></p> <p>Introduced Critical Risk Auditing program across the Group.</p>	<p><b>2021 - Ongoing</b></p> <p>Instigate quarterly reviews with National SHE Managers - critical risks, updates and review plans.</p>
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<p><b>15</b></p> <p>Audits completed as part of the Corporate Audit Program.</p>	<p><b>95%</b></p> <p>Average audit result and increase of 3%.</p>
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### Safety, Management & Incident Reporting Systems

<p><b>Q4: Apr - Jun</b></p> <p>Implemented Injury Connect to provide workers' compensation injury data and analysis to divisions.</p>	<p><b>2021 - Ongoing</b></p> <p>Rapid Induct and update training information as required.</p> <p>Continue to provide system support to the Group and stakeholders.</p>
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**May 5<sup>th</sup>**

New Intranet Go-live.



Qube Logistics train at Blayney, NSW.



# FY21 SUSTAINABILITY KPIs AND TARGETS

# Material Issues Assessment Process

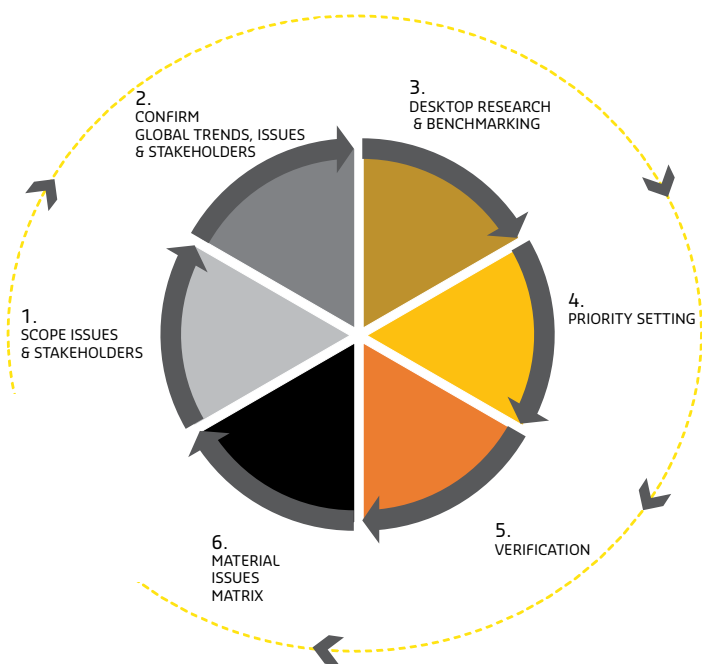
Expectations from investors, customers, employees, local communities, governments and regulators are changing with organisations facing increased pressure to create value for society as well as for shareholders, and to disclose sustainability performance in line with international standards.

Sustainability performance reporting in the logistics sector generally lags behind other sectors. Building on Qube’s existing sustainability framework and commitments, new metrics and targets are proposed.

There are a number of Australian and International frameworks and standards that Qube can draw on in establishing performance targets. The Moorebank Logistics Park project has set industry-leading sustainability commitments and provides an example of what can be achieved.

Qube undertook a Material Issues Assessment Process with the purpose to build on and enhance Qube’s current sustainability commitments, and propose a suite of Group-wide sustainability performance indicators (KPIs), targets and measures.

## MATERIAL ISSUES ASSESSMENT PROCESS



The high-level material issues assessment identified 12 sustainability issues important to stakeholders and to Qube and which were used as an input in developing Qube’s enhanced suite of sustainability KPIs and targets.

The following process was followed in order to settle on a final list of material issues for Qube:



### Final ESG Material Issues:

- 1. Environmental; 2. Health & Safety; 3. Privacy; 4. Climate Risk (physical & transitional);
- 5. GHG Emissions (Scope 1 and 2); 6. Pollutant Emissions; 7. Energy Consumed; 8. Diversity;
- 9. Human Rights; 10. Sustainable Supply Chain; 11. Staff Engagement; 12. Community Investment.

### Enhanced ESG KPIs and Targets



# Our KPIs & Targets

## Environmental

Commitment to complying with all legislative requirements, protection of biodiversity and avoidance of negative ecological impact.

1

## Health & Safety

Providing safe work environments for our people.

2

## Privacy

Managing systems and processes to protect data.

3

## Climate Risk

Managing risk in line with international standards.

4

## Gas Emissions

Minimising greenhouse gas emissions within scope of operations.

5

## Pollutant Emissions

Minimising pollutant emissions within scope of operations.

6

## Energy Consumed

Minimising energy consumed within scope of operations.

7

## Diversity

Encouraging a diverse and inclusive culture.

8

## Human Rights

Managing and protecting human rights of Qube employees and stakeholders.

9

## Sustainable Supply Chain

Proactive environmental, social and economic procurement.

10

## Engagement

Fostering a positive culture of employee engagement.

11

## Community Investment

Building positive community partnerships.

12

MATERIAL ISSUE		1. ENVIRONMENTAL
Context for Qube & Business Division Applicability	<p>Complying with environmental laws, regulations, standards and other requirements. Includes air and water pollution and land contamination. Also refers to the protection of biodiversity and the avoidance of negative ecological impact.</p> <p>At Qube all incidents are measured as Potential or Actual with a rating between 1 (Insignificant) and 5 (Critical).</p>	
Proposed Reporting Metrics & Measures	<p>External incidents: Number of Actual 3+ environmental incidents.</p> <p>Fines and prosecutions: Number and/or dollar value of material environmental fines, breaches and prosecutions.</p>	

ALIGNMENT WITH SDGs



MATERIAL ISSUE		2. SAFETY & HEALTH
Context for Qube & Business Division Applicability	<p>Safety and Health performance management is a key standard for Qube.</p> <p>Zero Harm reflects Qube's belief that we operate in a safe environment where risks are managed, and that work does not impact upon the health and well-being of Qube's workforce.</p> <p>This topic covers the Qube's management and response to COVID-19.</p>	
Proposed Reporting Metrics & Measures	<p>FY21 targets</p> <p>SHS Leadership Tours: &gt;95%</p> <p>Critical Risk Verifications: &gt;95%</p> <p>Corrective Action Closure Rate: &gt;90%</p> <p>Incident Closure Rate: &gt;95%</p> <p>Training Compliance: &gt;90%</p> <p>CIFR: 1.5</p> <p>TRIFR: reduction</p> <p>LTIFR: reduction</p>	

ALIGNMENT WITH SDGs



MATERIAL ISSUE		3. PRIVACY
Context for Qube & Business Division Applicability	Data protection refers to securing data against unauthorised access and data privacy refers to ensuring that there is only authorised access.	
Proposed Reporting Metrics & Measures	Major IT systems breakdown incidents: 0 Material breaches of data privacy incidents: 0	

ALIGNMENT WITH SDGs



MATERIAL ISSUE		4. CLIMATE RISK (PHYSICAL & TRANSITIONAL)
Context for Qube & Business Division Applicability	<p>Physical climate impacts (extreme weather, heat wind, etc) and transitional risk (changes in carbon/energy policies, shift to low-carbon technologies, market demand, reputation) can have negative and positive impacts on Qube's business and assets.</p> <p>Investors have expectations that Qube has assessed and is managing these risks in line with International standards such as the TCFD (Task Force Financial Related Disclosure).</p>	
Proposed Reporting Metrics & Measures	<p>Align the Group's future climate change risks/opportunities using the TCFD framework.</p> <p>Focusing on sustainable solutions by enhancing our vehicle fleet through energy efficiency, investigating opportunities for the use of renewable fuels and electrification.</p> <p>Continuing to assess energy and emissions intensities across Qube's operations to identify energy and emissions "hotspots" and review efficiency opportunities.</p> <p>Innovating by designing and building warehouses that are energy efficient through renewable energy installations and lighting systems.</p>	

ALIGNMENT WITH SDGs



5. GREENHOUSE GAS EMISSIONS (SCOPE1 & 2)	
Context for Qube & Business Division Applicability	Scope 1 & 2 emissions greenhouse gas emissions are the emissions released to the atmosphere as a direct result of an activity, or series of activities at a facility level. Scope 1 emissions are sometimes referred to as 'direct emissions' i.e. emissions from the burning of diesel fuel in trucks, while Scope 2 emissions 'indirect emissions' come from the use of electricity purchased from a utility provider.
Proposed Reporting Metrics & Measures	Carbon intensity (Group wide): Percentage in CO2 / \$M rev.  Scope 1 & 2 emissions: Net emissions for bulk, logistics, ports.  Carbon intensity (Group wide): 4% reduction by 2020.

ALIGNMENT WITH SDGs



6. POLLUTANT EMISSIONS	
Context for Qube & Business Division Applicability	Pollutant air emissions associated with freight transport (both diesel and petrol).  Includes: carbon monoxide; particulate matter (PM); nitrogen oxides (NOx) and combined emissions of - hydrocarbons and nitrogen oxides. These emissions pose serious health and environmental problems.
Proposed Reporting Metrics & Measures	Euro 5 & 6 Standard EEV: Percentage of compliant truck and plant fleet.

ALIGNMENT WITH SDGs



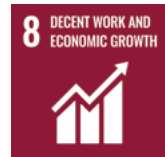
MATERIAL ISSUE		7. ENERGY CONSUMED
Context for Qube & Business Division Applicability	Energy consumption with regards to Qube's transport fleet. Refers to the capacity of an engine, especially that of a vehicle, to obtain energy from fuel. The fuel efficiency associated with rail is three-to-four times higher than trucks. Diesel accounts for 93% of scope 1 and 2 emissions and the Energy use associated with diesel fuel and other fuel use is high.	
Proposed Reporting Metrics & Measures	<p>Energy consumed for diesel and other fuel use (Transport): GJ</p> <p>Energy consumed for electricity and gas (Property): GJ</p> <p>Renewable energy (Property): Percentage of new infrastructure with renewable energy installation.</p> <p>R&amp;D for low-carbon transportation equipment or transportation services: Investment in greener vehicles and energy efficient equipment.</p>	

ALIGNMENT WITH SDGs



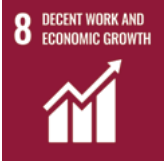
MATERIAL ISSUE		8. DIVERSITY
Context for Qube & Business Division Applicability	Diversity is the variety of differences in people who make up the Qube Group's employee base and Board, including such differences as life, work and educational experience, work status, language, sexual preference, gender, national extraction, physical or mental disability, marital status, personality profile, age, carer's responsibility, ethnicity, religion and cultural and socio-economic background, perspective and experience.	
Proposed Reporting Metrics & Measures	<p>Female board members: 40% by 2025</p> <p>Female workforce: 15% by 2025</p>	

ALIGNMENT WITH SDGs



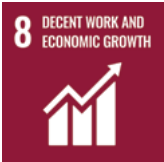
MATERIAL ISSUE		9. HUMAN RIGHTS
Context for Qube & Business Division Applicability	Human rights recognise the inherent value of each person, regardless of background, where they live, what they look like, what they think or what they believe. They include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education, and many more. Everyone is entitled to these rights, without discrimination.	
Proposed Reporting Metrics & Measures	<p>Modern slavery action plan and framework:</p> <ul style="list-style-type: none"> <li>▪ Establish a Group-wide Human Rights Policy.</li> <li>▪ Develop and implement Modern Slavery Action Plan milestones for the reporting period.</li> <li>▪ Report performance progress in line with the Modern Slavery Act on an annual basis.</li> </ul>	

ALIGNMENT WITH SDGs



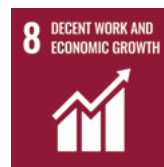
MATERIAL ISSUE		10. SUSTAINABLE SUPPLY CHAIN
Context for Qube & Business Division Applicability	<p>Procurement that has the most positive environmental, social and economic impacts possible over the entire life cycle.</p> <p>This includes Indigenous procurement and modern slavery.</p>	
Proposed Reporting Metrics & Measures	Integrate environmental and social considerations into the main procurement processes in line with ISO 20400.	

ALIGNMENT WITH SDGs



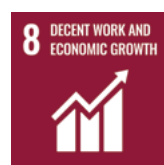
MATERIAL ISSUE		11. EMPLOYEE ENGAGEMENT
Context for Qube & Business Division Applicability	Employee engagement to gain an understanding of satisfaction, feedback and effective communication.	
Proposed Reporting Metrics & Measures	Annual Employee Satisfaction Surveys	

ALIGNMENT WITH SDGs



MATERIAL ISSUE		12. COMMUNITY INVESTMENT
Context for Qube & Business Division Applicability	Community engagement to build positive, educational and long-term partnerships.	
Proposed Reporting Metrics & Measures	<p>Community investment strategy: Detail initiatives annually in Sustainability Report.</p> <p>Capture estimate on community engagement and financial contribution.</p>	

ALIGNMENT WITH SDGS





**QUBE**

Qube Holdings Limited  
(ABN 14 149 723 053)  
Level 27, 45 Clarence Street  
Sydney NSW 2000

L-R: Joe Toohey, Phoebe Thomas, Madeline Forbes and Keith Currie celebrate the Qube StepUp Challenge.