

# ENVIRONMENTAL SOCIAL GOVERNANCE



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# About this report

**This ESG Report discloses our sustainability-related performance for the financial year ended 30 June 2021 for the activities of our businesses that are part of CleanKings Facility Management PTY Ltd trading as CleanKings Facility Services**

This report has been prepared in accordance with the 'Core' option of the Global Reporting Initiative's (GRI) G4 Guidelines<sup>2</sup>, which emphasise the importance of identifying and reporting on issues or concerns that are material to our business and our stakeholders.

As in previous years, we have retained H&S partners to provide a limited assurance on CleanKings application of the GRI G4. Principles for Defining Report Content, as well as on the selected sustainability indicators in accordance with the GRI G4 Principles for Defining Report Quality. These selected sustainability indicators are: Lost Time Injury frequency rate (LTIFR) and Total Recordable Injury Frequency Rate (TRIFR); total direct (Scope 13) and indirect (Scope 24); any significant environmental incidents ; and the total number and value of safety and environmentally related fines or successful prosecutions. For ease of reference H&S Partner's assurance statement is included on page 19.

# Sustainability Snapshot

## Financial

**\$11.2m**

Total revenue including joint ventures and other income

**\$30m**

Work-in-hand

## People

**15.3%**

Percentage of Female Employees

**11.5%**

Percentage of female Senior executives

**10.5%**

Percentage of female Managers

## Health & Safety

**0**

Fatalities

**0**

Fines and prosecutions

**0.13**

Lost Time Injury Frequency Rate (LTIFR)<sup>4</sup>  
11.5%

**0.55**

Total Recordable Injury Frequency Rate (TRIFR)<sup>5</sup>

## Environment

**0**

Significant environmental incidents

**0**

Fines and prosecutions

1. Total workforce.

2. Australia only. Senior executives include the MD, key management personnel and 'other executives/general managers' as defined in the WGEA Reference Guide 2020-21.

3. Australia only. Managers include senior executives, as defined above, and 'senior managers' and 'other managers' as defined in the WGEA Reference Guide 2020-21.

4. Lost time injuries (LTIs) are defined as injuries that cause the injured person (employee or contractor) to be unfit to perform any work duties for one whole day or shift, or more, after the shift on which the injury occurred, and any injury that results, directly or indirectly, in the death of the person. The Lost Time Injury Frequency Rate is the number of LTIs per million hours worked.

5. The Total Recordable Injury Frequency Rate is the number of lost time injuries + medically treated injuries (employees and contractors) per million hours worked. Definitions used for LTIFR and TRIFR are based on AS1881.1 and documented in CleanKings management system. All incidents are reported and recorded in a hosted database, which covers all operations under CleanKings management control.

6. A significant environmental incident (≥Level 4) is any environmental incident where there is significant impact on or material harm to the environment, or a notifiable incident where there is a significant impact or material harm; or there is long-term community irritation leading to disruptive actions and requiring continual management attention.

# A word from our Managing Director



Central to our ESG approach is our Zero Harm philosophy. At CleanKings, Zero Harm means working in an environment that: supports the health and safety of our people; allows us to deliver our business activities in an environmentally sustainable manner; and advances the communities in which we operate. This report outlines our management approach and our performance in these key areas.

Environmental, social and governance (ESG) factors are core to our business strategy. We place great importance on their value, and manage our corporate ESG responsibilities as part of our daily business operations.

In this report we explain how we do that and what we have achieved this year.

We have established key performance indicators that we use to track our performance in relation to ESG matter.

CleanKings continued growth is directly linked to the success of our people. The health and safety of our employees and contractors will always be the number one priority for CleanKings and we remain focused on ensuring that all our people return home safely to their families at the end of their working day. I am proud to say that we continue to perform well against our key health and safety indicators due to our ongoing focus on 'critical risks' the low-likelihood, high consequence risks that have the potential to cause serious injury or death.

Developing environmentally sustainable solutions for our customers is also a focus for CleanKings. Our customers often look to us to deliver best practice options that will support their sustainability credentials.

We are also committed to supporting the communities in which we operate by creating enduring relationships that deliver lasting benefits. We do this by recruiting locally, partnering with local suppliers and investing in important community initiatives in a variety of ways by providing both financial and in-kind support.

A standout initiative for CleanKings this year was the recruitment partnership with RAW recruitment & services, a specialized recruitment company for Aboriginal and Torres Strait Islander people. This new recruitment partnership has brought structure to our commitment to engaging Aboriginal and Torres Strait Islander peoples with continued employment.

I would like to take this opportunity to thank our employees, our customers, and the communities we operate within as well as our business partners and suppliers for their continued support. I look forward to working with you to grow our business as we work towards a more sustainable future.



Don Hett  
Managing Director  
CleanKings Facility Management Pty Ltd  
T/A CleanKings Cleaning Services



# At CleanKings, customers are at the heart of everything we do

## Our Purpose



### Safety

Zero Harm is embedded in CleanKings culture and is fundamental to the company's future success

## Our Promise



### Delivery

We build trust by delivering on our promises with excellence while focusing on safety, value for money and efficiency



### Relationships

We collaborate to build and sustain enduring relationships based on trust and integrity



### Thought leadership

We remain at the forefront of our industry by employing the best people and having the courage to challenge the status quo



# About CleanKings



CleanKings is a fully Australian-owned company, employing more than 650+ employees. CleanKings has been in the commercial cleaning industry for the past seven years and has undergone a rapid growth phase while providing commercial cleaning services to government and private sector entities to deliver a cleaner environment to the Australian community. During the past decade, CleanKings has been offering its cleaning services across multiple Australian states, not only in metropolitan areas but in regional Australia as well.

Our rapid growth in accommodating more commercial cleaning contracts for large operations advanced us in to a company with an annual turnover of AU\$11 million with work in the pipeline in excess of AU\$30 million.

## What should you be including in your SDG progress report?

- Hospitality venues
- Functions & event cleaning
- Hotels and accommodation
- Theatres and entertainment

## With specialisations in following sub sectors:

- Building and facilities management
- Graffiti cleaning
- Vertical transport device cleaning – escalators and lifts
- Public area cleaning and maintenance
- High area cleaning (Working at Heights Certified) – glass, walls and canopy
- Resort management and maintenance
- Hospitality industry cleaning
- Pressure cleaning
- Floor strip and sealing
- Floor maintenance
- Ongoing regular maintenance programs
- Carpet steam cleaning
- Builders clean and window cleaning

# Material issues

Our material sustainability issues have been identified through a materiality assessment by reviewing our risk registers and internal documents, consulting with our key corporate functional leaders and divisional senior managers, on issues identified by regulators, peers, stakeholders (i.e. customers, suppliers, employees, shareholders). These priority areas for our business form the structure of this report.



## People

Recruiting and retaining the right people is fundamental to being able to deliver the best service options to our customers and providing a work- place that motivates people to excel.



## Health and Safety

The health and safety of our people and our communities is our first priority. Our Zero Harm culture is built on leading and inspiring, rethinking processes, applying lessons learnt, and adopting and adapting practices that aim to achieve zero work-related injuries.



## Environment

Developing environmentally sustainable solutions for our customers is a focus for CleanKings. We focus on managing risks associated with environmental management and climate change. Our customers often look to us to deliver best practice options.



## Communities

Understanding the capability and the needs of our host communities allows us to adapt the way in which we deliver our services and products to minimise short-term impacts and create lasting benefits.



## Governance

Our governance framework provides a platform for decision making based on our Purpose, Promise and Pillars.

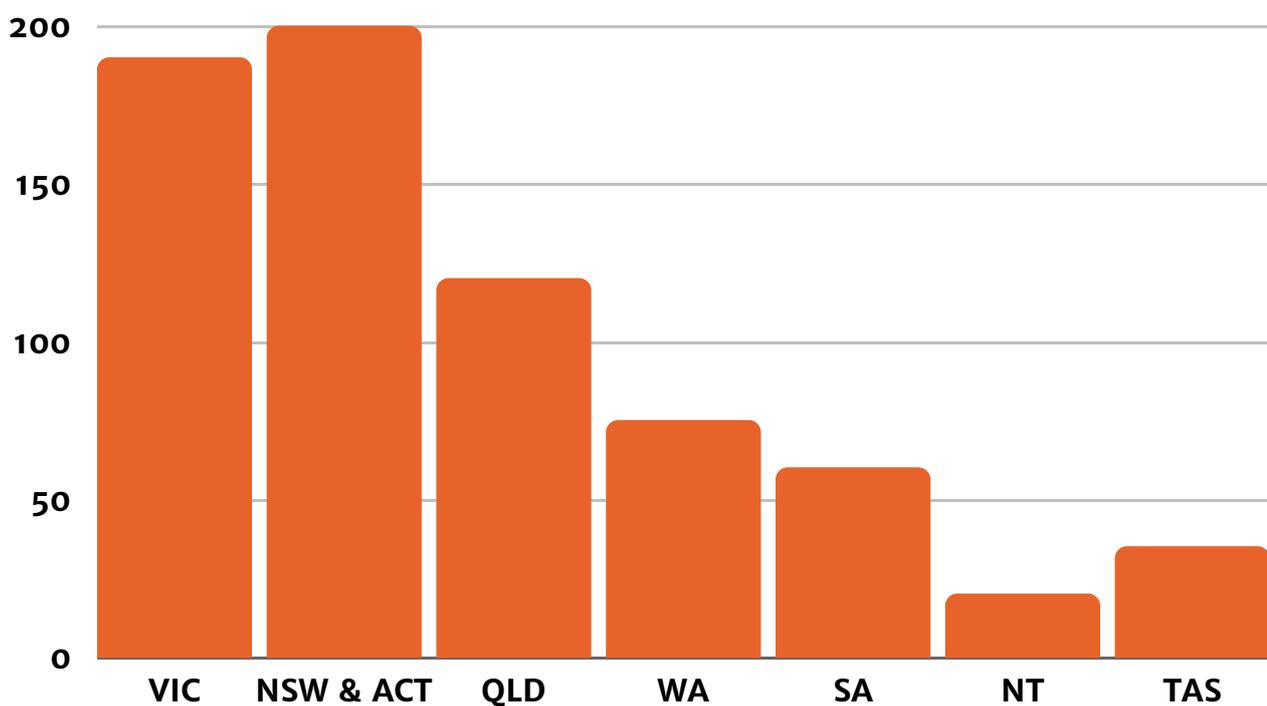
# Our People

The continued growth of our Company is directly linked to the success of our people. We recognise that to create a high performance culture our employees need to feel inspired, engaged and empowered. It is for this reason that we place a high priority on providing them with the skills, systems and support they need to meet their personal and professional goals.

## Workforce breakdown

In FY21, we employed around 650+ people. Approximately 75% of our employees based in metropolitan areas of Australia covered by industry-based awards.

## Total workforce by region



# Diversity at CleanKings

CleanKings works to foster a diverse and inclusive workplace that facilitates opportunity and respect for all our employees. We are committed to developing a workforce comprising motivated employees from the widest possible pool of available talent. CleanKings commitment to diversity and inclusion is formalised in the Company's Diversity and Inclusiveness Policy.

Since 2015 we have been committed to taking a broader and more strategic approach to diversity and inclusion. This has seen us centre our diversity initiatives on both our current employee demographics and our business needs.

The following three focus areas inform our strategy:

01. Gender
02. Generations
03. Cultural diversity

## 01. Gender diversity

CleanKings has set a target to ensure 20% of our workforce is female by 2022, comprising 12% female managers.

CleanKings operates across several sectors in which female equality has traditionally lagged behind other major industries. We are committed to overcoming the challenges this presents by focusing on practical ways to attract, develop and retain female talent.

As at 30 June 2021, our gender representation metrics were as follows:

Percentage of Female Employees - 15.3%

Percentage of female Senior executives - 11.5%

Percentage of female Managers - 10.5%

## 02. Generational diversity

It is important to us to have a workforce composed of different age demographics as each generation brings different perspectives and levels of experience to our business. We have a significant number of employees considering retirement in the next five to 10 years. Our renewed focus on workplace flexibility will allow our older employees to best manage their changing work-life requirements whilst allowing skills and experience to be retained within the business.

## 03. Cultural diversity

In July 2017 CleanKings initiated a recruitment partnership with RAW recruitment & services, a specialized recruitment company for Aboriginal and Torres Strait Islander people. This new recruitment partnership has brought structure to our commitment to engaging Aboriginal and Torres Strait Islander peoples with continued employment. It also extends upon our existing partnerships and our broader Diversity and Inclusion (D&I) Strategy, which has a cultural component.

## Developing our employees

At CleanKings we build strategic capability to ensure our people have the right knowledge, skills and attitudes to deliver results for our customers safely. We have developed customised learning and development frameworks and programs that are responsive to our current business needs and focused on future capability drivers for performance.

## CleanKing's learning and development goals include:

- Support our Zero Harm culture;
- Grow our leaders to achieve outstanding results;
- Embed project management excellence;
- Build skills to enhance business relationships;
- Build skills to strengthen business acumen; and
- Support organisational learning, change and transformation
- Capability development is underpinned by our four Pillars and aligns to the behaviours that will deliver CleanKing's Purpose and Promise

# Health and Safety

Our business is founded on the deeply held value of Zero Harm. As it applies to safety, we remain focused on ensuring that all our people return home safely to their families at the end of their working day.

## Zero Harm safety culture

Our Zero Harm safety culture is built upon our ability to lead and rethink processes, adopting practices that aim to achieve zero work-related injuries. Our approach to safety is a market differentiator for CleanKings as it enables us to work in industry sectors where there are inherent hazardous environments. We firmly believe that any injury is unacceptable and preventable. In everything we do, the health and safety of our people and communities is always our top priority.



## Our approach

The commitment we have to our goal of Zero Harm is supported by strong leadership. Our executive and senior managers actively empower our people to maintain safe working environments.

CleanKings prides itself on having an established and mature safety culture. Achieving Zero Harm requires strong leadership and relentless commitment. We work to achieve this through:

- setting clear leadership expectations, developing and involving our people, and acting with integrity;
- two-way engagement with our workforce focusing on a message of personal commitment, active caring, critical risk management, control effectiveness, and data analysis. Our people at all levels are actively involved and accountable;
- learning from our experiences, and investing in our workplace culture to the extent that all employees and contractors have enhanced commitment and capability;
- continuing to improve and simplify our management systems to support the way we work;
- continual focus on managing risks that have the potential to cause harm to our people or the community; and
- aligning our values throughout our organisation.

## Our focus in FY21

### In the year ahead we will focus on:

Continuing to enhance the technical and leadership skills of our frontline managers and supervisors by building their capability in managing Zero Harm. In FY22 we will deliver further Critical Risk Management and Our Safety Focus annual re-induction training modules. A revision of the current new starter induction module is also being undertaken to ensure the messaging continues to support our Zero Harm cultural journey;

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Strategically managing our critical risks and further embedding our critical risk program. We will continue to enhance our employees' understanding and engagement in the program and encourage an approach of 'Celebrating the Red', where people are recognised for finding a critical control that is not in place or not effective, and correcting it;

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Continuing to review, measure and benchmark our performance across a range of leading and lagging indicators, to provide assurance that the business has the necessary processes in place to manage Zero Harm risks, in order to minimise the number of incidents;

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Strengthening and simplifying our management systems with a consistent approach to Zero Harm across the business, including our recent acquisitions; and

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Providing appropriate skills, leadership and training to employees and contractors

# Our Environment

Developing environmentally sustainable solutions for our customers is a focus for CleanKings. Our customers often look to us to deliver best practice options.

We recognise that it is not possible to provide our diverse products and services without having some impacts on the environment. These impacts generally relate from the activities we carry out for our customers.

CleanKings is focused on developing solutions to reduce our energy consumption and GHG emissions, while at the same time increasing our cost competitiveness.

Most of our current contracts, are increasingly setting more stringent sustainability and environmental management performance criteria. If we fail to offer leading environmentally sustainable solutions, our ability to win work will suffer.

## Our performance

We record all environmental incidents, using a six-level severity rating. In FY21 there were no significant environmental incidents<sup>1</sup> ( $\geq$ Level 4) and we achieved our target of no Level 5 or Level 6 environmental incidents.

We have enhanced our management systems to meet the new requirements of ISO14001:2015. The revised standards require consideration of the 'lifecycle perspective' in our upstream and downstream value chain. This includes the stages of the lifecycle that CleanKings can control or influence. It also stipulates that we are required to provide information to our external stakeholders (customers, contractors, transport providers etc) about any potentially significant environmental impacts associated with our services.



# Communities

CleanKings is committed to supporting the success of the communities in which we operate, by fostering and maintaining enduring relationships built upon trust. This is achieved through our commitment to open and transparent communication and the recognition of our responsibility to contribute positively to society.

## **Our approach:**

### **Creating enduring relationships**

We fully recognise the significant and lasting socio-economic benefits our presence in the community can bring and we honour the responsibility that comes with that. For this reason we seek to engage with local suppliers and contractors, and actively participate in regional business groups.

We implement a range of strategies focusing on social responsibility, local and Indigenous employment, cultural heritage management and stakeholder engagement.

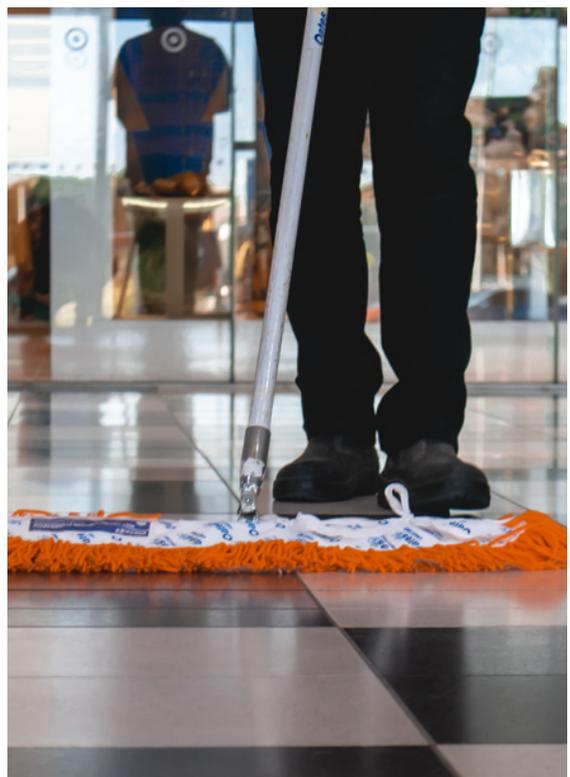
Our robust stakeholder engagement processes are in place to help us understand the true extent of our social, economic and environmental impacts.

Our teams are required to tackle issues in a structured manner, and with the utmost respect for the local community.

## **Our performance**

Due to the nature of the sectors in which we work, our operations are sometimes situated in regional and remote locations, where the creation of job opportunities is of key concern. We recognise that we are well placed to provide these communities with opportunities for economic participation through employment, skills development and business opportunities. As much as possible we recruit locally, particularly on long-term projects.

We also look to provide training and apprenticeship opportunities.



**CleanKings supports many community and not-for-profit organisations.**

**The key initiatives we supported in FY21 included:**



**firstvoice**



# Governance

CleanKings is committed to the highest levels of governance and we actively work to foster a culture that values exemplary ethical standards, personal and corporate integrity, and a high level of respect for our stakeholders.

Our robust governance framework plays a key role in demonstrating our transparency and accountability to shareholders. Critically, it works to strengthen our relationships with them and in doing so, facilitates the sustainable growth of our Company.

## Our approach

CleanKings corporate governance framework provides the platform from which we identify, assess and manage material risks to our business.

Recognising the need for the highest standards of corporate behaviour, our management endorses the Corporate Governance Principles and Recommendations, the benchmark for good governance in Australia.

## Promoting a risk-aware culture

CleanKings risk management governance framework promotes a risk-aware culture, which works to enable us to address known risks and emerging issues effectively. It incorporates evaluation and continuous improvement metrics in line with the principles, framework and processes set out in the international standard ISO31000:2009 Risk management Principles and guidelines. Several Board Committees assist the Board in discharging its responsibilities. The charters for the Board and these Committees are available on our website in the Corporate Governance section.

## Board Committees:

### Nomination and Corporate Governance Committee

The Nomination and Corporate Governance Committee oversees the practices for selecting and appointing Directors, and for reviewing the performance of the Board. It also plays an overarching role in ensuring compliance with our corporate governance commitments and legal and regulatory obligations. Remuneration Committee The Remuneration Committee has responsibility for reviewing and making recommendations to the Board on senior executive recruitment, retention, succession planning, remuneration and incentive plans.



# Assurance Statement

H&S Partners  
Public Accountants  
A.B.N. 33 984 115 171

Based on the evidence we obtained from the procedures performed, for the year ended 30 June 2021.

- We are not aware of any material misstatements in the ESG Report with regards to CleanKings application of the GRI G4 principles for defining report content and quality.
- We are not aware of any material misstatements in the Selected Sustainability Information, which has been prepared by CleanKings Integrated Facility Management T/A CleanKings Cleaning Services, in accordance with the GRI G4 principles for defining report content and quality.

## Criteria used as the basis of reporting

The criteria used in relation to the Sustainability Report content are the GRI G4 principles for defining report content and in relation to the Selected Sustainability Information the criteria are the GRI G4 principles for defining quality and CleanKings policies, procedures and methodologies.

## Criteria used as the basis of reporting

The criteria used in relation to the ESG Report content are the GRI G4 principles for defining report content and in relation to the Selected Sustainability Information the criteria are the GRI G4 principles for defining quality and CleanKings policies, procedures and methodologies.

## Basis for conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 and ASAE 3410 (Standards). In accordance with the Standards we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that the Selected Sustainability Information is free from material misstatement, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

## Summary of procedures performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- enquiries with relevant CleanKings staff, and review of selected documentation, to assess the appropriateness of CleanKings process for the application of GRI G4 principles for defining report content and quality;
- enquiries with relevant CleanKings personnel to understand the internal controls, governance structure and reporting process of the Selected Sustainability Information;
- review and challenge of CleanKings materiality assessment process;
- analytical procedures and sample testing over the Selected Sustainability Information;
- site visits to selected client properties
- walkthroughs of the Selected Sustainability Information to source documentation; and
- review of the CleanKings ESG Report 2021 in its entirety to ensure it is consistent with our assurance work.

## How the Standard defines limited assurance and material misstatement

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Misstatements, including omissions, within the Selected Sustainability Information are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of CleanKings.

## Use of this Assurance Report

This report has been prepared for the Directors of CleanKings for the purpose of providing an assurance conclusion on the Selected Sustainability Information and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of CleanKings, or for any other purpose than that for which it was prepared.

## Management's responsibility

- determining that the criteria is appropriate to meet their needs;
- preparing and presenting the Selected Sustainability Information in accordance with the criteria;
- determination of CleanKings GRI level of disclosures in accordance with the GRI G4 guidelines; and
- establishing internal controls that enable the preparation and presentation of the Selected Sustainability Information that is free from material misstatement, whether due to fraud or error; and maintaining integrity of the website.

## Our responsibility

Our responsibility is to perform a limited assurance engagement in relation to the Selected Sustainability Information for the year ended 30 June 2021 and to issue an assurance report that includes our conclusion.

## Our independence and quality control

We have complied with our independence and other relevant ethical requirements of the Code of Ethics for Professional Accountants issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.

Yours Sincerely,



SUNITA PECHERA  
ACCOUNTANT  
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