

Praeco Pty Ltd

General John Baker Complex **Sustainability Report**

Environment, Social and Governance Aspects FY20



About this report

This sustainability report seeks to provide visibility to investors, interested members of the public, our employees, and key stakeholders on the environmental, social and governance (ESG) performance of the General John Baker Complex (GJBC) located in Bungendore, New South Wales and managed by Praeco Pty Ltd (Praeco). This report discloses Praeco's GJBC's sustainability-related performance for the financial year ending 30 June 2020.



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Our team

SECURITY

Praeco appreciates the ongoing support and assistance of our valued partners with service delivery, sustainability initiatives and COVID-19 response.

INFRANEXUS
management

Infranexus is 100% owned by IFM Investors. Based in Melbourne, Australia, Infranexus employs over 20 people and provides asset management services to a number of key Public Private Partnerships (PPP) sites in Australia including GJBC (NSW), Southern Cross Station (Melbourne), Perth Courts (Western Australia) and an Axiom Schools Project (9 schools in NSW).

The Infranexus team includes a dedicated Operations Manager based on site at GJBC and provides project management expertise and additional resources as required.

 **SPOTLESS**

Spotless delivers facilities management services to the GJBC site including building and equipment maintenance, security and emergency response, cleaning, catering, a helpdesk, administration and concierge, pest control and waste management. They also manage asset lifecycle replacements.

Spotless is a subsidiary of Downer EDI and employs over 36,000 people in Australia and New Zealand across a range of key industry sectors including Health, Business and Industry, Resources, Leisure, Sport and Entertainment, Laundries, Education and Government.



Spotless provides leadership and support across various facility services.

Key performance snapshot for FY20

ENVIRONMENT

-  Gas usage 5.6GJ
An increase of 15% from FY19
-  Total site grid electricity usage of 7.8GWh
An increase of 10% from FY19
-  Water use 12.8ML
A decrease of 14.5% from FY19
100% of water sourced onsite from borehole, dam and rainwater
-  Zero reported incidents or adverse findings on biodiversity, species or habitats
-  Scope 1 and 2 greenhouse gas emissions 6.3Kt CO_{2-e}
An increase of 9% from FY19
-  35% of total waste on site was diverted from landfill
Compared to 26% in FY19

SOCIAL VALUE

-  90% of workforce are fulltime employees
-  80% of workforce has an Enterprise Bargaining Agreement or similar
-  39% of workforce aged 50+
-  Zero COVID-19 (positive) cases recorded among the workforce
-  Zero total recordable injury frequency rate
(per million hrs/rolling p.a)
-  Zero lost time injury frequency rate
(per million hrs/rolling p.a)
-  45% of management or supervisory roles are held by females

GOVERNANCE

-  Accredited service providers
(occupational, health and safety, environment, and quality assurance)
-  60% independent board members
-  60% female board members
-  Zero material cyber security or privacy breaches
-  Code of conduct in place
-  Zero ethics or corruption breaches

From the CEO



The Public Private Partnership (PPP) between the Commonwealth of Australia's Department of Defence (Defence) and Praeco Pty Ltd (Praeco) to operate the Headquarters Joint Operations Command (HQJOC) situated at the General John Baker Complex (GJBC) in Bungendore, NSW has been running successfully since full service commenced in November 2008.

FY20 was an unusual year marked by two extraordinary events – a severe bushfire season and the COVID-19 pandemic, both of which required Praeco to respond above and beyond normal service provisions. Praeco supported base operations through the Defence Bushfire Assist program and the COVID-19 pandemic by both proactively developing and implementing a number of initiatives and responding to requests as they arose. Our Praeco and Spotless teams demonstrated remarkable resilience and rose to these challenges with great success. Over the reporting year, the facility remained fully operational with no significant operational issues outstanding.

I am proud of the efforts of our Praeco and Spotless employee and management teams. Congratulations and well done to all on meeting these additional challenges head on and with great success.

In addition to our successful bushfire and COVID-19 response, we progressed improvements and updates to our Bushfire Management Plan and Heritage Management Plan.

We see this initial report as a logical and useful extension of our regular energy and environmental reporting and as an opportunity to ensure the management of our environmental, social and governance responsibilities is aligned with good corporate practice. We recognise the increasing importance of these aspects of business, particularly as we work together to recover from the COVID-19 pandemic.

I wish to thank the Defence Authorised Representative, the Strategic Contracts Management team, GJBC Command and the Spotless team for engaging and working so constructively with Praeco over this period. I look forward to working together into the future to advance our ESG monitoring and reporting.

Colin Chanter

Colin Chanter
Chief Executive Officer
Praeco Pty Ltd

From the Operations Manager



As a provider of critical infrastructure services to Defence, Praeco is deeply committed to safety and excellence in all that we do. As expectations of transparency in the management of environmental, social and governance matters continue to grow, Praeco is seeking to improve its monitoring and reporting in step with these responsibilities. Our commitments are based on the 17 United Nations Sustainable Development Goals, the World Federation of Exchanges standards and the worldwide Global Reporting Initiative for sustainable development.

Reflecting on the challenges we saw over FY20 with the unprecedented bushfires and COVID-19, I am proud to say that our team consistently prioritised service delivery, safety and wellbeing. Notwithstanding the additional impacts on resources and focus, I am pleased that we were still able to progress a number of exciting initiatives aimed at expanding our sustainability monitoring and reporting, including the development of:

- Our inaugural sustainability report
- An ESG materiality assessment
- A climate change risk assessment
- A review of Praeco's greenhouse gas emissions pathway and approach to target setting.

As we move forward into a COVID-normal world, we are determined to meet the environmental, social and governance challenges that have arisen. We will also maintain our focus on the conservation of natural resources and reducing greenhouse gas emissions.

A handwritten signature in cursive script that reads "Gary Elix".

Gary Elix
Operations Manager
Praeco Pty Ltd

Introducing the General John Baker Complex (GJBC)



The Headquarters Joint Operational Command (HQJOC) is the Australian Defence Force's operational level headquarters responsible for the command and control of Australian Defence Force (ADF) operations worldwide. It is located in the General John Baker Complex (GJBC) in New South Wales and is operated under a Public Private Partnership (PPP) agreement for a 28-year operational term.

The GJBC complex is made up of three precincts, including operations, Defence and rural precincts, the latter of which encompasses access roads. The site has always had a very strong sustainability focus including environment, biodiversity and heritage aspects and as evidenced in this report, there has been an increasing focus on social value and governance aspects over recent years.

On 30 June 2006, Defence and Praeco entered into an agreement for Praeco to finance, design, construct, commission, operate and maintain the GJBC facilities for use by the Commonwealth as a co-located joint operations command centre.

Praeco is 100% owned by IFM Investors (IFM), one of the world's leading investment fund managers and a leading investor-owned funds manager, with 27 Australian superannuation fund shareholders and over 20,000 people employed in portfolio companies.

Praeco provides facilities management services to the GJBC and has contracted Spotless Services Australia Ltd (Spotless), as their service provider.

Through Infranexus and Spotless, Praeco performs the day-to-day management of GJBC across a wide range of services including:

- Maintenance
- Security
- Fire response
- Cleaning
- Catering
- Grounds maintenance
- Environment
- Heritage
- Pest control.

Our ESG mission

To manage our environmental, social and governance responsibilities in alignment with good corporate practice.

As custodians of GJBC, we are determined to maintain the safety, functionality and efficiency of the facility, whilst continuing to evolve our environmental, social and governance framework.

To further enhance our management of GJBC and to meet investor and best practice expectations, Praeco is undertaking improvements to our sustainability program. We seek to monitor and report on key environment, social and governance aspects that are important to our Defence users, employees, service providers, stakeholders and the broader community.

In addition to the already extensive environment, heritage and biodiversity management and reporting program in place, recently completed initiatives include an ESG materiality assessment, a review of our approach to greenhouse gas emission reduction targets and a climate change risk assessment.

Our ESG program also seeks to actively support Spotless to identify opportunities to contribute to social value through a continued focus on employee welfare and wellbeing and support for worthwhile causes and charities.

Our focus also includes maximising the services partnership with Defence and Spotless to support GJBC functionality, efficiency and effectiveness.

Our ESG journey: looking back

Environment, biodiversity and heritage

have been key focus areas since the very beginning of the GJBC project and following are some previous key dates and highlights.

May 2003

Cultural Heritage
Assessment completed

August 2005

Environmental Impact
Statement approval

June 2006

GJBC Project Deed executed

July 2008

Archaeological investigation conducted
in accordance with NSW Department of
Environment Climate Change and Water
(DECCW) requirements

November 2008

GJBC service and operations
functionality commenced

July 2009

Ecological Sustainable Development
Report provided to Defence/
Commonwealth of Australia

August 2009

Retrieval and storage of aboriginal
artefacts undertaken in accordance
with NSW DECCW

July 2010

Praeco commences Greenhouse
Gas Emissions monitoring

February 2011

Praeco conduct first of regular
internal environmental managements
audits of its GJBC operation

August 2017

Aboriginal representatives visit to
review preserved sites at GJBC

July 2018

Medical outreach centre
commissioned and available to
service GJBC employees on site

Our ESG journey: looking ahead

Below is our roadmap for

continued improvements in sustainability performance, monitoring and reporting

FY2021

Support employee wellbeing and the transition to COVID normal

Review, study and determine appropriate & practicable GHG emissions management pathway/targets

Complete climate change risk assessment

Complete an ESG materiality assessment

FY2022

Review climate change risk assessment and prepare a climate change adaption plan

Finalise our approach to GHG emissions management pathway/targets

Refine sustainability (ESG) strategy and align with partners Spotless and Defence

Increase social value support program

FY2023

Conduct climate risk assessment workshop (3 yearly review)

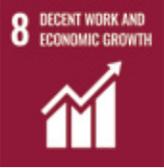
Review site energy consumption

Update GHGE emissions management pathway/targets

Review and refine sustainability (ESG) strategy

Contributing to the SDGs

Wherever practical, Praeco seeks to contribute towards the United Nations Sustainable Development Goals (SDGs).

United Nations SDG	Our contribution	United Nations SDG	Our contribution
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Ensuring healthy lives and promoting the well-being at all ages is essential to sustainable development.</p>	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Investments in infrastructure, including transport, are crucial to sustainable development. Growth in productivity, health and education require investment in infrastructure.</p>
 <p>5 GENDER EQUALITY</p>	<p>Equal access for women/girls to education, health care, decent work, and representation in decision-making processes, will fuel sustainable economies and benefit societies.</p>	 <p>10 REDUCED INEQUALITIES</p>	<p>To reduce inequality, policies should be universal in principle, paying attention to the needs of disadvantaged and marginalized populations.</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Integrating renewable energy into end-use applications in buildings, transport and industry. Increase Public and private investments in energy.</p>	 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>GJBC design and construction included key Disability and Discrimination Act (DDA) features. Praeco and Spotless promote a non-discriminatory and equal opportunity workplace. Numerous social value initiatives are pursued by Praeco/Spotless site teams to assist worthwhile causes and charities.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Wherever practicable, sustainability and energy conservation opportunities will be considered in any future building, maintenance and operations related activities.</p>	 <p>13 CLIMATE ACTION</p>	<p>Praeco recommends that that any future building or development activities consider environmental aspects and social value benefits to site based employees.</p>
<p>Allow people to have quality jobs that stimulate the economy while not harming the environment. Job opportunities and decent working conditions for all working ages.</p>	<p>The Praeco/Defence GJBC PPP project provides employment for some 80 Praeco and Spotless workers and over 600 Defence personnel and contributes to the local and state economies.</p>	<p>With the number of people living within cities projected to rise to 5 billion by 2030, it is important that efficient urban planning and management practices be in place to deal with these challenges.</p>	<p>Countries adopted the Paris Agreement, which went into force in 2016, and agreed to work to limit global temperature rise to well below 2 degrees centigrade.</p>
			<p>Praeco and Spotless are reviewing GHG emissions on site to determine appropriate and practicable GHG emissions management strategy. Key reduction strategies include installation of energy efficient LED lighting.</p>

Material ESG aspects

To identify our material sustainability/ESG aspects for our sustainability strategy and roadmap, Praeco conducted a materiality assessment in late 2020 using video conferencing and the MURAL digital workspace for visual collaboration in a socially distanced world.

Key stakeholders were identified based on their relationship to Praeco and the significance of key ESG elements. A materiality assessment workshop was conducted with these stakeholders.

The assessment identified and analysed ESG aspects and rated their significance to our organisation and our stakeholders as high, medium, or low. The higher the rating, the greater the priority which may be given to the element in our ESG strategy, monitoring and reporting considerations.

A materiality assessment was prepared based on the workshop outcomes and will support Praeco as we seek to achieve better integration and alignment of sustainability into our business strategy and decision-making.

The ESG aspects identified as material in the materiality assessment workshops are summarised in Table 1. While other important aspects were identified and will be maintained in the Praeco ESG framework, these material aspects will be prioritised in strategy, monitoring and reporting.

ESG element	Key material aspects identified at workshop
Environment	Greenhouse gas emissions Sustainable energy
Social	OHS Employee well-being
Governance	Reporting and assurance COVID management Business continuity Cyber security

Table 1: Material aspects identified as key priorities after the materiality assessment.



Materiality assessment workshop utilised MURAL digital workspace to rank ESG aspects with key stakeholders.



Environment



5.6GJ of gas

15% increase on FY19

(Increase due to heightened activity and unusual operating conditions)



7.8GWh of electricity from grid

10% increase on FY19

(Increase due to heightened activity and unusual operating conditions)



12.8ML of water used

14.5% decrease on FY19

(Decrease due to less employee attendance during COVID)



6.3Kt GHG emissions

9% increase on FY19

(Increase due to heightened activity and unusual operating conditions)



35% waste diverted from landfill



The 2020 financial year saw unprecedented environmental impacts on the GJBC.

During the fire season, large uncontrolled bushfires in NSW and Canberra resulted in intense smoke that affected the base early in the new year.

In mid-February, the COVID-19 virus spread throughout Australia and quickly became a significant medical, social and economic challenge.

These disruptive events required a major allocation of time and resources in response to requests from Defence and to set up risk mitigation and business continuity strategies.

Both events also affected our utilities consumption due to additional Defence activities on-site during the 24/7 Bushfire Assist Program and additional cleaning activities related to COVID-19. This resulted in increased electricity and gas consumption and a corresponding rise in greenhouse gas emissions. Water consumption was reduced as many Defence and Spotless employees worked from home in response to the pandemic.



Energy consumption

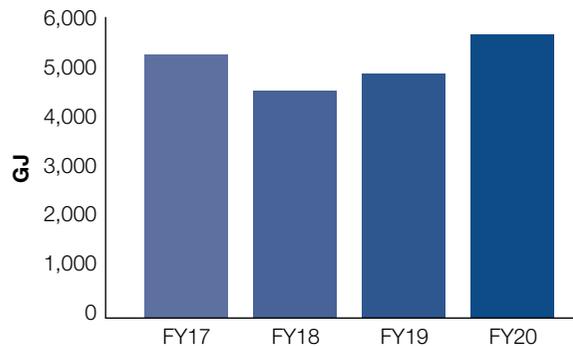
Praeco uses electricity and natural gas across a range of applications. Gas is used mainly for heating and hot water. Our electricity consumption includes all office, administration and common areas, plant, equipment, HVAC and lighting.

Gas

Total gas consumption for FY20 was 5,602GJ, compared to 4,887GJ in FY19. The increase of 15% is attributable to additional hot water for cleaning in response to the pandemic.

Natural gas used at GJBC contributes approximately 6% to the GHG emissions generated on site.

TOTAL GAS USAGE

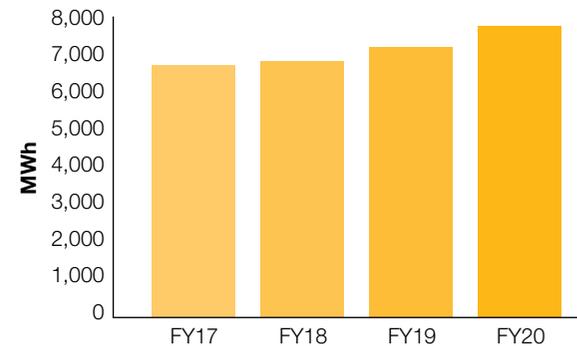


Electricity

Praeco's total electricity usage was 7,817MWh for FY20, a 10% increase on the FY19 reading of 7,097MWh.

During the bushfire season, the outside air quality was extremely poor and could not be used for natural cooling during January – February 2020. As a result, the use of air conditioning rose. The Defence Bushfire Assist program also required an increase in operations with most facilities running 24/7 including the mess and showers.

TOTAL ELECTRICITY USAGE



Greenhouse gas (GHG) emissions

GHG emissions for FY20 were 6,333Kt CO_{2-e} (compared to 5,820Kt CO_{2-e} for FY19). This change represented a 9% increase.

The rise in GHG emissions reflects the additional electricity and gas usage during the 2020 Bushfire Assist Program and to a lesser degree, during the COVID-19 period. It should be noted that electricity consumption is largely driven by fixed demand for key facility systems, such as plant, equipment and lighting, irrespective of GJBC user attendance levels.

Currently, our GHG emissions are below the National Greenhouse and Energy Reporting (NGER) Act reporting threshold (25kt). However, we use the NGER guidelines in calculating our emissions.

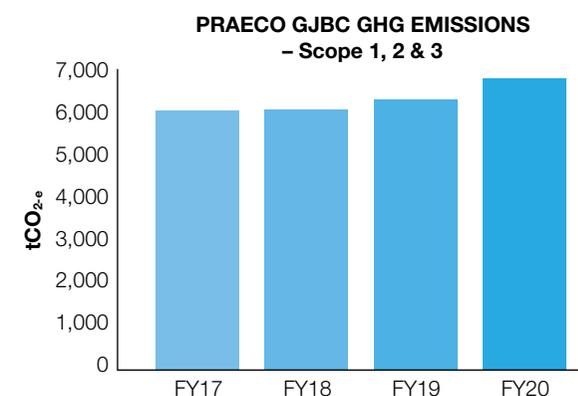
Although our emissions are below NGER reporting thresholds, we maintain a strong focus on energy conservation and reduction of GHG emissions, with several initiatives underway and/or under discussion. These include modelling to review, calculate and determine practicable future GHG management pathway and targets.

While Praeco (and our partners) will make all reasonably practicable endeavours to reduce GJBC GHG emissions, our carbon management pathway and performance has to be considered in the context of any future building and occupancy expansions on site and the inherent increase in energy consumption these would entail.

During FY21 Praeco will complete work on reviewing and modelling GHG emissions reduction targets which are practicable and take into consideration Praeco's GJBC operational and service delivery requirements, including:

- Current Scope 1, 2 and 3 emissions
- Potential material changes to building footprint and/or operational requirements
- Planned energy consumption reduction initiatives.

The modelling output will produce a GHG emissions pathway for the Praeco GJBC operation and will be based on FY18 base year figures.





Monitoring and mitigating climate change risks

The changing climate will see both current and future generations face more frequent or severe weather events like flooding, heat waves and storms. These events bring physical risks that can impact the Praeco GJBC infrastructure and operational capability and the wellbeing of our employees and users. There are also risks associated with the transition to a low carbon economy in Australia.

To better understand the potential consequences, we have engaged external experts to assist us in completing a climate risk assessment using best practice physical and transition data inputs. This initiative is in step with the principles outlined in the 2017 recommendations of the Task Force on Climate Change-Related Financial Disclosures (TCFD) and with the 2017 Australian Council of Superannuation Investors (ACSI) guide. Our climate risk assessment will be completed during FY21.

Infranexus employee Melissa hopes for a climate wise future for her children.

Climate change risk management strategy

The climate change risk assessment will monitor and report on climate change risks, inform contingency planning and climate change risk adaption strategies.

Our preliminary assessment indicates that following our planned mitigations, the current/near future likelihood of any material negative impacts from most risks is low, including the key risk examples described below.

Potential risk	Potential consequences	Planning and mitigation
Climate projections indicate increased frequency and periods of extreme heat	<ul style="list-style-type: none"> • Bushfire threats and increased OHS and operational requirements • Electricity blackouts • Plant and equipment breakdowns • Risk of heat stress for personnel • Compromised building and sub-structure integrity • Impacts to GJBC's natural water sources. 	<ul style="list-style-type: none"> • Bushfire Management Plan, NSW Rural Fire Brigade and on-site Fire Response Team • Back up electricity generators • Built in redundancies/back-ups for plant and equipment • Work, health and safety plans • Inspection and maintenance regime • Climate adaption strategy and contingency plans.
Climate projections indicate an increase in heavy rainfall days and thunderstorm activity	<p>Such events can:</p> <ul style="list-style-type: none"> • Damage our roofing and infrastructure • Cause temporary service interruptions • Injure personnel. 	<ul style="list-style-type: none"> • Inspection and maintenance regime • Climate adaption strategy and contingency plans • Built in redundancies/back-ups for plant and equipment • Work, health and safety plans.

Heritage management

The General John Baker Complex (GJBC) is located approximately 13.5km east of Queanbeyan and 8km southwest of Bungendore on the Southern Tablelands of NSW. The area has been used as a grazing property for over a century.

In the preliminary stages of the GJBC project, nine sites or features of European historical significance were recorded on or near the site during the 2003 Cultural Heritage Assessment conducted by Navin Officer Heritage Consultants as part of the original Environmental Impact Statement (EIS). The sites identified include a homestead ruin, an old hotel, an exploratory mine shaft, an old sheep dip, a woolshed and cottage complex and numerous exotic tree plantings (pine, poplar and elm). The heritage significance of the site has been assessed as ranging from low-moderate to moderate-high.

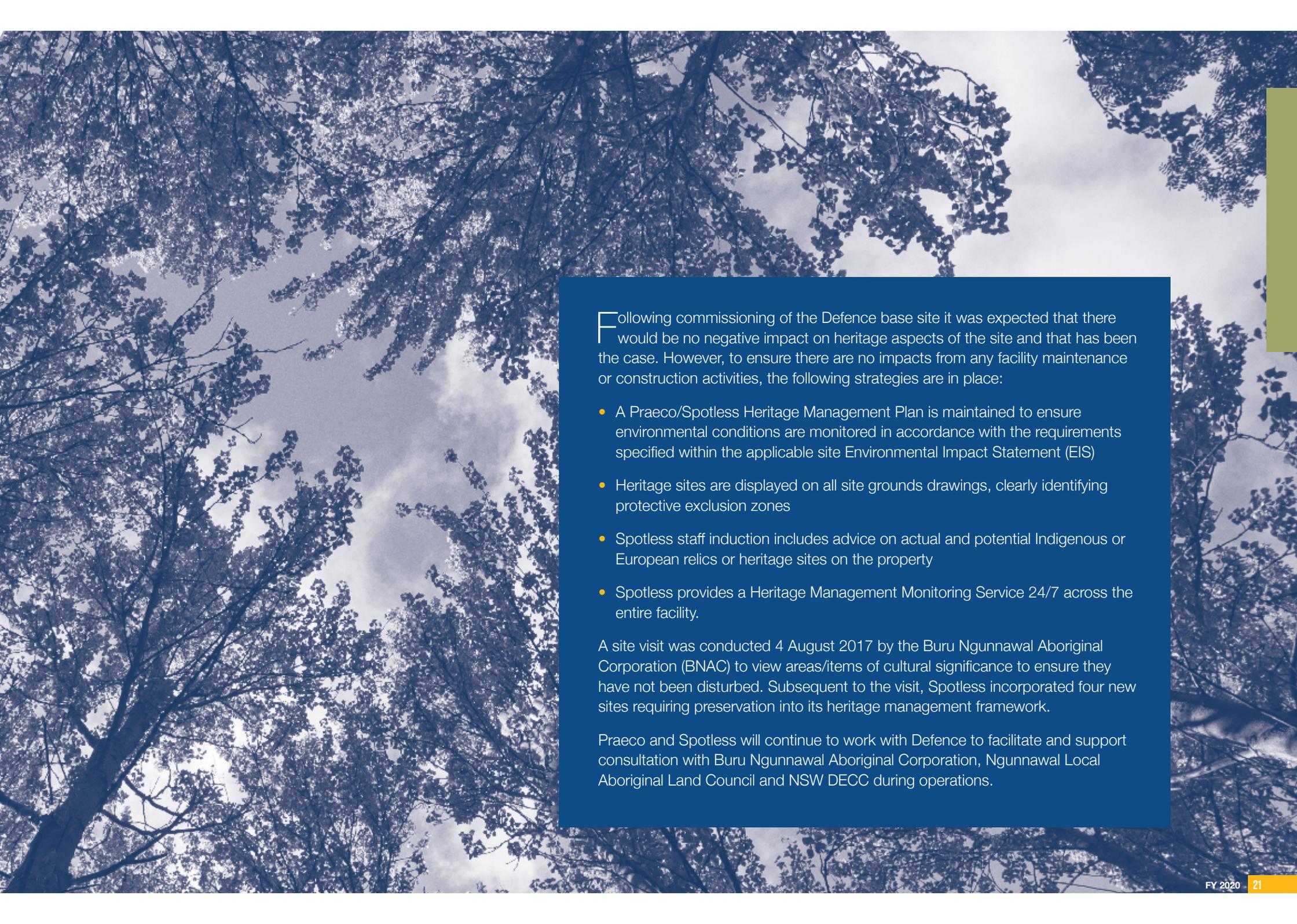
The region was originally inhabited by indigenous people, with three main language groups recorded: Ngunnawal, Ngarigo and Walgalu (Tindale 1974, Flood 1980). The modern, locally residing Aboriginal community identify as Ngunawal/Ngunnawal. 18 Indigenous sites were identified in the Cultural Heritage Assessment conducted by Navin Officer Heritage Consultants as part of the EIS with significance ranging from low to moderate-high.

All Indigenous relics, objects and places are protected in NSW under the National Parks and Wildlife Act 1974. Other relevant legislation includes:

- Commonwealth Environment Protection & Biodiversity Conservation Act 1999
- Commonwealth Aboriginal and Torres Strait Islander Heritage Protection Act 1984
- NSW Heritage Act 1977
- ACT Heritage Act 2004

Prior to construction of the facility, a number of artefacts from within the central development area and along the road corridors were collected to prevent their destruction. These artefacts are currently held and maintained by Defence.





Following commissioning of the Defence base site it was expected that there would be no negative impact on heritage aspects of the site and that has been the case. However, to ensure there are no impacts from any facility maintenance or construction activities, the following strategies are in place:

- A Praeco/Spotless Heritage Management Plan is maintained to ensure environmental conditions are monitored in accordance with the requirements specified within the applicable site Environmental Impact Statement (EIS)
- Heritage sites are displayed on all site grounds drawings, clearly identifying protective exclusion zones
- Spotless staff induction includes advice on actual and potential Indigenous or European relics or heritage sites on the property
- Spotless provides a Heritage Management Monitoring Service 24/7 across the entire facility.

A site visit was conducted 4 August 2017 by the Buru Ngunnawal Aboriginal Corporation (BNAC) to view areas/items of cultural significance to ensure they have not been disturbed. Subsequent to the visit, Spotless incorporated four new sites requiring preservation into its heritage management framework.

Praeco and Spotless will continue to work with Defence to facilitate and support consultation with Buru Ngunnawal Aboriginal Corporation, Ngunnawal Local Aboriginal Land Council and NSW DECC during operations.

Social value

Ensuring healthy lives and promoting well-being at all ages is essential to sustainable development. In addition to providing the Defence users of the GJBC with the best service possible and maintaining a strong safety focus, Praeco, through its key service partner Spotless, promotes a diverse culture that is engaging, rewarding and inclusive. During the COVID-19 pandemic, employee wellbeing, work/life balance and user safety were priorities for our Praeco and Spotless GJBC teams.

Through monthly town hall meetings, team building initiatives and award and recognition ceremonies, Spotless is committed to improving the work life of their GJBC employees. Praeco and Spotless also support the broader community and during FY20 sponsored 10 charitable initiatives raising \$5,789.34.

Diversity

Across Infranexus/Praeco and our key service partner Spotless, around 80 employees are deployed in our GJBC PPP operations. We have a broad and diverse workforce with zero tolerance for discrimination based on age or gender.

 90% fulltime employees

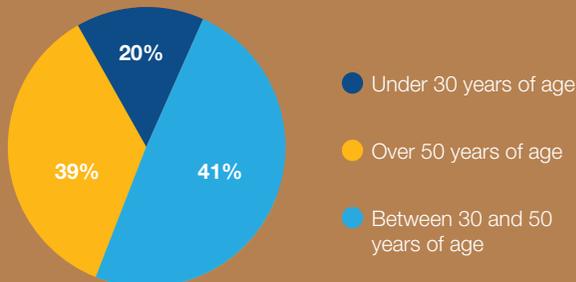
 80% of workforce on Enterprise Bargaining Agreement or similar

 39% workforce over 50+ years old

 45% of senior managers or supervisors are females

Employee breakdown

A mixture of age, youth and experience



Acknowledging our teams

Bushfire assist awards

In recognition of the increased service level delivery Praeco/Spotless provided during the Bushfire Assist program, three Spotless GJBC employees were invited to attend an awards ceremony hosted by the Defence Chief of Staff BRIG John Carey on 5 June 2020. The employees were presented with a Joint Operations Command coin and the Senior Australian Defence Force Officer Award for their outstanding commitment in supporting Operation Bushfire Assist 2019-20.

Lorrain Collins and Carl Bargas from the Spotless catering team received commendations for their dedication in delivery of meal requirements, working tirelessly to feed the large task force.

Tim Pobjie from the Spotless maintenance team received a commendation for his dedication in delivering the maintenance requirements over an extended period, ensuring that the building continued to operate in heavy bushfire smoke with minimal disruption to the GJBC function.

Defence BRIG Carey told the group of three Spotless employees, “Your professionalism, personal drive and commitment are an inspiration to your peers and are in keeping with the finest traditions of the Australian Defence Organisation”.



Senior Australian Defence Force Officer award ceremony. From the left: Jeff Collins Spotless GM, Tim Pobjie, Carl Bargas, Lorrain Collins, BRIG John Carey Chief of Staff, David Canavan, Spotless Contract Manager.

Reward and recognition

During the year, Praeco's key service provider Spotless acknowledged the strong performance and outstanding behaviour of our team in delivering services to our customers at GJBC.

Under the Spotless 'Pillars of Service' program, each month, a team or individual members who had been identified as having demonstrated excellence in service delivery, are acknowledged. In the monthly town hall meetings, management celebrates exceptional efforts with certificates of appreciation and gift vouchers.



Ashley Reed, Praeco National Quality Risk and Compliance Manager, Luke Bartlett, Spotless National Zero Harm Manager and David Canavan, Spotless Contract Manager GJBC present a relationships award to Shannon Robinson, Spotless Helpdesk Supervisor during the August town hall meeting.

Safety and wellbeing

Praeco, in consultation with Spotless, has continued to promote a culture of safety across our GJBC operations. In FY20, there was a strong focus on managing risks relating to COVID-19, safe work and employee wellbeing.

Employee welfare and wellbeing

Supporting individual welfare and wellbeing, particularly physical and mental health, can lead to reduced absenteeism, increased employee engagement and improved productivity.

Infranexus/Praeco seeks to continually improve our employee welfare culture. Initiatives include:

- Promoting a culture of equal opportunity, age and gender diversity
- Employee assistance schemes
- Performance reviews
- Employee satisfaction surveys and engagement practices
- A supportive and consultative approach during COVID-19 pandemic lockdown and recovery periods.

Our key service partner Spotless, maintains an active focus on its GJBC employees' welfare and wellbeing including:

- Promoting a diverse, engaging, rewarding and inclusive culture
- Providing an open consultative process with employees including group meetings
- Regular rewards and recognition ceremonies and awards
- Encouraging employee participation in charity events, which also benefit health, fitness and wellbeing (eg. 'STEPtember' fundraiser).

Managing service delivery and safety during COVID-19 and bushfires

Bushfire response

The 2019-20 bushfire season was one of the worst on record and saw bushfires rage through NSW and Canberra.

Praeco, and its key service provider Spotless, initiated a heightened service delivery posture to assist Defence as they maintained a Bushfire Assist Program to support the responding governments and firefighting authorities.

Our Bushfire Assist support included:

- Management of increased Defence personnel site inductions
- Facilitation of expanded operating hours and extended catering services
- Provision of temporary sleeping quarters
- Maintenance of full-service delivery despite severe bushfire smoke challenges
- Maintaining a close and effective liaison with Defence.

COVID-19 response

The pandemic required new work, health and safety (WHS) control measures to manage the risks to Praeco and Spotless employees and Defence users.

Our response included:

- Activation of pandemic plans and business continuity plans
- Additional cleaning of high touchpoint surfaces
- Provision of additional cleaning equipment throughout the building
- Roll out of additional sanitisation points
- Additional health check equipment including non-contact thermometers
- Prioritising employee health and wellbeing, with increased focus on mental health awareness
- A communications process to keep key stakeholders informed.



Work health and safety (WHS) and safe working

Our Work, Health and Safety (WHS) approach includes maintenance and inspection regimes, a risk management framework, rigorous contractor safe working management practices and regular site safety meetings with our partners. We regularly report on key indicators to our board.

It is pleasing that during the disruptive COVID-19 period we continued to record a low number of occupational medical treatment injuries, lost time injuries and recordable injuries (injuries requiring a report to WorkSafe).

There were zero lost time injuries or recordable injuries during FY20 (or the previous FY19).

 Zero total recordable injury frequency rate
(per million hrs/rolling p.a)

 Zero lost time injuries
(per million hrs/rolling p.a)

Mental health training

During Feb 2020, five Praeco/Spotless staff attended a 2-day mental health course providing them with knowledge and tools to offer preliminary support to people who are developing a mental health problem, experiencing a worsening of an existing mental health condition or are in a mental health crisis. The primary focus of the training is to help people engage with mental health services and to prevent suicide.



Mental health training session for Praeco/Spotless GJBC team.

Zero harm philosophy

Praeco and its facility manager, Spotless, employs the Downer zero harm philosophy and strongly believes that any injury is unacceptable and preventable.

In everything we do, the health and safety of our people and the communities that we work within are always our top priority. Zero harm is embedded in our culture at GJBC and is fundamental to our success.

This means that we work to build an environment that supports the health and safety of our people, our delivery partners and our customers allowing us to deliver business activities in a safe and environmentally sustainable manner.



Supporting the broader community

During the year we were immensely proud that Praeco and Spotless employees participated in a range of community activities and charitable undertakings including STEPtember (Cerebral Palsy), Sydney Tower Climb (MND), RUOK Day (Mental Health), Great Cycle Challenge (Kids Cancer), March Charge (Cancer Council) and the Biggest Morning Tea (Cancer Council).

Giving of their time and energy wholeheartedly, our people raised awareness and funding for these worthy causes, engaged with members of the community and enjoyed the physical and mental benefits. Following are just a few examples of our social value program in FY20.

Stepember – Cerebral Palsy

Global fundraising event that challenges participants to take 10,000 steps per day and raise vital funds for cerebral palsy research and services.

With 14 teams registered our people have collectively taken **more than 12.6 million steps and raised more than \$3700.**



Stepember Spotless walkers and Fundraising BBQ.

Sydney Tower Eye Climb – Motor Neurone Disease (MND)

On Saturday 9 November 2019, to raise money and awareness for Motor Neurone Disease (MND), 600 firefighters, including Andrew Elphick and Ben Winter from Spotless GJBC Fire Response Team raced up 1504 stairs (98 floors) of the Sydney Tower Eye in full firefighting ensemble with an additional 20kg of equipment.

It was a gruelling challenge, however, as Ben and Andrew readily acknowledge, it is nothing compared to the challenge patients with MND face every day.

Andrew completed it in 20m 14s and Ben in 22m 36s. **Together they raised \$1,332 for the Macquarie University's MND Research Centre.**



Spotless GJBC Fire Response Team members at the MND stair climb.

Indigenous heritage women's area initiative

Women from Defence, SCM and Spotless were involved in a "women's area" remediation activity during March. This was in response to a request from local indigenous leaders, during a recent site survey.

During the activity, the participants took time to **reflect on the nature of the area and the women who had used it over time.**



Participants helping with heritage remediation.

Push-up challenge (Headspace, mental health)

The Spotless GJBC team participated in "The Push-up Challenge" collecting valuable donations for Headspace and promoting awareness of the importance of good mental health.

Over 21 days the Spotless team completed 46,465 push-ups and **raised \$450 for the local Headspace in Queanbeyan** who provide tailored and holistic mental health support to 12 - 25-year-olds. Each Spotless team member strove to complete 3,046 push-ups, representing the number of lives lost in Australia due to suicide in 2018.



David Canavan, Spotless Facility Services Leader and some of the Spotless Push-up challenge team members in action.

Walk for Autism

In April 2020, Spotless GJBC team members participated in the "Walk for Autism" initiative.

Walk for Autism is a free online walking event, which means you walk anywhere, at any time, in any place, with the challenge to walk 10,000 steps a day for 8 days, while raising much-needed funds to support children and adults on the autism spectrum.

The Spotless fundraising activity **collected valuable donations and assisted in providing awareness about people who are on the autism spectrum.**



Three enthusiastic Spotless team members pose outside the GJBC gymnasium during the Walk for Autism activity.

Governance

Praeco and its Board consider good corporate governance a cornerstone of its custodianship of GJBC. The management team works closely with the Board across a number of initiatives including:

- Board reporting and meetings
- Finance Audit and Risk Committee meetings
- People and Remuneration Committee
- Projects Committee
- Annual OHS report to Board
- Internal/external audit programs including an annual financial audit
- Annual strategy and planning session
- Board due diligence program.

We continue to increase our governance data monitoring and analysis as part of our ESG program. The following FY20 key indicators relate to Praeco Pty Ltd, its Board and Infranexus/Praeco employees.



Accredited service providers
**(occupational, health and safety,
environment, and quality assurance)**



60% independent
board members



60% female board members



Zero material cyber security
or privacy breaches



Code of conduct in place



Zero ethics or
corruption breaches



Board support for COVID-19

Through regular reports, briefings and meetings, the Board worked closely with the CEO and management team to mitigate OHS, operational and financial impacts.

Both IFM and the Board were strongly supportive of the Praeco/Spotless pandemic response and of employee wellbeing strategies such as work from home options.

Performance & planning

ESG performance

While COVID-19 resulted in a challenging year, we progressed some key environmental, social and governance initiatives.

PLANNED INITIATIVE	PROGRESS	COMMENTS
ENVIRONMENT PERFORMANCE		
Complete materiality assessment	✓	<ul style="list-style-type: none"> Materiality assessment completed and discussed in this report
Create ESG data collection sheet to collate sustainability related data	✓	<ul style="list-style-type: none"> ESG Data Collection sheet completed and used to inform this report
Maintain dialogue with Defence on potential solar panel initiative	✓	<ul style="list-style-type: none"> Approved and scheduled to proceed in FY22
SOCIAL PERFORMANCE		
Increase focus on securing new community partnerships	✓	<ul style="list-style-type: none"> Praeco will continue to seek additional initiatives to partner with and support the community to further enhance the excellent program already in place with the Spotless GJBC team
Introduce at least one initiative supporting employee wellbeing	✓	<ul style="list-style-type: none"> Initiatives in this area related to Infranexus/Praeco employee support during the COVID-19 pandemic
GOVERNANCE PERFORMANCE		
Climate risk assessment	○	<ul style="list-style-type: none"> Initial draft assessment of operational and transitional risks is complete and undergoing review with key stakeholders before being formalised shortly after FY21
Further improvements in sustainability reporting	✓	<ul style="list-style-type: none"> ESG program and reporting were validated by external audit (ShineWing Australia) of Infranexus/Praeco in FY20 The Infranexus ESG policy for its managed assets, including the Praeco GJBC operation, was reviewed, updated and ratified by the Board in FY20 Improvements to data collection and analysis inform this report
Conduct privacy and cyber security training for employees	✓	<ul style="list-style-type: none"> On-going activities in place

KEY: ✓ Completed ○ In progress

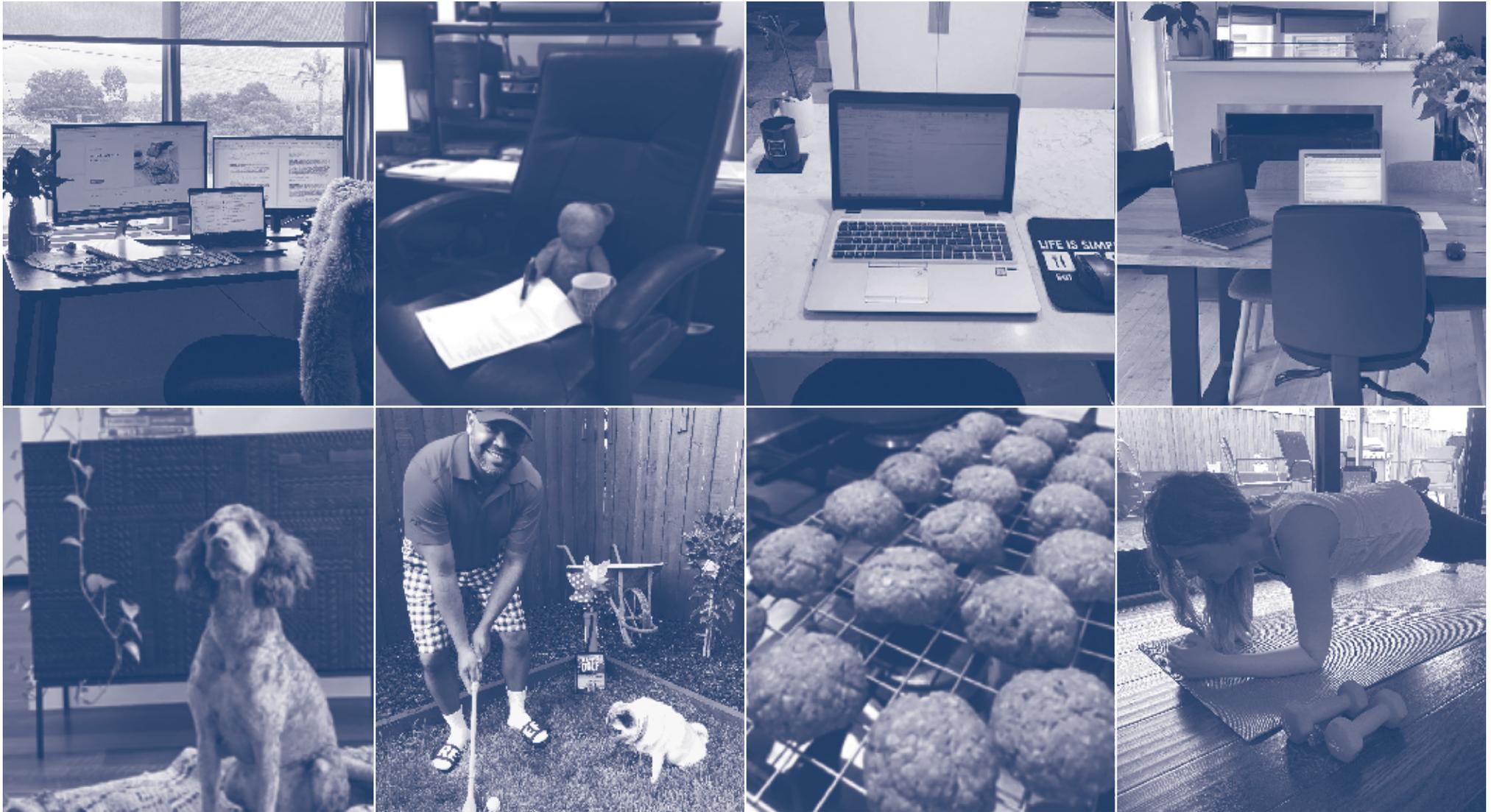
ESG planning

Below is a summary of our planned FY21 targets and initiatives for material ESG aspects of our Praeco operations.

ELEMENT	ITEM	TARGET OR INITIATIVE	STRATEGY
ENVIRONMENT TARGETS AND INITIATIVES			
Energy	Electricity consumption	Initiative: Study energy use and seek to identify new opportunities to minimise electricity usage on site	<ul style="list-style-type: none"> Review of energy consumption - Potential reductions could result from equipment replacements, BMS control adjustment and monitoring usage
Energy	Solar	Initiative: Evaluate any solar power opportunities	<ul style="list-style-type: none"> Investigate any potential locations /opportunities for application of solar panel arrays
Sustainability	GHGE	Initiative: Study increased service and infrastructure demands and determine appropriate and practicable GHG emission pathway/targets approach	<ul style="list-style-type: none"> Review and rationalise GHG emissions modelling to incorporate pathway/targets that are appropriate and practicable
Water	Water consumption	Initiative: Review water conservation opportunities. <i>Note: GJBC has no town supply and water is sourced via rain harvesting, bore and water catchment</i>	<ul style="list-style-type: none"> Review any further opportunities to reduce water consumption including in cooling tower and washrooms
Waste management	Waste diversion	Target: >15% of waste on site diverted from landfill	<ul style="list-style-type: none"> Maintain current recycling strategies but review target (Diverted 35% in FY20) Investigate feasibility of food waste recycling
SOCIAL VALUE TARGETS AND INITIATIVES			
WHS	Employee turnover rate	Target: < 10% staff turnover for Infranexus/Praeco and service provider teams on site	<ul style="list-style-type: none"> Support employee satisfaction / well-being especially during the post-pandemic transition, including Infranexus/Praeco consideration of support for work from home options and a focus on work/life balance
WHS	Employee wellbeing	Target: Introduce at least 1 initiative during FY21 that supports Infranexus/Praeco employee welfare and well-being	<ul style="list-style-type: none"> Introduce at least one initiative during FY21 that supports employee well-being relating to equal opportunity, diversity, work/life balance, health and fitness or mental health aspects
WHS	Total reportable injury frequency	Target: a TRIFR of < 3	<ul style="list-style-type: none"> Continue to reinforce a culture of safety with a focus on COVID-19, employee welfare and wellbeing and contractor management Review current TRIFR benchmark of 3 and research appropriate benchmarking further
Community	Community engagement	Initiative: Seek additional ways to contribute to the broader community	<ul style="list-style-type: none"> Engage with community groups to seek further social value opportunities Review and enhance current social partnerships where possible
GOVERNANCE TARGETS AND INITIATIVES			
Climate change	Climate change risk	Initiative: Conduct climate risk assessment review	<ul style="list-style-type: none"> Review Praeco/GJBC climate change risk assessment, which addresses both physical risks and transition risks (Will be reviewed annually)
Code of conduct	Conduct	Initiative: Review Infranexus code of conduct	<ul style="list-style-type: none"> Review and update with consideration of current climate and best practice
Ethics	Ethics and corruption	Target: 0 ethics or corruption breaches	<ul style="list-style-type: none"> Review Infranexus/Praeco employee handbook and code of conduct policies Organise training and information session
Data security	Data privacy and cyber security	Target: 0 material data privacy or cyber security breaches	<ul style="list-style-type: none"> Maintain cyber security program which includes liaison with IT/cloud service provider, multi-layer defences, quarterly phishing tests and cyber security training Infranexus/Praeco to participate in quarterly IFM worldwide cyber security forums

COVID – adapting to new challenges

COVID-19 and working from home challenges for employees included video conferencing and making time for family, pets, exercise and creativity.



Definitions

Contracted Key Service Providers

Praeco employs staff through Infranexus Management Pty Ltd. Other services are provided by Spotless and include maintenance, security, cleaning and catering.

ESG

Environmental, social and governance (ESG) criteria are used to measure the sustainability and ethical impact of a company's operations. These elements are the cornerstones of a sustainability strategy.

GJBC

The General John Baker Complex (GJBC) is a joint operations Defence base located in Bungendore, Canberra.

GRI

The Global Reporting Initiative (GRI) is an international independent standards organisation that helps companies identify, gather and report sustainability related information in a clear and comparable manner and is now widely used by multinational organisations, governments, small and medium enterprises, non-governmental organisations and industry groups in more than 90 countries.

HQJOC

Headquarters Joint Operations Command, located in the General John Baker Complex (GJBC) in Bungendore, Canberra.

IFM Investors

IFM investors is owned by 27 not-for-profit superannuation funds and is one of the world's leading investment fund managers.

Infranexus Management Pty Ltd

Provides a management service to Praeco Pty Ltd, with support from a number of employees including a dedicated Operations Manager based on site. Infranexus is 100% owned by IFM Investors.

Materiality assessment

A key sustainability process for identifying areas of importance to both the company and key stakeholders. A materiality assessment is a vital step in identifying sustainability risks and opportunities to be further addressed by the company.

Praeco

Praeco Holdings Pty Limited and Praeco Pty Limited (Praeco) are contracted to the Commonwealth of Australia via a 28-Year project deed to provide a range of services at GJBC.

Spotless

Spotless Services Pty Ltd provides various asset management services to GJBC under a Services Agreement Deed and is 100% owned by the Downer Group.

Sustainability

For the purpose of this report and in accordance with the United Nations Sustainable Development Goals (SDGs) and current best practice, sustainability encompasses environmental sustainability, social values and governance aspects (ESG).

United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are 17 global goals aimed at achieving a sustainable future by 2030. The goals cover social and environmental themes like poverty and inequality, climate and environmental degradation and peace and justice. SCSPL references the UN Sustainable Development Goals in its sustainability planning.

Users

GJBC users are Defence personnel who access the facility to perform work activities.

WFE

World Federation of Exchanges (WFE) provide guidance and metrics on ESG elements and largely follows the GRI approach



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