

# SUSTAINABILITY REPORT

2023

QUBE



Qube's FY23 Sustainability Report features a specially designed artwork painted by students at Manunda Terrace Primary School on Larrakia country in Darwin.

The School has a population of around 200 students and is a small multicultural community located in the northern suburbs of Darwin, with over 60 per cent of students coming from an Indigenous background and around 35 per cent coming from non-English speaking backgrounds.

This school aims to provide the opportunity for all students to learn, play and socialise in a nurturing and safe environment every day.

Through our Qube Energy business, we provide a comprehensive array of services from our Darwin supply base, which supports our energy customers in the Northern Territory. Qube has partnered with the school since 2022, supporting school fundraising events, school celebrations and other activities, as well as sponsoring the Qube Kidz Zero Harm award, designed to encourage positive behaviour and to encourage the zero-harm attitude everyday.

The rainbow background represents the Qube Community.

The black strip and small dots represent the school community.

The blue dots represent the Manunda Students.

The whole picture represents the partnership with QUBE and how it assists, builds and guides Manunda students and the community.



In celebration of the partnership, Manunda's students created this artwork for Qube and explained that the key elements have special meaning.



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## Acknowledgement of Country

In the spirit of reconciliation, Qube acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respects to Elders past, present and emerging.

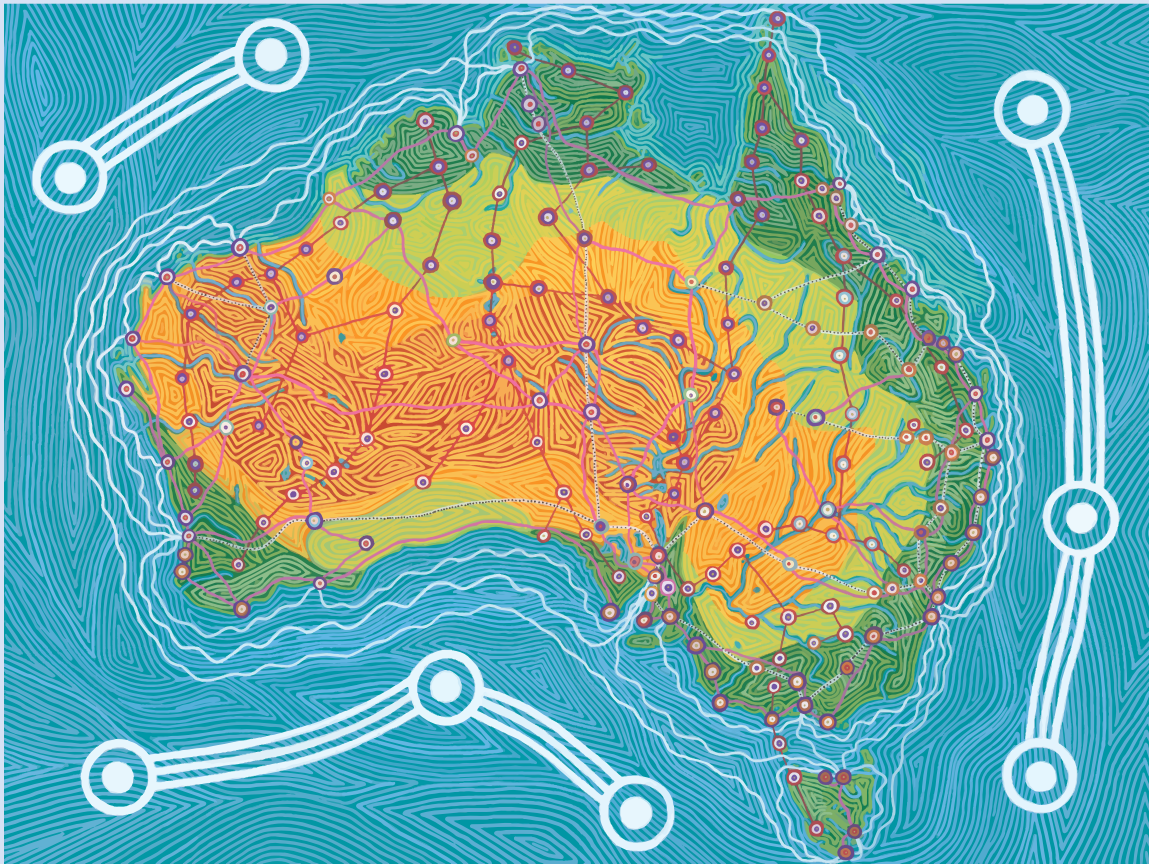
In FY23, Qube developed its first 'Reflect' Reconciliation Action Plan. The Plan features an artwork created by Sydney-based Indigenous artist, Darren Charlwood.

Darren is a Wiradjuri man from the yabaay wagaan (wedge tail eagle and crow) mob in Wellington and explained that the name of the work, Yindyamarra, is a Wiradjuri word that describes respect, gentleness, kindness and balance.

"I wanted to create a work that showed the balance and interconnectedness that exists between people and the sea and the country.

"Because Qube has operations all over Australia, I thought it was important to show all of those connections from the ports dotted all around the coastline, to the inland rivers, and the roads and the rail networks that span the country. I also included Indigenous trade routes to show how enduring those connections are.

"The white motifs on the ocean symbolise movement, whether it be whales migrating or ships moving along the coastline, and the white lines around the coastline symbolise shipping channels. Along the Queensland coast, I have also used a more aqua shade to show the Great Barrier Reef and the red in the centre symbolises the desert. Everything exists in balance and is interconnected."



"I wanted to create a work that showed the balance and interconnectedness that exists between people and the sea and the country."

## About This Report

The FY23 Sustainability Report provides a summary of Qube's sustainability strategy and performance on material sustainability issues, as well as Greenhouse Gas (GHG) Emissions data in accordance with the National Greenhouse and Energy Report (NGERs) Scheme.

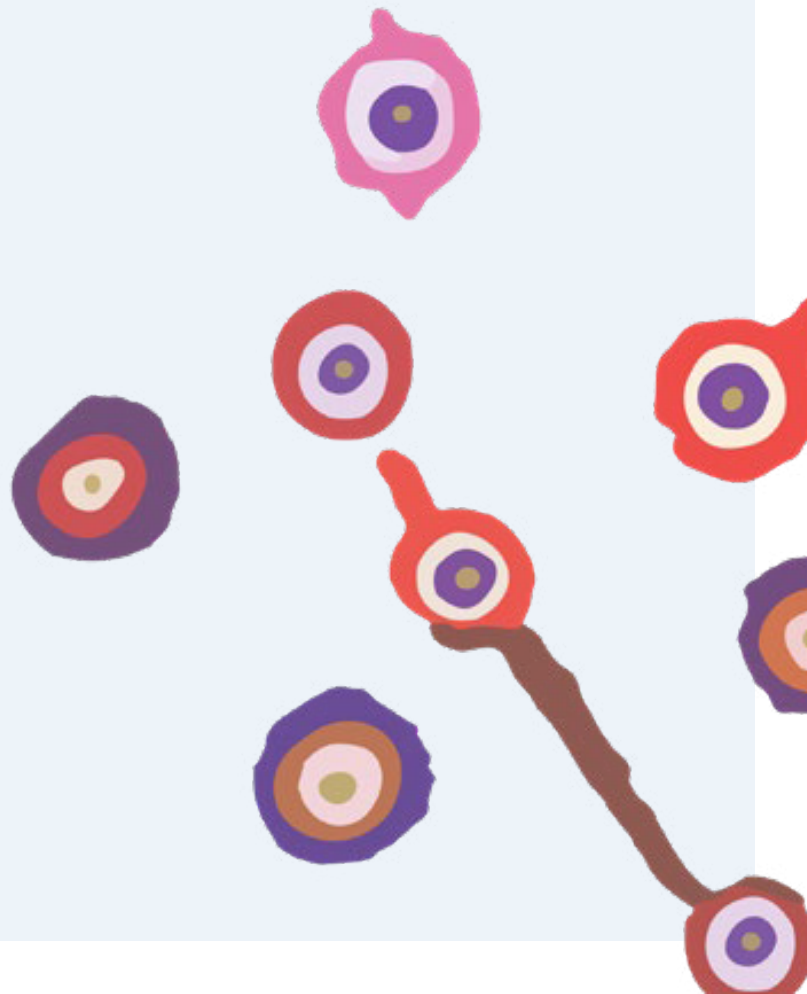
This report should be read in conjunction with our FY23 Annual Report prepared for the 12-month period from 1 July 2022 to 30 June 2023, to give a full overview of Qube's business.

Our Sustainability Report and disclosures are prepared based on Qube's material topics, the 'Thrive Strategy' and in accordance with global frameworks such as Task Force on Climate-Related Financial Disclosures (TCFD).

As we progress with our sustainability reporting journey for the next reporting year, Qube will be working towards full implementation of the TCFD recommendations and adopting Global Reporting Initiative (GRI) and ISSB standards.

### SCOPE

In this report, unless otherwise stated, references to "Qube", the "Qube Group", "our", "us" or "we", are references to Qube Holdings Limited and its controlled entities, and excludes Qube's interest in Patrick and other joint ventures. References to divisions, business units and businesses exclude Qube's interest in Patrick. Health and safety, sustainability and people performance data is reported on a total operated basis unless otherwise stated.



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## Managing Director Message

I am very pleased to present the Qube Sustainability Report for the 2023 Financial Year.

This year's report is structured around the five priority areas of our Plan to Thrive – Safety, Wellbeing, Planet, Opportunity and Performance. These five areas are the things that matter most to our business and they are at the core of our strategy. They underpin everything we do at Qube and our focus on them will ensure the sustainability of our business for the future.

Pleasingly, throughout FY23, we have achieved solid progress across these five areas, with a range of initiatives and programs operating across the business to drive ever-better outcomes for our people, our customers and the communities in which we operate.

In safety, we achieved a 16 per cent reduction in the Lost Time Injury Frequency Rate (LTIFR) compared with FY22, with a result of 0.63 per million hours worked. This is a very pleasing outcome. While our Total Recordable Injury Frequency Rate (TRIFR) did exceed our target, this is in part a reflection of the increase in headcount during FY23, partly as a result of a number of acquisitions.

Safety is an ongoing and vital area of focus. We are determined that everyone should go home safe at the end of each day. Early and effective identification and management of critical risks is key to this so it is pleasing that we achieved our Critical Incident Frequency Rate (CIFR) target of 1.0 during the year.

We know that mental health and wellbeing is just as important as physical safety and in FY23 we further invested in programs, partnerships and initiatives to strengthen our culture and our values of Integrity, Reliability and Inclusion. This included the launch of a new employee reward and recognition program, known as "The Qubies".

We achieved improvements in female participation across the group, invested to strengthen our employee value proposition and to retain key talent. We are also addressing psychosocial risks that can arise in the workplace and we launched a new paid parental leave policy that doubles the base entitlement for our Australian employees.

During FY23, we also made progress on our decarbonisation plan, including enhancing our climate-related financial disclosures in line with the recommendations of the Task Force on Climate-related Financial Disclosures. We made additional investments in fleet upgrades, with 90 per cent of our heavy vehicle fleet now transitioned to Euro 5/6, and supported or led a range of alternative fuel and technology trials, including of the world's first electric triple road train.

With operations spanning more than 180 locations across Australia, New Zealand and South East Asia, we know that we have a responsibility to give back to the communities we work in and who support our business.



**MANAGING DIRECTOR**

**PAUL DIGNEY**

In FY23 our community spend exceeded \$700,000 and we continued our vital partnerships with groups including the Clontarf Foundation, who we have partnered with since 2017, helping to improve the education, discipline, life skills, self-esteem and employment prospects of young Aboriginal and Torres Strait Islander men.

We also continued our investments in innovation and technology improvements, which helped unlock significant value for our business, our customers and our industry – and in many cases, kept our people out of harm's way. These included investments to unlock the potential of artificial intelligence and to further explore the potential of robotics and virtual reality across our operations.

Of course, none of this is possible without the support of our people. Their commitment to our business and our culture is a key driver of our success. I therefore take this opportunity to thank them for their hard work and their dedication to our values of Integrity, Reliability and Inclusion, to make Qube Thrive.

## OUR WORKFORCE

**>9,000**

TOTAL WORKFORCE  
(AS OF 30 JUNE 2023)

**14%** <sup>(+0.6%)</sup>

FEMALE PARTICIPATION RATE

**8.8** <sup>TRIFR</sup>

(TOTAL RECORDABLE INJURY  
FREQUENCY RATE)

**0.63** <sup>LTIFR</sup>

(LOST TIME INJURY  
FREQUENCY RATE)

**1.0** <sup>CIFR</sup>

(CRITICAL INCIDENT  
FREQUENCY RATE)

**100%** <sup>OF KPI</sup>

LEADERSHIP TOURS

**600+**

COMPLETION OF MODERN  
SLAVERY TRAINING

## ENVIRONMENT

**3%** <sup>DECREASED</sup>

SCOPE 1 GREENHOUSE GAS EMISSIONS  
COMPARED TO FY22

**3.6%** <sup>DECREASED</sup>

SCOPE 2 GREENHOUSE GAS EMISSIONS  
COMPARED TO FY22

**18.0%** <sup>DECREASED</sup>

CARBON INTENSITY (TCO2-e PER \$M)  
COMPARED TO FY22



## About Qube

Qube is Australia's largest integrated provider of import and export logistics services with a market capitalisation of around \$5 billion as at 30 June 2023.

We operate in over 180 locations across Australia, New Zealand and South East Asia with a workforce of more than 9000 employees.

Our purpose is to help our customers, communities, industries and people to Thrive through a relentless focus on our five priorities – Safety, Wellbeing, Planet, Opportunity and Performance.

Our business is comprised of two core divisions: the Operating Division, and Qube's 50 per cent interest in Patrick Terminals, Australia's leading container terminal operator.

The Operating Division comprises two business units: Qube Logistics and Infrastructure and Qube Ports and Bulk.

### QUBE LOGISTICS AND INFRASTRUCTURE

Qube Logistics (QL) operates services covering road and rail transport, warehousing and distribution, container parks and related services, and international freight forwarding services.

Qube Infrastructure includes ownership and operation of key terminals and infrastructure, including:

- Automotive and break-bulk terminals – through Australian Amalgamated Terminals (AAT), Qube provides automotive, general cargo and break-bulk facilities in Brisbane, Port Kembla and Melbourne.
- Grain terminals – through Quattro and Newcastle Agri Terminal, Qube operates multi-user grain storage and handling facilities in New South Wales.
- Rail terminals – the development and operation of an import-export (IMEX) rail terminal and metro terminal
- Intermodal Rail terminals – regional.

### QUBE PORTS AND BULK

Qube Ports provides port solutions and logistics services with bulk and general handling facilities in over 40 Australian, New Zealander and South East Asian ports. This allows Qube Ports to lead the market in providing purpose-designed solutions for customers handling containers, bulk, automotive and general cargo. Qube Ports manages 25 sites for the forestry industry in Australia and New Zealand and is also the leading provider of supply chain logistics services to the energy sector, supporting thousands of onshore wells and rig supply vessels, barges and offshore construction vessels annually. Qube Ports also has operations in Singapore and Indonesia.

Qube Bulk provides customers with the full range of bulk material handling services, including road and rail transport, stockpile management and bulk ship loading. Qube Bulk specialises in large-scale bulk export facilities and bulk material supply chains.

Complementing the existing Qube Bulk mine-to-market portfolio is the well-established remote bulk haulage business, Kalari, which Qube acquired in May 2023.

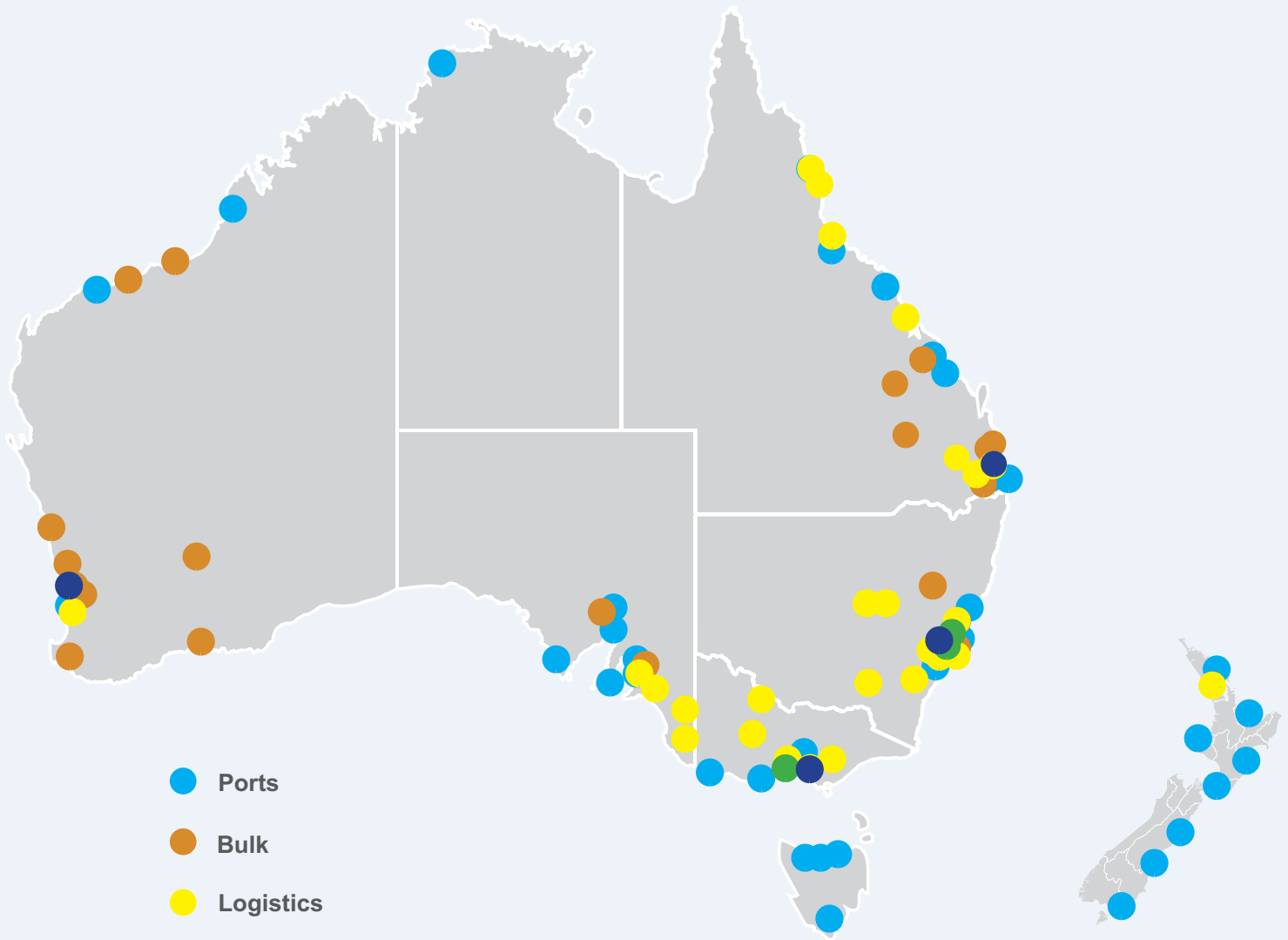
### PATRICK TERMINALS

Qube owns a 50 per cent interest in Patrick Terminals with the other 50 per cent owned by Brookfield and its managed funds. Patrick is an established and leading terminal operator, providing container stevedoring services in the Australian market.

Patrick Terminals operates over four kilometres of quay line with 24 cranes and 130 straddles at four strategically located ports around the Australian coastline. The network of terminals is located in the ports of Brisbane, Sydney, Melbourne, and Fremantle.

The scope of this Sustainability Report excludes Qube's interest in Patrick Terminals.





# Vision and Strategy

<b>VISION</b>	To be the best at what we do.
<b>STRATEGY</b>	Be the leading integrated logistics provider for import, export and domestic supply chains in Australasia and select international locations.
<b>PURPOSE</b>	Helping our customers, communities, industries and people to Thrive.

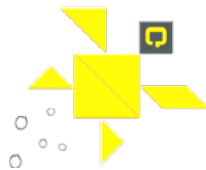
## PRIORITIES



**Safety.**  
Zero Harm is something we will always strive for in both our physical and our mental health.



**Wellbeing.**  
We believe in nurturing a workplace where all of us can achieve our full potential.



**Planet.**  
We have an aspirational goal to reduce our Scope 1 emissions intensity to zero by 2050.



**Opportunity.**  
Opportunity feeds the aspirations of all. Our people, customers, and shareholders.



**Performance.**  
We solve problems to make things happen. We will never stop striving to do better.

## OUR VALUES

In our Plan to Thrive, we describe the three values that we believe are the heartbeat of our business – Integrity, Reliability and Inclusion.

These shared values lay the foundation of our culture and are what we care about most. They provide a common purpose for us all to work together for a successful future.



**Performance.**  
We believe in doing everything we do with honesty, transparency, and commitment. All deserve to be treated with respect.

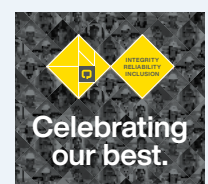


**Reliability.**  
We believe in doing what we said we'd do, when we said we'd do it, safely and securely. Trust is earned and we know how to earn it.



**Inclusion.**  
We believe in collaboration, a voice for all and diversity of thinking. Working together, and with customers, takes us all further.

In FY23, we launched our inaugural Thrive Awards, dubbed 'The Qubies'. These awards are open to team members from all roles, all sites and all levels in our business and will recognise, celebrate and reward our teammates who live and breathe our values. You can read more about The Qubies on page 33 of this report.



## Our Performance

PERFORMANCE AREA	FY23 TARGET	STATUS COMMENT	FY24 OBJECTIVES
<b>SAFETY AND HEALTH</b> We remained focused on our goal of Zero Harm, which reflects Qube's belief that we operate in a safe environment where risks are managed and work does not impact upon the health and wellbeing of Qube's workforce.			
INJURIES	LTIFR less than 1	● LTIFR of 0.63 per million hours worked representing 16% reduction from FY22	LTIFR less than 1 Maintain improvement against target
	Year-on-year reduction in TRIFR	● TRIFR of 8.8 per million hours worked representing 19% increase from FY22	TRIFR less than 7.75
LEADERSHIP TOURS	At least 95% of scheduled leadership tours completed	● Both business units achieved target ● 100% of formal safety engagements with frontline workers	100% of scheduled leadership tours complete More than 80% of formal safety engagements with frontline workers
CRITICAL RISK VERIFICATIONS	At least 95% critical risk verifications completed	● 98% critical risk verifications completed ● 88% of frontline worker participation in critical risk verifications	More than 95% critical risk verification completion rate More than 80% frontline worker participation in critical risk verification
CORRECTIVE ACTION CLOSURE RATES	At least 90% corrective action closure rate within due date	● Both business units achieved target corrective action closure rate	More than 95% corrective action closure rate Continued focus on investigations
INCIDENT CLOSURE RATE	At least 95% incident closure rate within 30 days	● Both business units achieved target incident closure rate	More than 95% incident closure rate within 30 days Maintain improvement against target
TRAINING COMPLIANCE	At least 90%	● 98% compliance rate recorded	Implementation of training plans
CRITICAL INCIDENT FREQUENCY RATE (CIFR)	Less than 1.0	● 1.0 recorded	CIFR less than 1.0
<b>ENVIRONMENT</b> We are committed to safeguarding the environment by complying with environmental laws, regulations, standards, and managing the potential impacts on air, water and land.			
SIGNIFICANT ENVIRONMENTAL INCIDENTS	Zero class 3+ environmental incidents	● Zero Class 3 and above environmental incidents recorded	Continue to achieve target
SIGNIFICANT FINES AND PROSECUTIONS	Zero fines/material breaches & prosecutions	● Zero environmental fines, material breaches or prosecutions	Continue to achieve target
<b>CLIMATE RISK</b> We are focusing on sustainable solutions by enhancing our vehicle fleet through energy efficiency, and investigating opportunities for the use of renewable fuels and electrification.			
EMISSIONS*	4% reduction in carbon intensity (percentage in tCO <sub>2</sub> -e/\$M revenue)	● Achieved 18.0%* reduction	Continue to reduce carbon intensity Maintain improvement against target
	Increase percentage Euro 5, 6 compliant prime movers	○ 90% of prime mover fleet is at least Euro 5, 6 compliant	Continue to transition remaining fleet to Euro 5,6 compliant
ENERGY CONSUMED*	Increase percentage of recently constructed and new owned infrastructure with renewable energy installation	○ Currently, 5% of Qube's electricity usage is generated by onsite rooftop solar	Continue to invest in renewable energy for our new owned infrastructure
● MET    ● PARTIALLY MET    ● NOT MET    ○ NOT APPLICABLE			

PERFORMANCE AREA	FY23 TARGET	STATUS	FY24 OBJECTIVES
<b>MODERN SLAVERY (MS) AND HUMAN RIGHTS (HR)</b> 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.			
MODERN SLAVERY AND HUMAN RIGHTS	Continue to implement Modern Slavery and Human Rights Action Plans	● Implemented several actions in both MS and HR action plans	Continue to address all actions in Human Rights Policy and Modern Slavery Plan
	Appropriate employees to complete MS and HR training	● Training program completed by +600 employees	Ongoing training program implementation. Assess and address high risk suppliers.
<b>COMMUNITY</b> At Qube, we recognise the importance of working with the communities in which we operate. We support our employees in making a contribution to organisations and causes they are passionate about, in order to add value to society.			
COMMUNITY	Not applicable	○ \$700,000 community investment	Commitment to continue to contribute to the communities we work in
<b>DIVERSITY AND INCLUSION</b> At Qube, we recognise the inherent value of each person, regardless of background, where they live, what they look like, what they think or what they believe.			
DIVERSITY & INCLUSION	40% female Board members by 2025	● Board currently comprises 25% females	Continue to focus on diversity as part of Board renewal
	15% female workforce by 2025	● 14% female workforce in 2023. Year on year increase representation of women in operations	Increase representation of females and indigenous employees
<b>SUSTAINABLE SUPPLY CHAIN</b> We are developing a procurement framework that supports the needs of the business and has a positive environmental, social and economic impact.			
SUSTAINABLE SUPPLY CHAIN	Not applicable	○ Draft Sustainable procurement standard developed	Undertake assessment of high risk suppliers
<b>EMPLOYEE ENGAGEMENT</b> We are enhancing our employee engagement to gain an understanding of satisfaction, feedback and effective communication.			
EMPLOYEE ENGAGEMENT	Not applicable	○ Completed Annual Employee Satisfaction survey	Continue to implement People and Culture Strategy
● MET    ● PARTIALLY MET    ● NOT MET    ○ NOT APPLICABLE			

# Governance Structure

## GOVERNANCE

The Qube Board is committed to ensuring the highest standards of corporate governance for our business. The Board is accountable for the oversight, monitoring and review of the company's practices and governance in relation to sustainability and climate change. Of the nine Board directors, around three quarters have direct business experience related to health, safety and Environmental, Social and Governance (ESG) matters, including climate change. In addition, throughout FY23, Board members attended a number of workshops on sustainability and climate change to gain further insights on emerging trends in sustainability reporting and climate related risks and opportunities.

The Board Safety, Health and Sustainability Committee oversees, monitors and reviews Qube's practices and governance in safety, health, sustainability, environment, climate change, social performance and the human rights of employees and operations. The Safety, Health and Sustainability Committee also reviews our Sustainability Report.

The Audit and Risk Management Committee also assists the Board to fulfil its responsibilities in relation to the oversight of the company's Risk Management Framework and processes, including with respect to climate related risks and opportunities.

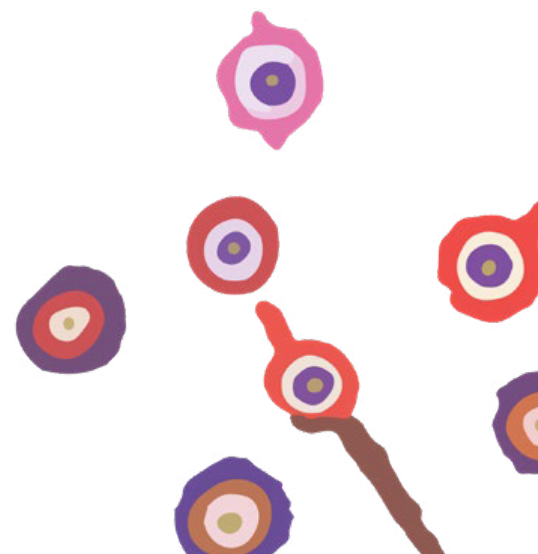
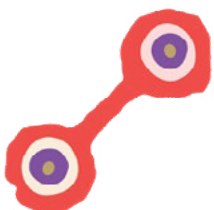
Responsibility for managing programs and practices relating to sustainability is delegated to the Managing Director and the senior management team and, consistent with Qube's risk-based governance framework, critical sustainability risks and opportunities and mitigating initiatives are

escalated through the senior management team to the Board.

Qube's sustainability programs and practices are delivered by the operations and group functions, in accordance with our Operating Model. Delivery of our sustainability strategy is led by the Safety, Health and Sustainability Management committee which is chaired by the Managing Director. It includes senior management from across the business including our Director – People, Culture and Safety, General Manager for Safety, Health and Sustainability and our Group Sustainability Manager, which is a new role established during FY23.

In FY23, we also created a new committee called the Innovations, Systems and Decarbonisation committee. This committee is also chaired by the Managing Director and draws on the expertise and experience of a number of senior managers from across the business including strategy and sustainability, operations, technology and innovation, procurement and corporate affairs. This committee meets quarterly to discuss efficiency improvements, technology adoption, and decarbonisation opportunities for Qube including alternative fuel and emissions reduction trials either already underway or being contemplated. Progress on these initiatives is reported to the Board.

The Board reviews the performance and effectiveness of this governance structure, as well as its committees and directors, every year.



**QUBE BOARD**

**Audit and Risk Management Committee**

Review the Integrity of Qube's financial reporting and report the results of its activities to the Board.

Review the adequacy of Qube's corporate reporting processes, internal control framework, and compliance with legal and regulatory obligations.

Oversee operation of Qube's compliance systems and Qube's corporate governance processes.

Reviews Qube's enterprise-wide risk management framework and risk appetite and reporting.

**Safety, Health & Sustainability Committee**

Oversee health, and environment (SHE) matters arising out of the operations and activities of the Qube Group.

Oversee Qube's sustainability strategy, activities and long-term sustainability goals and monitor progress against them.

Oversee the review and management of Qube's material exposure and responses to environmental risks, including climate change.

Oversee management's implementation, monitoring and integrity of reporting of sustainable and ethical business practices of the Qube group and its suppliers.

**Safety, Health and Sustainability Management Committee.**  
Deliver Qube's sustainability programs and practices across the operations and group functions, in accordance with our Operating Model.

**Innovations, Systems and Decarbonisation Management Committee.**  
Identify, implement and monitor efficiency improvements, technology investments, and decarbonisation opportunities for Qube including alternative fuel and emissions reduction trials.

## VALUES AND ETHICS

Qube has in place a Board-approved Statement of Values that sets out the guiding principles underpinning Qube’s culture. This encompasses the set of beliefs and behaviours in accordance with which Qube must conduct its business and which inform Qube’s approach to corporate governance. The Statement of Values is available in the Corporate Governance section of Qube’s website.

A centrepiece policy reflecting Qube’s values is our Code of Conduct and Ethics. The Code sets out the obligations and responsibilities of all Qube personnel to act with honesty, integrity, quality and trust at all times. Specific matters dealt with include conflicts of interest, fair dealing, insider trading, equal opportunity, privacy and confidentiality, health, safety and the environment, improper benefits and use of company property.

## HUMAN RIGHTS AND MODERN SLAVERY

During FY23, Qube continued to implement actions under its Human Rights Policy based on its ongoing risk-based assessments of Qube’s operations and supply chains to identify modern slavery risks. During the period, Qube refined its modern slavery due diligence protocol and questionnaire, the aims of which are to elicit more precise and targeted responses from suppliers and to support the assessment, remediation, follow-up and reporting of modern slavery risks.

Qube continued to implement training in this area throughout the organisation in FY23. Training involves educating Qube’s key supply chain personnel on forms of modern slavery, how to identify and assess modern slavery risks in supply

chains based on the intersection of key risk factors (e.g. geography, industry sector workforce profile) and actions to report and remediate risks identified.

From 1 July 2022 to 30 June 2023, a further 609 employees completed comprehensive modern slavery training.

## WHISTLEBLOWER POLICY

Qube has a Whistleblower Policy in compliance with legislative requirements and the recommendations of the ASX Corporate Governance Principles. The policy is available in the Corporate Governance section of Qube’s website and the myQube employee app. The reporting mechanisms under the policy for notifying concerns (including doing so anonymously) were tested and in operation throughout FY23. Qube’s Audit and Risk Management Committee is the responsible Board committee in respect of oversight of and any notifications under the policy.

## ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

Qube has an Anti-Bribery and Anti-Corruption Policy that applies to all Qube personnel and contractors, agents and advisers. It explains conduct that is prohibited and provides guidance on dealing with gifts, entertainment and donations and how to seek appropriate approvals.

It also links to the Whistleblower Policy for the reporting of potential breaches or concerns.

Purpose: help our customers, communities, industries and people to thrive

### MATERIAL SUSTAINABILITY ISSUES

Enhancing Qube’s unique supply chain visibility offering

Enabling industry leading ESG disclosures

Servicing Australia’s sustainable future

Ensuring a successful transition for Qube’s workforce

Building resilience in a changing global environment

SAFETY | WELLBEING | PLANET | OPPORTUNITY | PERFORMANCE



# Risk Management

This section should be read in conjunction with Qube's operating and financial review contained in the 2023 Annual Report and 2023 Corporate Governance Statement.

The Board is focused on those risks capable of undermining the strategy or viability of the group or severely damaging its reputation (group risks). Normal operating risks (business risks) are assessed and managed by the divisional leadership teams.

The system is supported by a Risk Management Policy. Effective risk management is essential in keeping our people and communities safe, protecting value and securing our growth.

The Board has established a Risk Management Framework which incorporates a formal, Board-approved Risk Appetite Statement (RAS) setting the parameters within which the Board expects management to operate.

The objective of this Risk Management Framework is to provide a formal process for Qube to:

- align its culture and behaviours with the entity's purpose, values, strategic objectives and risk appetite;
- develop and implement procedures to ensure that risks are identified, assessed against an accepted criteria and that appropriate measures are implemented to effectively manage risks;
- respond to risks and opportunities for continuous improvement;
- define and document responsibilities and processes; and
- report risks and provide assurance that the risks are escalated and reported appropriately.

The Board has delegated the oversight responsibility for risk management and internal control of major risks of Qube to the Audit and Risk Management Committee and, in respect of risks relating to safety, health, environment and operational matters, to the Safety, Health and Sustainability Committee. Both committees meet regularly to review the effectiveness of Qube's risk management systems, processes and internal controls and report outcomes of their meetings to the Board.

To strengthen the relationship between risk management, including those risks related to climate change, and strategic and operational planning, the Managing Director has principal responsibility for risk management.

Each divisional Business Unit Director has primary responsibility for the risk management framework within their business unit. The Managing Director has overall responsibility for Qube's risk management supported by the key management personnel.

## IDENTIFICATION OF RISK

In assessing key risks and the approach to risk management, there is a differentiation between major risks that have a low likelihood of occurrence but a potentially very large financial, operational and/or reputational impact (group risks) and ordinary course operational risks (business risks).

In respect of both group and business risks, management is responsible for identifying the key risks, putting in place appropriate strategies to mitigate the likelihood of these risks occurring and the impact of the risks should they occur, and reporting the occurrence (or likely occurrence) of any risk that is likely to have a significant impact on Qube. The Board is responsible under ASX Corporate Governance Principle 7 for Qube to have established a sound Risk Management Framework that identifies and manages risk and periodic review of its effectiveness.

Reporting of key group and business risks to the Audit & Risk Management Committee (ARMC) and the Board is done formally on a periodic basis (at least bi-annually) and otherwise on an exception basis having regards to the relevant circumstances.

The Managing Director is ultimately responsible for ensuring that every division and any material associate has an effective risk management process in place and that the risk register appropriately reflects the key risks for the group at the relevant time.

The focus of this reporting is to highlight the material risks identified by management (having regards to the likelihood and consequence after available mitigating actions) and any material new risks or changes in the key risks since the

last report. It also gives the ARMC and Board the opportunity to assess and recommend to management whether any additional risks or changes to the risk assessment are appropriate to consider.

### INTERNAL CONTROLS

Qube has a number of checks and balances in place to ensure effective internal controls across the Qube businesses. These include a rigorous budgeting and review process and monthly Qube Business management meetings with significant involvement from Qube's corporate office.

Internal audit is a key component of Qube's assurance framework.

The primary objective of internal audit is to provide an assurance framework to underpin the risk management program. This includes reviews of processes and controls over high risks and where there is high control reliance as determined through the risk planning process. Internal audit provides independent appraisal of the adequacy and effectiveness of internal controls. Recommendations will be provided, where applicable, for improvements to controls, efficiency and effectiveness of processes.

Internal audit reports directly to the CFO and the chair of the ARMC. Internal audit also provides an ongoing cycle of compliance audits of key controls, which is built into the annual audit planning process as approved by the ARMC.



## FY23 Material Topics

In FY23, as part of our commitment to continually evolving our approach to sustainability matters, Qube engaged BWD Strategic (BWD) to conduct a materiality assessment, identifying the business's material sustainability issues.

BWD's approach built on the work we did in FY22, was aligned with global best practice, and reflected Qube's own risk framework:

- The process began with an analysis of global sustainability megatrends that were most likely to impact Qube's current and future prospects.
- BWD conducted 20 interviews with senior executives, including the Chair of the Board, various Board members, and leading executives across Qube's verticals. One external stakeholder was interviewed.
- The interviews were complemented by a desktop review of internal policies, procedures and existing enterprise risks.
- All risks and opportunities were rated referencing Qube's enterprise risk framework.
- Risks and opportunities were grouped into five material issues that have the most potential to influence Qube's future prospects and success.
- Other impact areas were identified, though not considered to have met the threshold for materiality. Qube will continue to monitor these into the future.

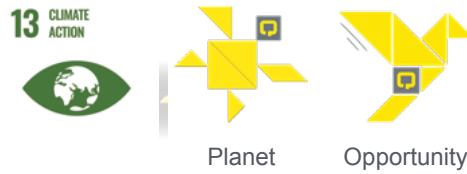
The assessment identified five material issues with significant implications for Qube, which largely distil the nine topics identified in FY22 and are aligned with the United Nations Sustainable Development Goals.

In September 2015, the United Nations General Assembly adopted the 2030 Agenda for Sustainable Development, which 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.



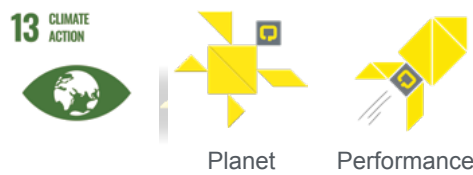
### Enhancing Qube's unique supply chain visibility offering

Knowledge is king. Qube's ability to provide customers with detailed end-to-end supply chain transparency – including their ESG impacts across their supply chains – is a clear competitive advantage.



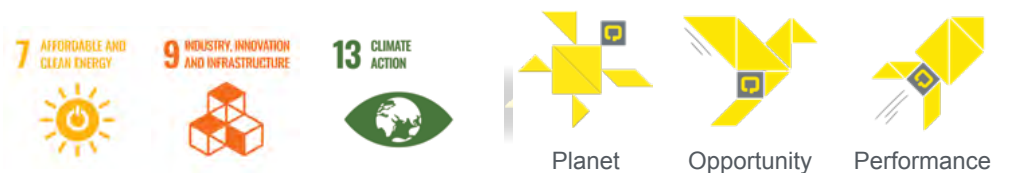
### Enabling industry-leading ESG disclosures

As a transport and logistics sector leader, Qube can leverage whole-of-enterprise data to set credible and ambitious ESG targets, and address regulator, stakeholder and investor expectations.



### Servicing Australia's sustainable future

Qube is already enabling Australia's adoption of renewable energy, and a modal shift towards rail. As investment in both continues to grow, Qube is uniquely placed to benefit from this transition.



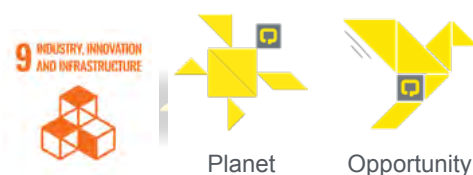
### Ensuring a successful transition for Qube's workforce

Qube's multigenerational workforce holds tremendous value for the company. This value will need to be protected as labour is disrupted by automation, technology, and a post-pandemic shift in worker expectations.



### Building resilience in a changing global environment

Extreme weather and unpredictable economic and geopolitical shocks may significantly challenge Qube's future prosperity. Managing these risks involves costs; but they also unlock opportunities to adapt and create value for customers.



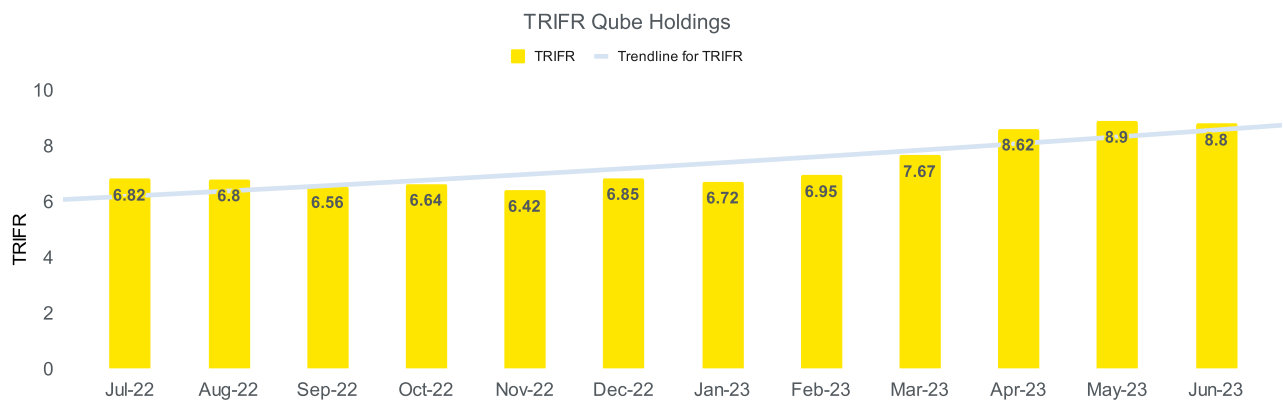


# Chapter 1 - Safety

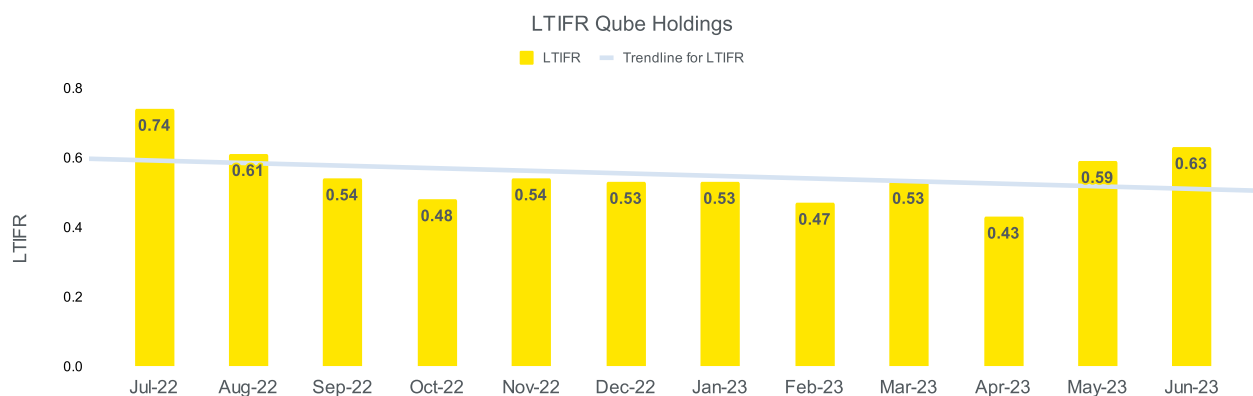
## ENSURING A SUCCESSFUL TRANSITION FOR QUBE'S WORKFORCE

*The safety risks in our business are very real. It's important that everything we do is done with safety front-of-mind. We cannot become complacent. We must continually remind ourselves about the importance of working safely, for ourselves, our colleagues, and our loved ones. Zero Harm is something we'll always strive for in both our physical and our mental health. Safety underpins everything we do.*

In FY23, our Total Recordable Injury Frequency Rate (TRIFR) did increase by around 19 per cent compared with FY22, however this was mainly attributable to the impact of certain prior year acquisitions which were being transitioned during the period to Qube's more mature, rigorous safety and compliance standards, as well as a 15 per cent increase in headcount across the group. Accordingly, we anticipate a much-improved result in FY24.



Pleasingly however, we achieved a 16 per cent reduction in the Lost Time Injury Frequency Rate (LTIFR), compared with FY22, with a result of 0.63 per million hours worked. This reflects a significant effort across the business to strengthen worker engagement in this important area, including via our Report for Support program and other innovations described below.



**CASE STUDY**



With all injuries the first hour matters.

**REPORT FOR SUPPORT**

While we strive for Zero Harm, injuries do happen and we know that recovery time can be significantly impacted by the time taken to confirm the diagnosis and commence treatment.

That’s why we have adopted the ‘athletes model’ to injury management and implemented our ‘Report for Support’ program. Report for Support provides our employees with immediate access to a dedicated injury management team to assess and triage a worker’s injury as soon as it’s reported.

When necessary, our Injury Management team facilitate treatment plans using their network of medical professionals so our workers are given priority for appointments to ensure they are provided treatment in a timely manner.

Given Qube operates 24/7 and has a large geographical footprint, it’s important that we can support our workers anywhere, anytime. The Report for Support program offers our workers 24/7 access to practitioner services and care in regional, metropolitan and urban locations. This means that from a small sprain to something bigger, we can Report for Support and our dedicated hotline will help our employees get back on their feet sooner.

**DOING “SAFETY DIFFERENTLY”**

In FY23, we continued to adopt a “safety differently” approach. “Safety differently” is about relying on the expertise and insights of our frontline workforce in terms of how work is actually done to recalibrate our approach and improve safety and efficiency.

We know that work as imagined in plans, systems, processes, metrics, and management actions does not always align with what actually happens on the ground. “Safety differently” is all about closing that gap.

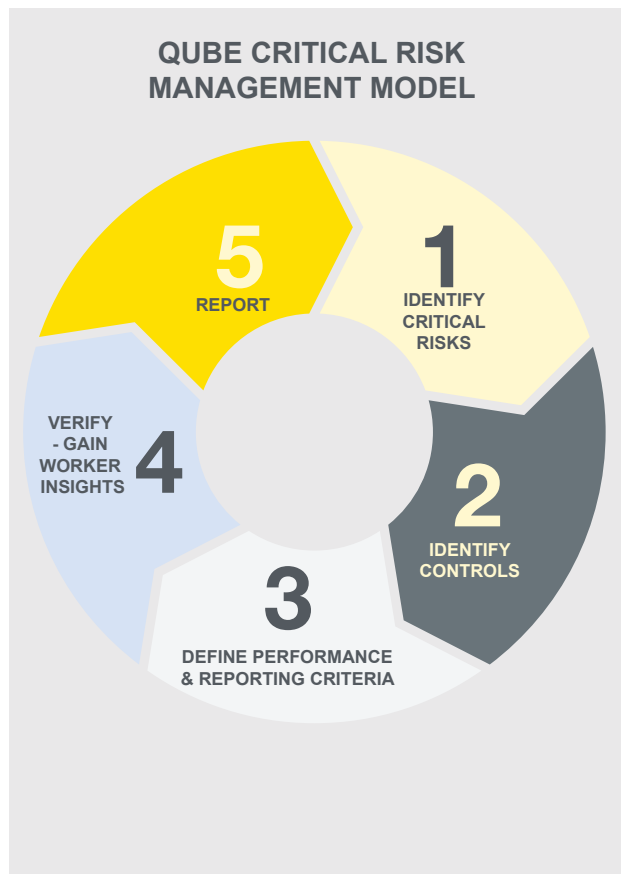
As part of our commitment to actively engaging with our workforce, we have created leading KPIs – worker insights and critical risk verifications with worker involvement. These KPIs apply to managers, supervisors and senior leaders to encourage active engagement with the frontline workforce to enhance leader understanding of the risks in our business to ensure our procedures are fit for purpose.

**CRITICAL RISK**

Our Critical Risk (CR) program enables Qube to verify that we have the required critical controls in place for work tasks that have fatality risks associated with them.

A key aspect of the program is ensuring that frontline workers are engaged in the completion of control verifications by managers and supervisors and in FY23 we strengthened this requirement with a leading KPI for senior leaders: “Critical Risk Review with Worker Involvement”.

Frontline worker involvement in critical risk reviews provides an important assurance mechanism in assessing the effectiveness of critical controls across each site, and for enhanced planning and risk foresight. Frontline worker involvement is tracked through the INX tool and the KPI has a 70 per cent target attached.



## SAFETY INNOVATION - DDI PARTNERSHIP

In FY22, Qube was involved in the development of the international Due Diligence Index – Safety (DDI-S) board health and safety performance reporting tool. The tool has been developed through an open collaboration between Clyde & Co, Professor Sidney Dekker, Art of Work and a number of pilot participants including health and safety professionals from Qube, Hansen Yuncken, Transgrid, Serco, QUU, Brisbane Airport Corporation and Aurizon.

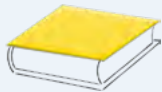
We continued to support the DDI-S index in FY23, including by sharing the lessons we have learned through our participation in the partnership with the safety community at large, to inform the development of a new Standard.

The DDI-S stems from an acknowledgement that current approaches to reporting on safety

performance do not provide reliable data on the state of safety. The current established approach to safety performance metrics is based on lost time and injury frequency rates. However, such frequency rate data provides no predictive value in relation to future incidents and tells us little about the state of safety broadly.

With the development of this new Standard, we hope to embed an alternative approach that actively assesses the state of safety while also being both objectively measurable and comparable across organisations.

We will continue to challenge our thinking and our approaches to how we measure our safety performance. Our main goal is to ensure that we are managing the risk in the business.



### Know

Acquire & keep up-to-date knowledge of health and safety matters



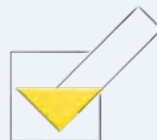
### Monitor

Consider information regarding incidents, hazards and risks & respond in a timely manner to that information



### Understand

Understand the nature of the operations of the organisation and generally the hazards and risks associated with those operations



### Comply

Ensure the organisation has processes in place to comply with all WHS duties and obligations under legislation (i.e. ensure legal compliance)



### Resource

Ensure the organisation has appropriate resources and processes in place to eliminate or minimise risks to health & safety



### Verify

Personally & proactively verify the provision and use of the resources and processes outlined in steps 3-5.



### SYSTEM INTEGRATION - INX PROJECT

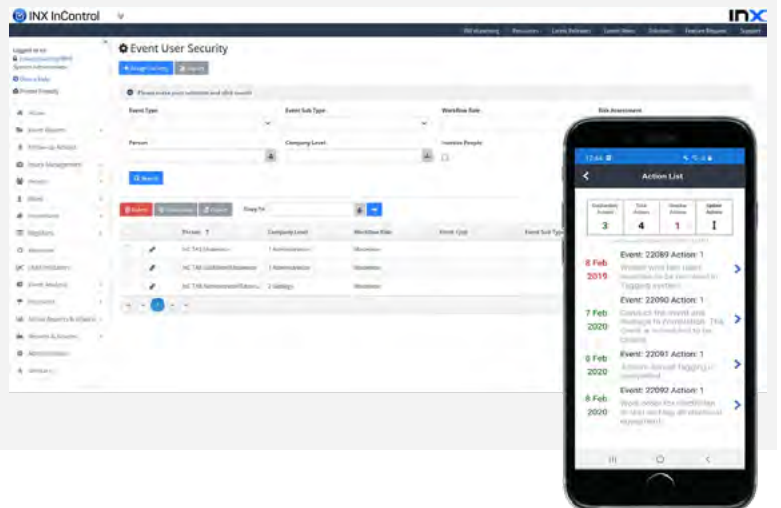
Qube’s new integrated management system, INX, is designed to help future-proof our workforce and our business by addressing three key compliance and legislative requirements:

1. Event management - Increase compliance and adopt a proactive approach to health and safety in managing everything from hazards and incidents, to audits and inspections.
2. Learning management system - Manage and track competencies, compliances and procedures. A holistic view of staff competencies, role-based compliance, and audit results in one highly-configurable people management solution that provides a skills matrix highlighting training and compliance gaps for employees and contractors.

3. Health reporting - Streamline and simplify employee health, occupational hygiene management and reporting.

By creating an integrated SHS program, we have observed a number of positive outcomes throughout FY23 including reduced bottlenecks in information flow, improved data security and data visibility which has enabled better, data-driven decision making and improved efficiencies from the elimination of manual processes.

INX has also led to process standardisation and simplified communication across departments and reduced duplicate effort among the safety team.



### CASE STUDY



### LOOK UP, LOOK OUT CAMPAIGN

Each year, we ask our teams across every one of our sites to Stop for Safety and to reflect on the importance of keeping themselves and their colleagues safe.

This year, in the lead up to the busy pre-Christmas period, our Stop for Safety campaign was built around the theme “Look up. Look out”. The campaign was a reminder for our people to be aware of their surroundings, to ensure they were away from the line of fire, to remain vigilant and to never lose sight of the importance of putting health and safety first.

Qube commissioned a special edition pair of Wayfarer style sunglasses, stamped with the “Look up Look out” message, for every employee as part of the campaign.





## Chapter 2 - Wellbeing

### ENSURING A SUCCESSFUL TRANSITION FOR QUBE'S WORKFORCE

*We believe we all deserve to be our best. Whoever we are, wherever we're from or whatever we believe in, we all matter. A diverse team is a better team. We also believe in nurturing a workplace where our wellbeing and mental health is as important as our physical safety. A workplace where all of us can achieve our full potential. Good wellbeing supports who we are, as individuals, and as a team. Good wellbeing sets us up for success.*

*We are determined to attract the industry's best talent and to provide career pathways and development opportunities for our people. In FY23, we took a number of steps to further strengthen our employee value proposition, attract and retain the best talent and to actively address diversity and inclusion in our workplaces.*

#### DIVERSITY AND INCLUSION

We made further progress on our goal to increase female participation across the Qube Group, with 14 per cent of the workforce identifying as female, just short of our goal of 15 per cent by 2025.

We also saw a year-on-year improvement in the proportion of women in management roles, rising to 9 per cent, although we recognise that we have significant work to do to meet our target of 15 per cent by 2025. This will be a focus in FY24.

Across the Group, we again held a number of events to celebrate diversity and inclusion, including events in FY23, marking IDAHOBIT (International Day Against Homophobia, Biphobia, Interphobia and Transphobia), International Women's Day and NAIDOC Week. These events now form part of an annual calendar of events for the group.

In FY23 we also developed Qube's first "Reflect" Reconciliation Action Plan, which provides a tangible demonstration of Qube's commitment to supporting the cause of reconciliation in Australia. Appropriately, this first stage of the RAP process is called "Reflect" and the development of this plan has indeed provided Qube with an opportunity to reflect on our journey as a business, the success we have enjoyed, and the strong relationships we have already forged with First Nations people across our operations.

#### RECRUITMENT AND RETENTION

Throughout the year, we continued to expand our recruitment activities to include additional social media platforms - Facebook, LinkedIn and Instagram - and we activated additional recruitment platforms to provide us with direct access to school leavers and graduate students. CareerHub is a centralised platform that allows Qube to post jobs to one central site, with the ability to reach out to millions of students and recent graduates

at 36 universities across Australia, while Explore Careers is Australia's largest early-career and employment platform focused on giving young people the best possible tools, resources, advice, guidance and opportunities.

We also took further steps to encourage employee retention with three quarters of roles filled by internal promotion and the number of hours of personal and professional development training through our partnership with LinkedIn Learning rising to 458.

Qube is fortunate to enjoy strong retention rates across our operations. More than a third of Qube's Australian management team have been with the business for more than seven years, while a further approximately 20 per cent have been with the business for between three and seven years, underscoring the strength of the employee value proposition, which we are committed to continue evolving. This includes through market leading policies, benefits and other incentives, recognising that while we have done well at retaining staff over our development as a business, we need to continue to find new ways to respond to changing market dynamics.

In FY24, we will review our mandatory "unconscious bias" training to ensure content is up to date, relevant and appropriate. This training forms part of the mandatory program, and will be elevated to ensure a deeper awareness across all recruiting activities.

#### QUBE CADET PROGRAM

The cadet program is a 12-month structured opportunity where cadets undertake two rotations within the business and gain experience across the Qube Group.

It is embedded in our strategic talent and capability development strategy.

In FY23, eight cadets from New South Wales and one cadet from Western Australia worked through their Certificate III in Supply Chain Operations, demonstrating the value of the program in bringing young people and new entrants into our industry. Across Qube, other cadets continued their employment and in many cases, moved into permanent careers within the business.

We are now exploring opportunities to expand the cadetship program across the business, with the newly created position of 'Culture Manager' charged with supporting the program's growth and cadet engagement, among other tasks. We will aim for an additional 25 cadet positions in FY24.

### **PROACTIVELY MANAGING PSYCHOSOCIAL RISKS AND HAZARDS**

Psychosocial hazards and risks are triggered by the design, management, environment, plant or interactions at work, that may increase the risk of work-related stress, which can then lead to psychological or physical harm.

This is an area of increasing regulatory and legislative focus and Qube understands the role a supportive workplace plays in achieving positive health outcomes for employees and our responsibility to proactively manage psychosocial risks and hazards. We focus both on what we do within our own business, underpinned by our Thrive program, and what we can do within the industries in which we operate, including as a founding member of Healthy Heads in Trucks and Sheds (HHTS).

In FY23, we engaged the services of a leading expert in workplace mental health to assist us in developing a roadmap to address psychosocial risks across the business, tailored to our unique operating environment. The roadmap and approach consist of:

1. C-suite education and engagement
2. Executive sponsorship (Safety, Health and Sustainability Executive Committee)
3. Risk assessment and system enhancement
4. Resourcing
5. Consultation
6. Psychosocial Risk Education

This work will continue to be rolled out throughout FY24.

Psychosocial hazards and risk were also a key area of focus at our FY23 Safety, Health and Sustainability (SHS) Conference. Each year SHS team members from across Australia and New Zealand come together to drive the agenda of the Group's overall SHS strategy, give valuable input to emerging trends and lived experiences at a site level, and learn from industry experts who partner with Qube in establishing meaningful and deliverable outcomes for our team.

This year, our SHS Conference was held in Coogee NSW, and brought together 50 SHS team members from across our operations.



## EMPLOYEE EXPERIENCE AND CULTURE

In FY23, we expanded the wellbeing program, “Thrive”, with a focus on our three core values of Integrity, Reliability and Inclusion and our priority focus areas of Safety, Wellbeing, Planet, Opportunity and Performance.

We established a Culture Reference Group (CRG), comprised of representatives from across the Group at different levels and with a mix of operational, administrative and corporate support roles. The CRG will assist in embedding our Thrive program across the business and help generate employee engagement and enthusiasm. The CRG will help bring real-life stories of what these values look like in action at Qube, helping to ensure our communication materials are authentic and resonate with the target audience. The CRG will also provide feedback on what’s working, what’s not working and suggestions on what we could do better.

## “THE QUBIES”

As we seek to bring our values to life and celebrate these behaviours in action, this year we launched our inaugural Qube Thrive Awards – “The Qubies”.

The Qubies are open to people from all roles, all sites and all levels in our business and will recognise, celebrate and reward the teammates who live and breathe our values.

The awards celebration also includes the Qube Innovation Award, to recognise an individual or team whose ideas or ingenuity has led to an innovation that unlocks value for Qube and our customers, and the JA Scholarship, honouring the memory of long-standing Qube employee, John Allen, who passed away in December 2022. This award will recognise an outstanding employee who displays the kind of entrepreneurial and innovative thinking that saw JA become a true leader in our industry.

Integrity, Reliability and Inclusion are fundamental to our culture at Qube - they guide the way we work together, and the way we embed safety, trust, respect, inclusion, and collaboration into everything that we do.

## CASE STUDY



## SUPPORTING IDAHOBIT DAY

As champions of Inclusion, Qube stands against homophobia, biphobia, interphobia and transphobia. On May 17, we joined with 130 other countries across the world, to recognise International Day Against Homophobia, Biphobia, Interphobia and Transphobia.

Our teams from across the country came together to talk about the importance of inclusion and inclusive language and employees were invited to add their preferred pronouns to their email signatures. Gender pronouns are the terms people choose to refer to themselves that reflect their gender identity. These might be he/him, she/her or gender-neutral pronouns such as they/them. Knowing and using a person’s correct pronouns fosters inclusion (one of our key values), makes people feel respected and valued, affirms their gender identity, and reduces stigma.

**CASE STUDY**

**CELEBRATING WHAT MAKES YOU UNIQ**

Qube is proud to partner with UNIQ You - an online service that promotes career advice for, and the career progression of, girls and young women.

The platform invites young women to complete a quiz, helping to establish their areas of interest and aspects of their personalities. It then pairs them with an advisor who, through online video calls, will mentor them, provide information, and help them to build links with other females working in the industry they're interested in.

UNIQ You strives, in particular, to expand the pipeline of young women pursuing roles in industries where women are currently under-represented.

Five of Qube's female staff are listed as advisors, helping to support the next generation to flourish in careers in transport and logistics. Inclusion is important to us, and though our industry may have historically comprised a predominantly male workforce, we welcome the opportunity to shape a better, more inclusive future.

The program is expanding to Victoria in FY24 and we look forward to supporting this expansion.

**Leah Stapleton**

**from Receptionist to National Safety Manager**

I look after the Health & Safety of our people, community, customers, environment & equipment.

**Business Unit**  
Transport, Logistics and Warehousing

**Company**  
Qube Holdings

**Job Level**  
Senior

**CASE STUDY**



**PINNACLE PRIDE**

Qube has proudly partnered with the Pinnacle Foundation - a leading charity for Australia's LGBTIQ+ community, providing educational scholarships, mentoring, and other opportunities to young LGBTIQ+ Australians – since 2021.

This year, Qube team member, Sam, joined with other Pinnacle Foundation partners to march in the 2023 Gay and Lesbian Mardi Gras, representing our company's support for the annual event and all that it represents.

Reflecting on his experience, Sam said "Only in my wildest dreams did I ever think that I would be marching up Oxford Street for Sydney Mardi Gras and I was able to mark my first time marching in the biggest Mardi Gras Parade with Sydney World Pride at the same time.

"A huge thanks to The Pinnacle Foundation for asking Qube to join them this year. It was an absolute blast of a night. Definitely makes me want to march again next year, and the year after that, and so on..."

## CASE STUDY

### NEW PAID PARENTAL LEAVE POLICY

In FY23, we were proud to launch a significantly enhanced paid parental leave policy for our Australian employees - including a doubling of the base entitlement.

Under this new policy, eligible employees are now be entitled to 12 weeks paid parental leave – up from a previous base of six weeks (plus one week per year of service).

In addition, Qube will pay superannuation payments on both an employee's period of Qube-paid parental leave as well as on any government-paid parental leave (where an employee is eligible), helping to address the superannuation gender pay gap.

These changes also apply retrospectively to those employees who took parental leave in the 12 months prior to the new policy being announced, or who were on unpaid parental leave and commenced that leave in the last 12 months prior to the policy being announced.

These new benefits are above the Australian average according to the most recent Workplace Gender Equality Agency analysis and are consistent with Qube's commitment to nurturing a workplace where our wellbeing and mental health is as important as our physical safety. A workplace where all of us can achieve our full potential.

Qube's new parental leave policy also entitles employees to take up to 30 days of unpaid (flexible) parental leave during the 24-month period following the birth of a child, or from the day of placement of an adopted child, with the option of using this time to work fewer days per week for a period, or on a more ad hoc basis.

A bonus payment is also available for employees who take parental leave for a minimum period of 12 months and return to work at least 8 days per fortnight for three continuous months. Under the policy, this would entitle the employee to a bonus of four weeks remuneration.

These are important policy changes that will differentiate Qube from many of our industry peers.



## Chapter 3 - Planet

**ENHANCING QUBE'S UNIQUE SUPPLY CHAIN VISIBILITY OFFERING  
ENABLING INDUSTRY-LEADING ESG DISCLOSURES  
SERVICING AUSTRALIA'S SUSTAINABLE FUTURE  
BUILDING RESILIENCE IN A CHANGING GLOBAL ENVIRONMENT**



*We all have a responsibility to take care of the planet that sustains us all. Our industry is facing big challenges, from how we power ourselves, to the footprint we leave. We have already set ourselves an ambitious decarbonisation plan, with an aspirational goal to reduce our Scope 1 Emissions intensity to zero by 2050<sup>1</sup>. We're in it for the long haul. It's something we need to achieve - for us, and those who come after us.*

Consistent with our commitments, in FY23, we continued our focus on increasing our understanding of the climate-related risks and opportunities within our operations, and enhancing our climate-related disclosures in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

During the year we:

- Enhanced senior management's understanding of climate-related issues through various workshops and discussions including via the newly established Innovation, Systems and Decarbonisation Committee (see page 11)
- Established a decarbonisation-related KPI in the performance scorecard for each direct report to the Managing Director.
- Further embedded climate-related risk and opportunities in our risk management process.

We have made further progress in reducing our emissions profile and environmental impact.

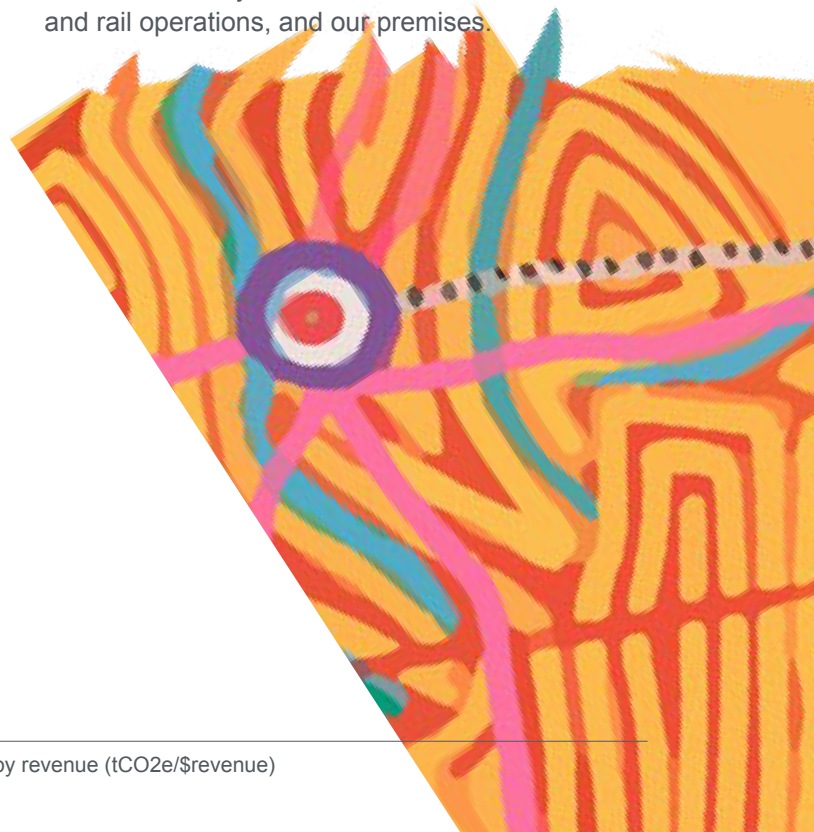
- 90 per cent of our heavy vehicle fleet has now been transitioned to Euro 5/6 standards – ensuring Qube is on track to meet our target of 95 per cent by 2027.
- We supported a trial of the world's first electric triple road train, through the Vision Electric project – a partnership between OZ Minerals, Janus Electric and Qube (read more on page 37).
- A further 61 of our small mobile assets (forklifts, container handler etc) have been transitioned to electric during FY23 with plans to continue this rollout in FY24; and
- We continued the roll-out of rooftop solar across our sites, with desktop audits across a further 15 facilities to support the continued expansion of this program.

In FY24, our focus will be on strengthening and streamlining our data collection and management processes, and expanding the range of environmental data we collect. This will facilitate greater transparency and traceability of our supply chain emission data and provide us with the tools to improve how we manage and report our environmental impacts and progress, therefore giving Qube an advantage in the market and helping the business to address any future regulatory ESG reporting requirements.

In FY22 we announced our target to reduce our Scope 1 Emissions intensity by 50 per cent by 2030 (compared to FY18 baseline) and our aspirational goal to reduce our Scope 1 Emissions intensity to zero by 2050.

With respect to our Scope 2 Emissions, we are aiming to power our premises with 100 per cent renewable energy by 2030.

To progress towards these targets, we have identified five key focus areas across our road and rail operations, and our premises.



1. This means our Scope 1 greenhouse gas emissions intensity by revenue (tCO<sub>2</sub>e/\$revenue)

**EFFICIENCY**

Focus on introducing and partnering with other parties to develop technologies that drive efficiencies including:

- Drive modal shift from road to rail
- Fuel management (including optimisation initiatives)
  - In-vehicle enhancements
- Asset optimisation, through digitalisation
- Operator behaviour training to influence efficiencies
- Maintenance program, e.g. tyre replacement

**TECHNOLOGY**

- Transitioning our heavy fleet to Euro 5 and 6 standards and biofuel adaptable
- Predictive maintenance
- Dual-fuel engine

**ALTERNATIVE FUELS**

- Sourcing high quality bio-fuel/renewable fuel as they become commercially viable
- Electrification, assess battery-operated assets for commercial viability
- Hydrogen, assess opportunities for hydrogen trials

**RENEWABLE ELECTRICITY**

- Assess renewable on-site and off-site renewable PPA opportunities
- Assess on-site renewable energy storage opportunities

**CARBON OFFSETS**

- Sourcing/generation of carbon offsets if required

**NET ZERO**

## Initiatives to achieve our decarbonisation goals

SECTOR	FY23	FUTURE OPPORTUNITIES
<b>ROAD</b>	<p>[Efficiency] Double stacked container trial, purchase and designing of trailers to increase the volume by double stacking.</p> <p>[Efficiency] 90% of fleet transitioned to Euro 5/6 standard and adaptable to Biofuels with ~78% of fleet meeting Euro 6 standards which has ~80% lower PM and 68% lower Nox emissions in comparison to Euro 4 and below models.</p> <p>[Alternative fuel] Electric triple road train trial in partnership with OZ minerals and Janus Electric in South Australia, with a range of 400km in a single charge.</p> <p>[Alternative fuel] More efficient premium grade diesel at all available locations which will drive further 3% to 4% efficiency improvements.</p>	<p>[Alternative fuel] Electric prime mover trial in FY24 to investigate commercial feasibility for Qube's operations.</p> <p>[Alternative fuel] Investigating commercial feasibility of bio-diesel trial in east and west coast for FY24.</p> <p>[Alternative fuel] Investigating commercial feasibility of retrofitting existing diesel triple road train with battery technology for trial with several customers in the Pilbara region of WA.</p>
<b>RAIL</b>	<p>[Efficiency] Digitalisation and monitoring systems to optimise the fuel consumption. Implementation of EcoRun driver advisory system which could result in ~3% to 7% fuel reduction.</p> <p>[Efficiency] Engine modification on overhaul to improve fuel efficiency and emission, which could result in ~2% to 5% efficiency improvements.</p> <p>[Technology] Investment in 32 new Tier 3 locomotives which would drive reduction in NOx and PM in excess of 50% to 80% and consume less oil, filters and components.</p>	<p>[Technology] Working with a technology partner to Investigate the commercial feasibility of retrofitting an existing engine to battery electric locomotive (BEL).</p> <p>[Technology] Scanning the market and discussing options with our locomotive suppliers for hydrogen technology as it becomes commercially available.</p>
<b>PREMISES</b>	<p>[Renewable energy] Continuous program of assessing sites with potential for solar rooftop. In FY23 we have consumed ~400MWh of on-site renewable energy in our premises.</p> <p>[Efficiency] Continuous program of LED upgrades.</p> <p>[Alternative fuel] An additional 61 of our small mobile assets (cranes, container handles, forklift, mobile plants etc.) have been converted to electric.</p> <p>[Technology] 43 new Kalmar Tier IV/Stage 5 emission standard container handler units ordered which will result in significant fuel efficiency improvements and lower emissions.</p> <p>[Alternative fuel] Six weeks Trial of 75T ITV at Bell Bay in TAS, which showed potential to reduce CO2e emissions. Successful trial has resulted in Qube exploring solutions in other Qube operations.</p>	<p>[Renewable energy] Evaluating 15 more sites for rooftop solar roll-out and conducting desktop studies across other sites to evaluate opportunities for PV rollout.</p> <p>[Renewable energy] Exploring renewable Power Purchasing Agreement opportunities to power our facilities with 100% renewable energy by 2030.</p> <p>[Alternative fuel] Assessment and trial of battery electric heavy lifting equipment (reach stackers) and potentially exploring hydrogen where economical.</p>



## OUR ENVIRONMENT

Consistent with our commitment to taking care of the planet that sustains us all, we aim to protect the environment in which we work and to minimise our operational impacts

As part of our Health, Safety, and Sustainability management system, we have implemented environmental standards, practices and procedures to identify and manage our material environmental risks. We conduct regular audits to review our environmental compliance with applicable legislation and standards.

In FY23, our audit processes identified no major or minor non-conformances.

All of our major Qube Ports and Bulk facilities are now compliant with ISO14001 environmental standards and work is underway to achieve certifications for the remainder of our Ports, Bulk and Logistics sites.

## WASTE

We recognise the importance of responsible waste management in minimising our environmental impact. We are committed to implementing effective waste management practices throughout our operations and in our supply chain.

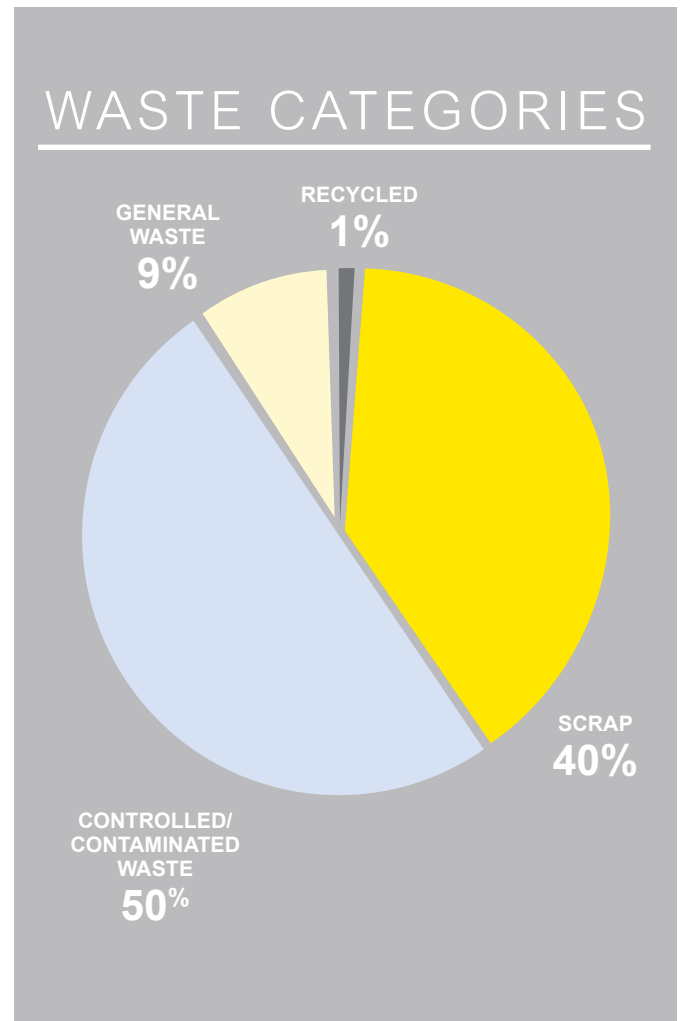
We currently have a range of initiatives in place to improve data collection as to the quantity and type of waste generated across our operations and to implement effective strategies for waste reduction, recycling, education and awareness.

We expect that improved data collection will also enable some consolidation of waste management services and allow for more meaningful engagement with our suppliers to promote sustainable waste management practices throughout the supply chain.

We currently collect operational waste data for four different waste streams to measure the effectiveness of waste minimisation initiatives, monitor trends, provide visibility and identify further improvement opportunities. In FY23, we recycled 1 per cent of our waste and in FY24 we will be expanding our operational waste management audit program further to improve on our waste management practices to identify waste reduction opportunities and increase our recycling rate.

These audits give us enhanced visibility on the types, and quantities of waste generated across our operations.

In FY23 we consolidated our waste management services for our Logistics operations in Queensland and Victoria and conducted waste audits across a number of sites. Based on the findings of these audits, we developed action plans and implemented initiatives which resulted in diverting 17 per cent of our waste from



landfill and saw 250 tonnes of cardboard and 45 tonnes of timber be recycled.

In New Zealand, our ISO team currently recycle around 9.5 tonnes of waste bark generated through debarking operations and a tyre re-tread program has commenced. Work is also underway to reduce, recycle and re-purpose waste generated throughout the supply chain.

## Biodiversity

Biodiversity management is an area of increasing focus and attention globally. The Taskforce on Nature-Related Financial Disclosures (TNFD) aims to create a new reporting framework to mitigate risks connected to the natural world and the U.N. Convention on Biodiversity has called on governments to stabilise biodiversity losses within the next 10 years.

While we continue to closely monitor developments and potential reporting obligations in this important area, as a proactive measure Qube already responds to potentially negative impacts on biodiversity by ensuring appropriate protections are in place where these operations overlap with protected areas, or areas of high biodiversity value.

In FY24, we will also take further steps to deepen our understanding of the impacts of our operations on biodiversity and to engage with key stakeholders including government bodies and local communities to assess and manage biodiversity within our areas of operation.

## **BUILDING RESILIENCE IN A CHANGING GLOBAL ENVIRONMENT**

Extreme weather and unpredictable economic and geopolitical shocks may significantly challenge Qube's future prosperity. Managing these risks involves costs; but they also unlock opportunities to adapt and create value for our customers.

We understand the critical role that climate change plays in shaping the future of our industry. As an organisation committed to strengthening our sustainability, we recognise the importance of disclosing climate-related risks and opportunities to our stakeholders. We embrace the recommendation of the Taskforce on Climate-related Financial Disclosures (TCFD) and we are taking steps to manage our climate-related risks across the governance, risk management and strategy and create value and build resilience of our supply chain.

### **Climate governance**

The executive team and Board have oversight of climate-related risks and opportunities and strategy development. As described on page 11, the Safety Health and Sustainability committee have oversight of our sustainability strategy and initiatives and Audit and Risk Committee have oversight of all enterprise risks.

### **Climate Strategy**

Our climate strategy aligns with our business goals to be the leading integrated logistics provider and our commitment to creating value for our stakeholders. Our strategy considers the potential impacts of climate change in our operations and value chain. Our climate strategy includes measures to reduce greenhouse gas emissions, improve efficiency, and promote sustainable practices throughout our operations. We consider the physical and transitional risks associated with climate change, including regulatory changes, market trends, and technological advancement, to ensure our strategy is future-proof and resilient.

### **Climate risk and opportunities**

Qube recognises the importance of identifying and assessing the impacts of climate-related risks and opportunities over short, medium and long-term. In FY21/22, we conducted physical and transitional climate-related risks analysis, with assistance from external consultants. Transitional climate-related risks include the assessment of current and emerging regulatory, technology, legal, market and reputational risk. A model was developed to understand and evaluate these risks over a time-period of 2022 to 2030.

Physical climate-related risk assessment includes monitoring acute and chronic weather-related risk. RCP8.5 scenario was selected over three time periods: near-future (2022-2040), mid-future (2050-2070), and far-future (2080-2100), as it represents the worst-case scenario and thus, is more suitable for a risk assessment context.

Climate-related opportunities are considered part of our overall strategic planning processes; material risks and opportunities are identified, and their impact and our approach to resilience are discussed and evaluated as per our risk management process.

As Qube continues its climate journey, more comprehensive data collection, analysis and modelling will be critical in improving future analysis and estimates.

In FY24, we intend to further evolve physical and transitional climate-related risk analysis by conducting scenario analysis as required under the ISSB standards.



## CLIMATE - RELATED SCENARIO ANALYSIS

### Physical risk

In our analysis of Physical risk, RCP8.5 scenario was selected as it represents the worst case-scenario and thus is more suitable in the risk assessment context. The assessment was conducted over three time periods; near-future (2022-2040), mid-future (2050-2070), and far-future (2080-2100). Analysis was conducted on both acute and chronic physical risk from three primary drivers of climate change: temperature, precipitation and storms.

We have completed climate-risk modelling analysis for near, mid and far future climate conditions for 18 assets across Australia and NZ that have an insured value of \$40M or above (representing more than 1.2 per cent of the cumulative Total Insured Value (ITV) of all sites.

Overall, 100 Acute and Chronic physical risks were identified of which 19 per cent were material (high and extreme), mainly associated with storm-related impacts, while majority identified risks related to business disruptions, Health and Safety and financial losses.

### ACUTE RISK

Acute physical risks refer to those that are event-driven, including the increased severity of extreme weather events such as cyclones, bushfires or floods. These events can impact productivity, affecting customers and volumes and or direct physical impact and destructions to transport infrastructure and assets. As a result of the increased risk and expected recovery cost after catastrophic climate events, there is a risk of insurance coverage becoming less available or a larger financial burden.

### CHRONIC RISK

Chronic physical risks refer to longer-term shifts in climate patterns. These may manifest as extreme variability in weather pattern and sea level rise, causing disruptions to business continuity and supply chain.

## TRANSITIONAL RISK

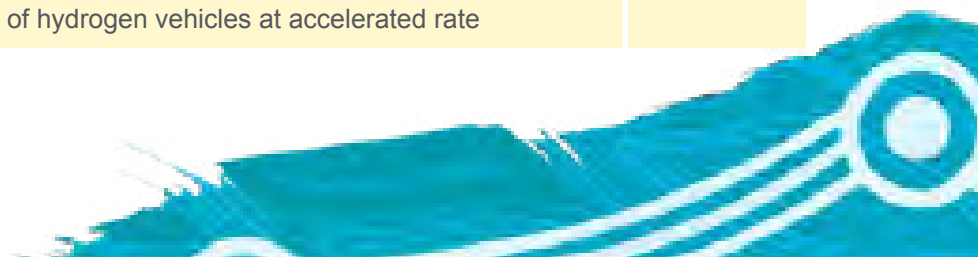
An internal model was developed to assess transitional risks through to 2030, and EV uptake, battery technology, alternative fuels, regulations, carbon pricing and governments approach to net-zero were the agreed topics. Three scenarios were assessed to identify, assess and evaluate future transitional climate-risk.

## CLIMATE-RELATED SCENARIO ANALYSIS RESULTS: PHYSICAL RISKS AND TRANSITIONAL RISKS

To assess the materiality of the identified risks, Qube conducted a detailed assessment via stakeholder engagement. The assessment was based on identifying risk using the Qube risk matrix (risk rating ranging very low to extreme) and a series of workshops with relevant Qube businesses.

These risks and opportunities are integrated in the Qube's risk register via the risk management process. In total, five top material risks were identified from the assessment.

SCENARIO	DESCRIPTION	TIME HORIZON
Baseline	Business as usual	2030
Government-led	Characterised by high government policy intervention within markets to incentivise greater uptake of renewable energy and decarbonisation initiatives: <ul style="list-style-type: none"> <li>▪ Higher carbon prices in regulated markets</li> <li>▪ High demand for lithium and higher diesel prices</li> <li>▪ Ambitious net-zero targets by states and government by 2040</li> <li>▪ Reduced EV registration fee, stamp duty waived</li> <li>▪ Availability of green hydrogen vehicles in Australian by 2029</li> </ul>	2030
Delayed government intervention	Characterised by policy intervention between 2022 and 2030: <ul style="list-style-type: none"> <li>▪ Lower carbon price in regulated markets</li> <li>▪ High demand for lithium and higher diesel prices</li> <li>▪ High up-take of EVs</li> <li>▪ Net-zero targets by states and governments by 2050</li> <li>▪ EV purchase price is reduced at slow pace by 2030</li> <li>▪ Availability of hydrogen vehicles in 2030 with hydrogen produced from natural gas (blue hydrogen)</li> </ul>	2030
Customer and technology-led	Characterised by demand from free market without government intervention: <ul style="list-style-type: none"> <li>▪ No significant increase in carbon price from base case</li> <li>▪ Higher rate of EV uptake, by more than 50%</li> <li>▪ Higher demand for lithium and higher diesel prices</li> <li>▪ Net-zero target by states and governments by 2050</li> <li>▪ Availability of hydrogen vehicles at accelerated rate</li> </ul>	2030



RISK	DESCRIPTION	TYPE	TIME HORIZON	POTENTIAL IMPACT	MITIGATION
<b>#1 WA – PILBARA TROPICAL CYCLONES</b>	Risk of operations suspended for a longer period due to higher cyclone intensity.	Physical	Near, mid and far-future	Business interruption	<ul style="list-style-type: none"> <li>Buildings and infrastructure continually being constructed to Cyclone Region D rated standard.</li> <li>Frequent workplace audits and inspections used to monitor the condition of infrastructure to ensure it is maintained to the required standard.</li> <li>Bureau of Meteorology (BoM) and Port Headland Department of Fire and Emergency Services (DFES) advice reviewed against operational requirements when a tropical cyclone is present off the WA coastline.</li> <li>Qube Pilbara Emergency Response Plan (reviewed against the Pilbara Ports Authority (PPA) Port Hedland Cyclone Procedure) to capture actions, roles and responsibilities in regards to tropical cyclones.</li> <li>Floodway and river crossing levels regularly monitored during rain events to prevent disruption and enable continuity for transport operations.</li> </ul>
<b>#2 WA – PILBARA SEA LEVEL RISE</b>	Potential risk of inundation that can result in business disruption.	Physical	Far-future	Business interruption	<ul style="list-style-type: none"> <li>Continue to liaise with the PPA in regards to maintenance of infrastructure.</li> <li>Risk assessments for all new plant and infrastructure procurement.</li> <li>BoM and Port Hedland DFES and PPA advice to be reviewed for all inclement weather events.</li> <li>Ability to export bulk cargoes ex PPA Eastern Harbour General Berths via QUBE Rotabox system.</li> </ul>
<b>#3 EAST COAST – EXTREME WEATHER EVENTS</b>	The risk of more frequent extreme weather events impacting our operations (or those of our customers) leading to material financial loss.	Physical	Near, mid and far-future	Business interruption	<p>Qube's structure and scale allows it to mitigate disruptive weather events, using alternative road, rail and sea routes when others are affected. Port and Sea freight operations are insulated from weather extremes. For example, during weather disruptions at Port of Brisbane, Qube was able to mitigate the risks for our customers by having secured storage and re-routing of ships to alternative ports on the Eastern Seaboard.</p> <p>Qube actively engages with governments and relevant agencies on the importance of infrastructure resilience to ensure the long-term integrity of these vital links in the supply chain.</p>
<b>#4 EXTERNAL SUPPLY DISRUPTION OF FUEL, OIL, LUBRICANTS</b>	More extreme weather events.	Supply chain	Near, mid and far future	Business continuity	Qube has exclusive partnerships with our fuel suppliers and supply point from major capital cities. In the long term, Qube is exploring alternative fuel such as Hydrogen, Bio-fuels, electrification where it is commercially viable. A combination of fuels will provide Qube resilience against any fuel security risks
<b>#5 EMISSION REDUCTION INSUFFICIENT TO MEET GOVERNMENT TARGETS</b>	Insufficient emission reduction targets were considered the most significant transitional risk due to the potential ramifications of non-compliance to regulators, reputational damage and additional costs associated with carbon pricing.	Transitional	Near, mid and far future	Increased costs	Our strategy to achieve our targets (outlined in the Metric and Targets section) will help reduce our GHG emissions and lower our risk of carbon related costs or tariffs

## METRICS AND TARGETS

We have set a target to reduce our Scope 1 emissions intensity by 50 per cent by 2030 (compared to FY18 baseline) and have an aspirational goal to reduce our Scope 1 Emissions intensity to zero by 2050<sup>2</sup>. For our Scope 2 we have a goal to power our facilities by 100 per cent renewable electricity by 2030.

We are committed to reducing our emissions for our Scope 1 and 2, however our progress will be dependent on the emergence of technologies and availability of alternative energy supplies and at commercial pricing.

We address our Scope 1 direct emissions from owned or controlled assets, primarily from fuel in our vehicles (trucks and locomotives) by:

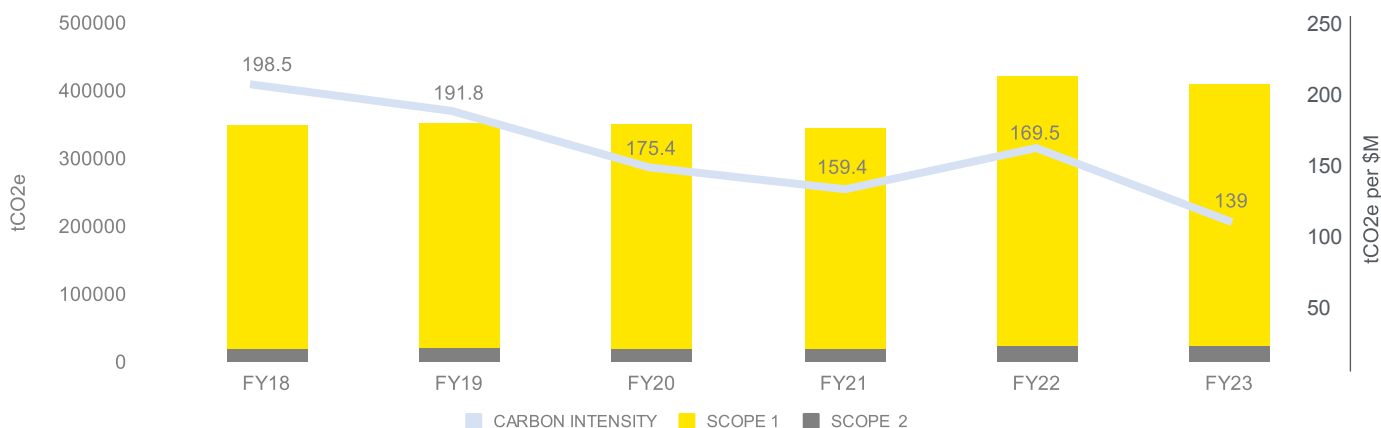
1. Transitioning 95 per cent of our fleet to Euro 5,6 standards by 2027.
2. Converting 50 per cent of our Light vehicle fleet to hybrid or electric by 2027 and 70 per cent by 2030.
3. Continuing to electrify our small mobile assets (cranes, forklifts, container handlers etc). We have currently transitioned 61 of our small yellow assets to battery operated.

4. Identifying opportunities to trial alternative fuels such as bio-fuel, hydrogen and electrification of fleet where it's commercially viable.
5. Improve productivity and efficiency by encouraging modal shift and through innovations to carry more load such as container double stacking, trailer combinations and route optimisation.

We address our Scope 2 indirect emissions from purchased electricity across our premises by:

1. Continuing to rollout rooftop solar on our facilities. Currently 15 sites are being evaluated.
2. Continuing to rollout LED upgrade initiatives. A majority of Qube owned sites now have LEDs.
3. Evaluating renewable Power Purchasing Agreement (PPA) opportunities on both east and west coasts.

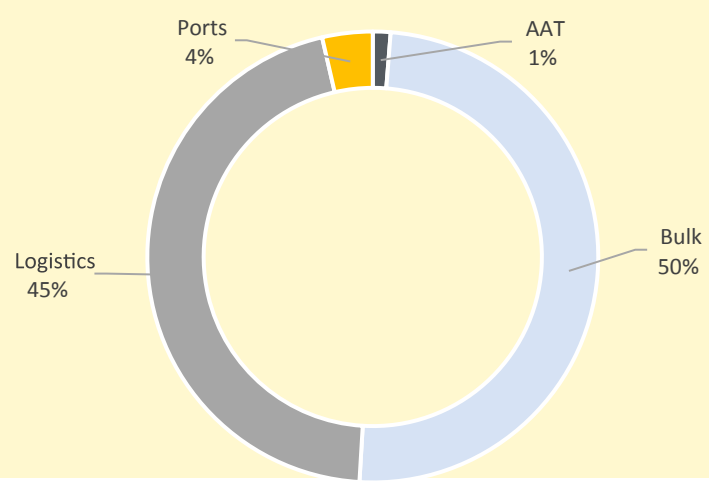
## Greenhouse Gas Emissions



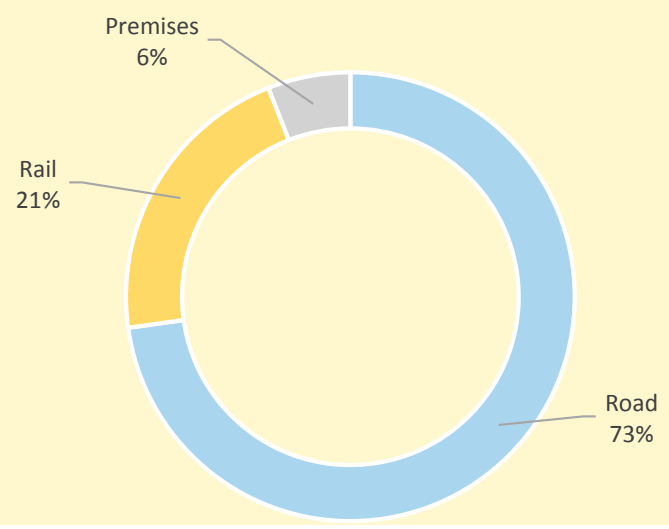
EMISSIONS	UNITS	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Net Emissions	tCO2e	316,676	327,729	331,605	330,330	323,852	420,805	407,406
Scope 1	tCO2e		327,729	331,605	330,330	323,852	397,545	385,004
Scope 2	tCO2e		19,444	20,949	19,527	19,597	23,260	22,402
Group Revenue	\$M	1,514	1,651	1,729	1,884	2,032	2,483	2,930
Energy Consumed	GJ	4,461,487	4,481,503	4,506,721	4,521,662	4,431,674	5,801,536	6,210,356
Carbon Intensity	tCO2e per \$M	209.2	198.5	191.8	175.4	159.4	169.5	139.0
YoY Movement	%	15%	-5%	-3%	-9%	-9%	6%	-18%

2. This means our Scope 1 greenhouse gas emissions intensity by revenue (tCO2e/\$revenue)

### SCOPE 1 & 2 GHG EMISSIONS



### BREAKDOWN BY SECTOR – ROAD, RAIL AND PREMISES



In FY23, Qube emitted 407,406 tCO2e of Greenhouse Gases (GHG). This represents a 3 per cent reduction compared with FY22, and reflects factors including the transition of more of our heavy vehicle fleet to Euro 5/6 standards, our investments in other more efficient plant equipment, and the emissions savings as a result of our solar installations at Qube sites.

While our total emissions increased by 24 per cent from our FY18 baseline, in part as a consequence of business growth including from acquisitions, we did achieve a reduction in our GHG intensity of 30 per cent in FY23<sup>3</sup>. A breakdown of this emissions profile across Scope 1 and 2 follows.

#### Scope 1

Scope 1 Emissions describe the direct emissions that occur from sources owned or controlled by a company. In FY23, we reduced our Scope 1

Emissions by three per cent. As described above, this reflects factors including the transition of more of our heavy vehicle fleet to Euro 5/6 standards and our investments in other more efficient plant and equipment.

#### Scope 2

Scope 2 Emissions are described as indirect emissions not directly generated by an organisation but used due to its operations, such as consumption of purchased electricity. In FY23, Qube’s Scope 2 emissions reduced by 3.6 per cent and this is largely due to the increased use of on-site solar energy across our operations, on-site efficiency improvements such as the rollout of LED lighting in our facilities, along with the increased penetration of renewable energy in the grid resulting in lower emission factors for the period.

3. Compared with our FY18 baseline.

## Criteria

Our Scope 1 and 2 Emissions have been calculated in accordance with National Greenhouse Accounts (NGA) factors Feb 2023.

## GHG emission reduction targets

Qube recognises the need to continually review the changing external environment including managing both internal and external expectation. This is most visible with changing technology and regulatory requirements that bring risks and opportunities to an organisation like ours with such a diverse network where technological advances, fuel mix and prices could have significant impact in either cost or savings.

Qube may consider re-setting the baseline and adopting science-based targets to align with future ISSB requirements in accordance with our risk management processes. Qube will be conducting further analysis on its Scope 1, Scope 2 and Scope 3 and other operational data to set an appropriate target aligned to our business strategy.

## CHALLENGES

While alternative fuels hold significant potential for heavy vehicles in the Australian market, there are several challenges that need to be addressed for their successful adoption. We believe the transition to low carbon economy will be achieved through a combination of different technologies and fuel alternatives that suit specific needs and requirements of the logistics and transport sector

### Hydrogen fuel cells (FCEVs)

In Australia, hydrogen is still in its infancy and lacks the necessary infrastructure. There are also limited vehicle configurations and limited availability of hydrogen at a competitive cost. Clear policy, regulation and a trained workforce are required to support the hydrogen transition. While these challenges exist, Qube is in discussions with several parties on the potential for conducting hydrogen trials, where it is commercially feasible, noting that hydrogen vehicles are still around two times more expensive than internal combustion engine vehicles and hydrogen fuel costs need to be at around \$2 to \$3 per kilogram for commercial viability. With current subsidies, that range is around \$9 to \$18 per kilogram.

### Electrification

While there has been an increase in the uptake of the electric vehicles in the light passenger vehicle market, there is currently limited availability of vehicles at a commercial price to suit heavy-duty haulage requirements. There is also a lack of

high-powered charging infrastructure, clear policy, and incentives to increase the up-take of the heavy duty EV trucks.

In partnership with OZ minerals, Janus Electric and Vision Energy, we are currently conducting a 12-month trial in of battery swapping technology in South Australia. The trial will give us valuable data and experience to expand these trials in other regions and different environments. We are also exploring several EV truck trials on the east coast.

### Biofuels or renewable diesel

Biofuel or renewable diesel could present a benefit in heavy-duty trucks due to the similarities in management, use and handling of the fuel. However, there is limited availability and variety at a cost competitive price. Currently, B100 (pure biodiesel) is on an average two times more expensive than standard diesel, and HV100 (Hydrotreated Vegetable Oil) fuel, which is similar to standard diesel, is currently two and a half times more expensive. Consideration also need to be given to the compatibility of alternative fuels with existing drive trains.

We are reviewing several options to trial biofuel/ renewable fuels, however this would be subject to commercial viability and collaboration from our Original Equipment Manufacturers (OEMs) and our end customers.

We anticipate that changes to regulatory settings and government policies will support the development of a biofuel industry in the Australian market over time.

### Future outlook

We will continue to explore the options for decarbonising our fleet and assets, where it is commercially viable to do so. We believe trials, with the right incentives, will build the knowledge and experience for Qube to transition away from fossil fuel assets as the technology and truck configurations become available to suit our operational needs. In the meantime, we continue to invest in improving fleet efficiency, increasing productivity and focus on modal shift from trucks to rail where it's possible to reduce the GHG emissions.

We also continue to invest in renewable energy across facilities that we own or lease to power them with 100 per cent renewable electricity by 2030.

Further, we are investing in data management services to provide transparency and visibility of GHG emissions and collecting wider sustainability data, including waste and water data, to improve our reporting and climate-related disclosures.



## CASE STUDY



### BELL BAY ITV - THE APPLE OF THE APPLE ISLE'S EYE

As we continue to explore partnership opportunities and new technologies to reduce our emissions footprint, the Qube Ports team at Bell Bay in Tasmania recently trialed a new electric Inter-Terminal Vehicle (ITV). The Gaussin APM 75T Battery was built in Australia by Newport and uses simple battery swap technology, allowing for seamless and continuous operation.

Over a six week period our team put the electric ITV through an extensive testing program. The outcome was overwhelmingly positive, including some great feedback from operators who embraced this innovative solution.

By making the switch, we estimate that we have saved a remarkable 2,487kg of greenhouse gas emissions across the six-week trial, contributing to a cleaner and healthier environment for all.

Recognising the immense potential of the electric ITV, we are excited to explore further trials of this and other battery powered solutions in other Qube operations.

### WORLD FIRST PARTNERSHIP HELPING TO MAKE ELECTRIC VISION A REALITY

Qube was also delighted to partner with OZ Minerals and Janus Electric, in a trial of the world's first electric triple road train.

Through the Vision Electric project, Janus Electric has converted a diesel truck owned by Qube into an electric truck, which will provide decarbonised on-road logistics support to OZ Minerals' Carrapateena operations and shipping in South Australia. It uses a powerful renewable battery which can be exchanged in five minutes and is designed to meet the heavy hauling requirements of the mining industry.

The vehicle is capable of transporting minerals up to 400km on a single charge, and is identical to a regular diesel-powered truck in relation to the weight it can pull and its horsepower. The vehicle's conversion cost a total of \$200,000 - equivalent to the cost of rebuilding a diesel engine - demonstrating the financial viability of technology like this.

This partnership is a key step in addressing emissions reduction in the heavy transport and resources industries.

## CASE STUDY



## Chapter 4 - Opportunity

**ENHANCING QUBE'S UNIQUE SUPPLY CHAIN VISIBILITY OFFERING  
SERVICING AUSTRALIA'S SUSTAINABLE FUTURE  
ENSURING A SUCCESSFUL TRANSITION FOR QUBE'S WORKFORCE  
BUILDING RESILIENCE IN A CHANGING GLOBAL ENVIRONMENT**



*Success starts with opportunity. Those you seize. And those you create. We keep our eyes open, ever ready for the opportunity to innovate, to improve and to expand. We offer opportunity to customers with solutions beyond the expected. And we build opportunity with career paths and training. We believe everyone should be able to spread their wings and go further. Opportunity feeds the aspirations of all; our people, customers, communities and shareholders.*

Where ever we work, across our 180 locations, we seek to work with local communities, respond to their concerns and support their aspirations. We are focused on building meaningful partnerships, demonstrating how Qube can add value to the local community and enhance sustainable, educational and employment opportunities for the community, through:

- **Participation** – actively supporting community initiatives, local businesses and charities to add value
- **Education** – working to improve awareness and education in the communities in which we operate to improve safety outcomes for all
- **Employment** – working with local communities to encourage active employment supporting traineeships, mentoring, school-based apprenticeships and Indigenous programs

Qube sponsors various community groups Australia-wide, with a targeted approach to ensure that value is delivered. In FY23, our spend on community partnerships and sponsorships rose to \$700,000.

### CASE STUDY



#### HOPE KITCHEN

Through our ongoing support for the Hope Hospitality Foundation, Qube continues to work closely with Neil Perry, the Department of Agriculture, Fisheries and Forestry and Woolworths Supermarkets to turn rice that would otherwise have gone to landfill following testing by Australian Biosecurity, into meals for those who need them most.

The Hope Hospitality Foundation (previously known as Hope Delivery) was initially created to help feed the disadvantaged during COVID, with the recently relaunched charity now widening its remit to help even more Sydneysiders.

To date, Hope has provided over 680,000 meals to Australians in need and over 25 tonnes of rice have been put to good use.

## CASE STUDY

### CONTINUING OUR SUPPORT FOR CLONTARF

The Clontarf Foundation exists to improve the education, discipline, life skills, self-esteem and employment prospects of young Aboriginal and Torres Strait Islander men. Qube has supported the work of Clontarf since 2017, both as a sponsorship partner and as an employer of trainers.

Throughout the year, we had the opportunity to connect with boys from a number of Clontarf Academies throughout Australia, including hosting a visit to our Sydney office from the boys from Woree Academy, near Cairns, and supporting two boys from the Bairnsdale Clontarf Academy to complete their school work experience at our Qube Logistics operations in Melbourne.

Our teams always enjoy the opportunity to hear firsthand what a difference our support, together with that of Clontarf's other partners and supporters, makes to the lives of this fantastic group of young First Nations men.



### SUPPORTING CYCLONE RELIEF IN NEW ZEALAND

When Cyclone Gabrielle hit the North Island of New Zealand's uppermost region on 12 February 2023, the Prime Minister described it as New Zealand's biggest natural disaster of the century.

With authorities working around the clock to conduct rapid assessments of the damage, distribute food and other essential resources, and locate a growing number of missing people, our New Zealand-based team, ISO Limited, rolled up their sleeves to lend a hand. The team chartered and loaded a private vessel to ship 11 pallets of drinking water, non-perishable goods, power banks, gas cookers, torches, and other items, to affected areas to support workers and their families. Additionally, ISO was able to organise for Starlink satellite Wi-Fi to be set up at each office, providing our personnel with access to the internet and outside communications.

We are proud of our New Zealand teams for rising to the challenge, and for being so supportive and responsive in such difficult circumstances.

## CASE STUDY



### BLUE SKY THINKING FOR ORANGE SKY

At Qube, we are determined to help our customers, communities, people and industries thrive. So, when one of our customers in the Pilbara region of Western Australia sought our assistance to dispose of surplus construction materials stored in shipping containers via auction, recycling and, where necessary, landfill, our Qube Energy teams in Onslow and Karratha were pleased to help.

Upon inspecting the sea containers earmarked for the disposal campaign, the team found ten pallets of brand new self-inflating mattresses and sleeping bags.

Qube Energy team member, Leen, realised the potential these items had to help people in need and so following some research, reached out to homelessness charity Perth Homeless Support Group (PHSG), a key provider for Orange Sky, who were only too pleased to help.

After a small amount of preparation, the ten pallets were sent to our Perth Supply Base where PHSG collected and distributed the mattresses and sleeping bags to local support groups, ensuring the items made it to the people in need.

### CASE STUDY



## Chapter 5 - Performance

### ENABLING INDUSTRY-LEADING ESG DISCLOSURES SERVICING AUSTRALIA'S SUSTAINABLE FUTURE



*Going further and hitting new heights means getting things right. When opportunity presents, our vast and experienced team pulls together. With our 'can-do' attitude and know-how we solve problems to make things happen. Big things. Massive things. Not that we rest on our laurels. We'll never stop striving to do better. With smarter technology and innovation, and with relationships that ensure success for our customers, business, shareholders and all our people.*

We're constantly on the lookout for ways we can leverage technology or innovate to deliver productivity and efficiency benefits, enhance operational performance and improve safety outcomes.

We have a track record over many years of investing in and leveraging technology to deliver innovative, reliable and safe logistics supply chain solutions to its customers. Our Innovation, Systems and Decarbonisation Committee brings together senior executives from across the organisation to develop strategies, leverage developed solutions, determine the investment and resources priorities that will benefit customers, and improve safety and service delivery. This Committee actively considers initiatives ranging from early-stage concepts through to operations-ready projects.

In FY23, Qube successfully delivered a number of IT innovation projects including:

- Significant investment in camera technology with Artificial Intelligence (AI) across key sites to deliver enhanced safety and workforce protection. These cameras are able to detect and alert if team members enter an unsafe zone. The appropriate management teams are alerted of these breaches to help key our sites safe.
- An expanded roll-out of state-of-the-art facial recognition software that checks inductions in real time at a number of key sites.
- The expansion of our Optical Character Recognition (OCR) tools in select locations

to drive efficiencies on moving assets. Qube has now successfully fitted OCR cameras on non-fixed forks and cranes with OCR feeds back into the Qube OCR engine. Live cycle counting from asset to grid location has delivered a play by play event as assets move via our supply chain.

- Expansion of robotic scanning technologies across new sites, helping to unlock a range of safety and efficiency benefits. Qube delivered a successful proof of concept trial with drone warehouse scanning for cycle counting in one of our major warehouse facilities. The trial utilised drones to scan pallets in warehouse for cycle counting.
- Further deployment of QR scanning to build rail consists on the fly. In conjunction with our key customer BlueScope, Qube developed an application to build rail full rail consist with orders, weights and locations on the fly.
- Continued expansion of our Virtual Reality (VR) vehicle training programs. Qube has developed and simulated our Qube VR World at all Qube Ports sites. This technology offers our staff the ability to use our VR training units to train in any port from anywhere. For example, a Qube Ports Western Australia worker can be trained and accredited locally for other RORO facilities in Port Kembla. This continued expansion of our Qube VR World across sites and assets will continue to drive and enhance our safety standards, and our customers' expectations.



### INNOVATIVE NEW CATTLE RAMP KEEPS HERDS MOVING

A new livestock loading ramp at Darwin Port is streamlining the delivery of large consignments of export cattle while maintaining animal welfare and worker safety standards.

The new ramp, a collaboration between Qube, major cattle exporter Frontier International and Argyle Engineering in Kununurra, can complete loading into a G-class vessel in almost half the time, and twice as efficiently as was previously possible.

The new ramp has been custom-built, acting as a bridge that connects unloading trucks to waiting ships, and has been designed specifically for smooth, controlled cattle movement.

The complete unit is easy to set up, reduces wait and load times and includes a range of safety features for both animals and crews. Loading 3500-4000 cattle on to a typical G-Class vessel can now be completed in five to six hours with the new ramp, representing a significant improvement in efficiency factoring in it could previously have taken 10 hours or more.

### CASE STUDY



### REWARDING INNOVATION

As well as celebrating our values and the behaviours they underpin through our inaugural Thrive awards – “The Qubies”, in FY23 we also launched the Qube Innovation Award. This award recognises the importance of innovation for Qube’s sustained growth and future success.

The award will recognise an individual or team whose new idea has, or will, deliver a significant, measurable difference for the business with nominations to be judged based on their impact, feasibility and replicability.

Winners of “The Qubies”, including the Innovation Award, will be announced in November 2023.

### CASE STUDY



## LONDON CALLING

In a world first, this year we successfully completed a trial of our new Super B Double Double Stacked vehicle container vehicle – the first design of its kind globally and dubbed “The London Project” in homage to London’s iconic double decker buses.

The trailer, developed by Qube with O’Phee Trailers and the Drake Group, can transport up to twelve empty double stacked containers and was trialed on a defined route through the Port of Brisbane, predominantly within Qube’s site port facilities and limited port roads. This made it the first time a double stacked container vehicle had been trialed on public roads in Australia.

The launch of the trial was attended by the National Heavy Vehicle Regulator, the Port of Brisbane and the Australian Road Research Board and followed a significant period of design, safety assessments, engineering and consultation by Qube with relevant stakeholders.

The vehicle continues to operate within the Port precinct under strict safety and operating protocols which includes speed limits, wind monitoring and driver training and inductions. As well as unlocking operational efficiencies, it also has the potential to reduce emissions by reducing truck movements at the Port.



TOPIC	DESCRIPTION	DISCLOSURES	QUBE'S RESPONSE
<b>GOVERNANCE</b>	Disclose the organisation's governance around climate-related risks and opportunities.	<p>a) Describe the Board's oversight of climate-related risks and opportunities.</p> <p>b) Describe management's role in assessing and managing climate related risks and opportunities.</p>	<p>Refer to section on governance structure on pages 10-11.</p> <p>Refer to section on climate governance on page 30.</p>
<b>STRATEGY</b>	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	<p>a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.</p> <p>b) Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning.</p> <p>c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>Refer to section on climate-related scenario analysis results: Physical risks and traditional risks on pages 32-33.</p> <p>Refer to section on climate strategy on page 30.</p> <p>Refer to section on climate-related scenario analysis results: Physical risks and traditional risks on pages 32-33.</p>
<b>RISK MANAGEMENT</b>	Disclose how the organisation identifies, assesses and manages climate-related risks.	<p>a) Describe the organisation's processes for identifying and assessing climate-related risks.</p> <p>b) Describe the organisation's processes for managing climate-related risks.</p> <p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.</p>	<p>Refer to section on risk management on pages 13-14.</p> <p>Refer to section on climate risk and opportunities page 30</p>
<b>METRICS AND TARGETS</b>	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is available.	<p>a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p> <p>c) Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets.</p>	<p>Refer to section on metric and targets on pages 34-36.</p> <p>Refer to section on our performance - Climate Risk on page 8</p>





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