



Modern Slavery Statement
2023



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About Kelsian Group

Kelsian Group Limited ACN 109 078 257 (Kelsian) is listed on the Australian Securities Exchange (ASX) and is Australia's largest integrated multi-modal transport provider and tourism operator, with established bus operations in Australia, the USA, Singapore, London and the Channel Islands. Kelsian provides essential journeys for our customers by delivering safe and intelligent transport solutions designed to improve the sustainability and livability of the communities we serve.

Kelsian has over 30 years' experience delivering tourism experiences and passenger transport services. Kelsian is a leader in sustainable public transport as the operator of Australia's largest zero emission bus fleet and Australia's largest electrified bus depot.

As at 30 June 2023, Kelsian directly employs over 11,000 people and operates over 4,800 buses, 113 vessels and 24 light rail vehicles that delivered more than 274 million customer journeys over the last year. Kelsian is made up of SeaLink Marine & Tourism operations and facilities, and three bus divisions, All Aboard America Holdings, Inc. (USA) Transit Systems (Australia) and Tower Transit (Singapore and UK).

Kelsian has a continuous focus on innovation and is leading the way in the area of sustainable transport and tourism experiences, with the introduction of fully electric buses in Adelaide, New South Wales, Perth, Victoria, USA, UK and Singapore and demand responsive transport services in Sydney, Melbourne and Adelaide.

Kelsian, through its Transit Systems division, has also become the first operator in Australia to deploy hydrogen fuel cell bus technology. These buses have been deployed successfully into the Adelaide metropolitan public transport network. In addition, Kelsian also operates an ecotourism resort on the world heritage listed K'gari (formerly known as Fraser Island) and provides eco-experiences and tours in Queensland and South Australia.

Headquartered in Adelaide since 1989, the business has experienced a remarkable period of transformational growth and emerged as a leader in both public transport and tourism, nationally and overseas.



Overview

This statement references Kelsian's continued support for the Commonwealth Government of Australia's commitment to eradicating modern slavery in workplace operations and global supply chains. Kelsian further supports the requirements pursuant to the Commonwealth *Modern Slavery Act 2018* (the Act) and understands its obligations as a reportable entity under the Act.

The purpose of this statement is to set out Kelsian's report for financial year 2023. This report outlines Kelsian's approach to identifying, managing, and mitigating modern slavery risks in its operations and supply chains. This statement is endorsed and approved by the Kelsian's Board of Directors.

The term 'Modern Slavery', as defined by the Act, defines modern slavery as including eight types of serious exploitation and includes trafficking in persons, slavery, servitude, forced labour, debt bondage, deceptive recruitment, forced marriage, and the worst forms of child labour: situations where children are subjected to slavery or similar practices, or engaged in hazardous work.

Kelsian understands that it has both a moral and legal responsibility to ensure, to the best of its knowledge, that modern slavery practices do not exist within its operations and supply chain. Kelsian finds it wholly unacceptable that in 2021 there were an estimated 49.6 million people worldwide who were victims of forced labour, 17.3 million of which were exploited in the private sector through domestic work, construction or agriculture as reported by the International Labour Organisation.¹

Alarming, the 2023 Global Slavery Index, notes this figure is rising with an estimated 173 percent increase in Australia, resulting in an estimated 41,000 people in Australia living in modern slavery conditions².

The Board of Kelsian unequivocally condemns modern slavery in all its forms and our expectation continues to be that all of our employees, suppliers, subcontractors and any other person or entity affiliated with our business share this view.

The Reporting Entity

Kelsian Group Limited is the ultimate holding company and a reporting entity for purposes of this Modern Slavery Statement. Kelsian consists of numerous subsidiary entities both nationally and internationally.

Kelsian Group Limited

ACN: 109 078 257

Registered office: Level 3, 26 Flinders Street, Adelaide, SA 5000

The following Kelsian Group Limited wholly owned subsidiary entities are also reporting entities for purposes of the Act and together with Kelsian Group Limited have prepared this joint statement:

- Transit Systems Pty Ltd - ACN 135 200 609
- Transit Systems West Pty Ltd - ACN 161 755 988
- Torrens Transit Pty Ltd - ACN 088 342 152
- Swan Transit Pty Ltd - ACN 123 123 259

This statement has been prepared and submitted on behalf of Kelsian Group Limited and the above entities in respect of the operations of Kelsian.

Annual Reports

2022 – 2023



¹ [Source: Global Estimates of Modern Slavery: Forced Labour and Forced Marriage > September 2022](#)

² [Source: Global Slavery Index Report 2023 > May 2023](#)

Our Business Structure & Operations

Kelsian is a public company (ASX: KLS), listed on the Australian Securities Exchange (ASX). Since inception, Kelsian has delivered transport services, initially through a ferry service between Kangaroo Island and the mainland in South Australia.

Kelsian is now a leading multi-modal integrated transport operator, delivering essential services through public transport operation contracts on behalf of governments globally and also offers brilliant holiday and tourism experiences to some of Australia’s most desired and idyllic locations.

As of 30 June 2023, our business operations and divisions are structured as follows:

			
<p>Transit Systems, our Australian Public Transport Division, provides public transport services including bus, charter and light rail operation, on behalf of governments in Australia.</p>	<p>All Aboard America, our USA Bus Division, provides urban transport, charter services and bus public transport services under contract to government transport agencies and private sector clients in seven US states.</p>	<p>Tower Transit, our International Bus Division, provides bus public transport services under contract to government transport agencies in Singapore and the Channel Islands.</p>	<p>SeaLink, our Marine & Tourism Division, provides passenger and transport ferry services, tourism experiences and resort facilities within Australia.</p>



Hydrogen Bus, Torrens Transit, South Australia

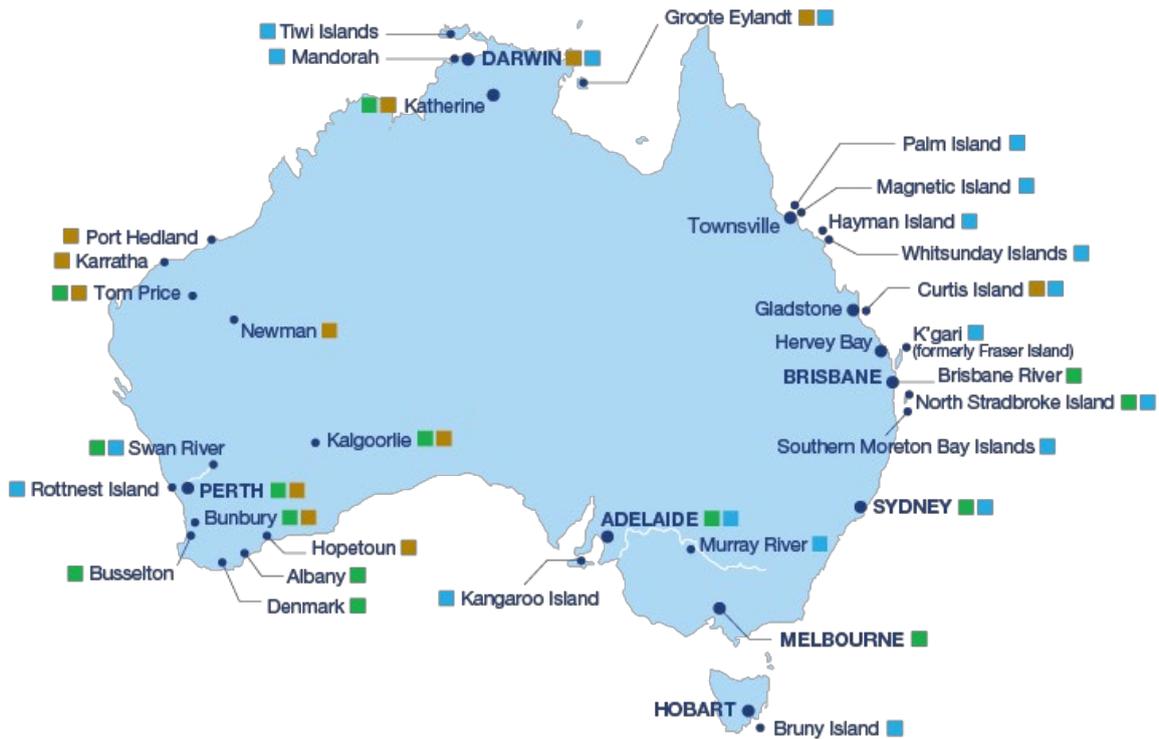
OUR GLOBAL OPERATIONS

A snapshot of Kelsian Operations at 30 June 2023.

240 MILLION CUSTOMER JOURNEYS

OPERATIONS ■ Public Transport ■ Resource and Charter ■ Motorcoach ■ Marine & Tourism

Australia



OUR GLOBAL OPERATIONS

USA



Singapore



UK



Channel Islands

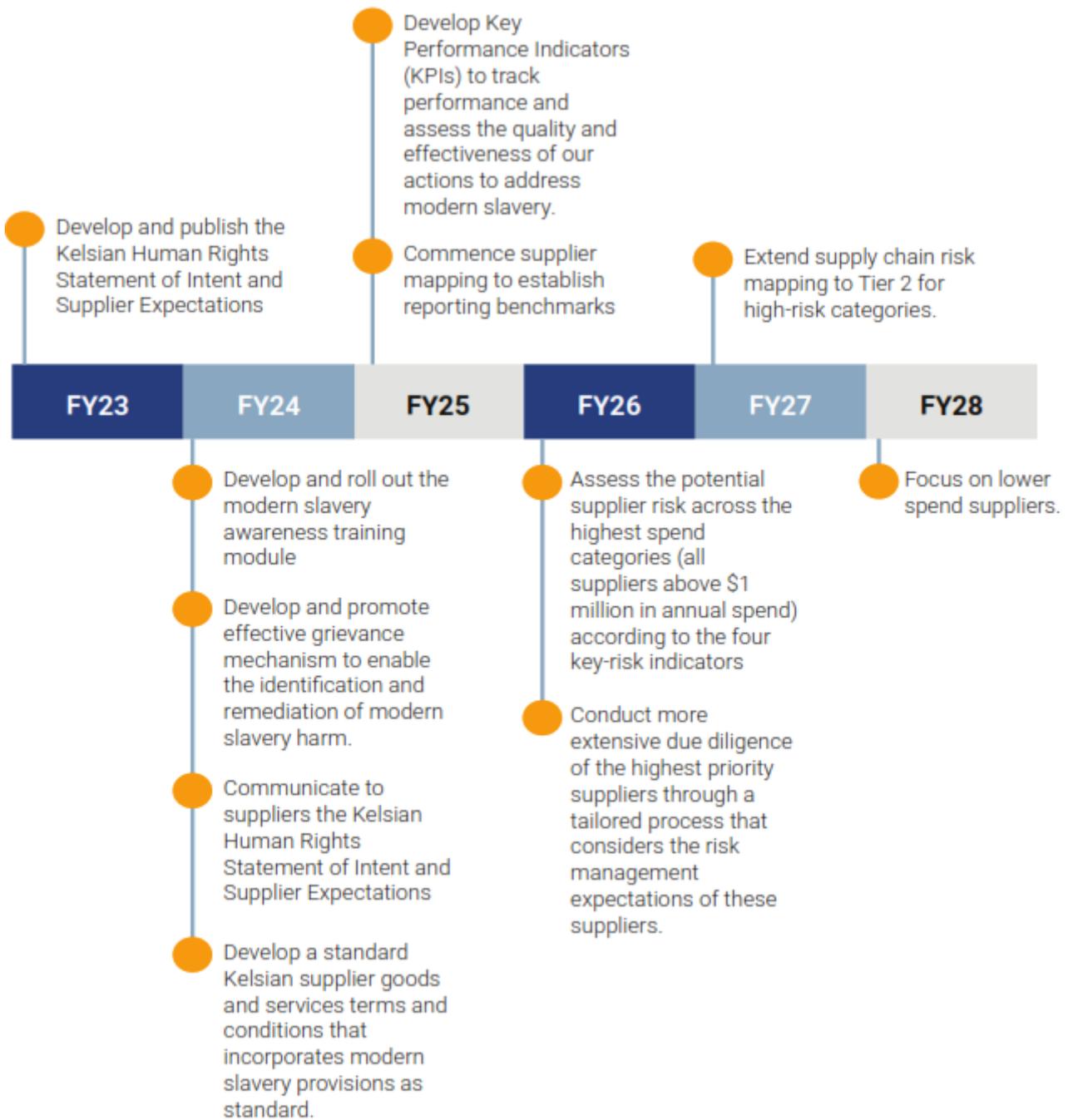


Modern Slavery Road Map

During the reporting period Kelsian has established a future roadmap that will form the basis of how we approach, manage and mitigate modern slavery risks within our operations and supply chain in the future.

The intention of this roadmap is to lay the framework for future implementation of initiatives and to ensure we internally resource and assign tasks appropriately.

Our risk assessment procedure requires annual review of all risks and controls, including modern slavery risks identified in our operations and supply chain.



Our Supply Chain

Kelsian seeks to partner with like-minded suppliers and vendors who share our ethical values regarding modern slavery, anti-corruption, personal data protection and human rights more broadly. Kelsian will not knowingly contract with or purchase from companies who are in violation of human rights practices. We understand that external providers who Kelsian interacts or contracts with within a supply chain capacity may reflect on our organisation.

Kelsian partners with a large network of suppliers and subcontractors to deliver its core services. Our supply chain is diverse in its product and service offerings. Suppliers differ in entity size from large corporates to small and medium businesses located in Australia and other countries.

Kelsian's supply chain consists of both direct and indirect suppliers. As an Australian based business and through contractual commitments to our customers and clients, we endeavor to source products locally in Australia where possible, ideally direct from the communities in which we operate services. This applies to all Kelsian Australian-based operations and for our international-based businesses.

Prior to contracting or entering supply arrangements with another entity, Kelsian ensures that the entity is aware that Kelsian expects they act honestly, lawfully and ethically. This is outlined in our publicly available Supplier Expectations documentation ([Kelsian | Our Governance](#)).

Supply Chain Categories

Kelsian's supply chain across all operations and geographies is relatively similar in composition and somewhat predictable goods and/or services are required to be procured on a routine basis.

Kelsian's supply chain is broadly reflected in the categories noted below.

General Goods and Services	<ul style="list-style-type: none"> Operational purchases e.g., fuel, external cleaning, bus/vessel parts, uniforms, telco/ IT services etc.
Maintenance Services	<ul style="list-style-type: none"> Services required for works on assets and property e.g., specialised repairs for vehicles/vessels, qualified tradespersons etc.
Capital Purchases	<ul style="list-style-type: none"> Purchase of assets e.g., purchase of vehicles/vessels, property etc.
Capital Works	<ul style="list-style-type: none"> Works required to upgrade assets and/or infrastructure e.g., works for depot electrification, upgrade of ferry terminal infrastructure etc.
Retail Goods	<ul style="list-style-type: none"> Products purchased for resale purposes e.g., food and beverage, merchandise etc.
Professional Services	<ul style="list-style-type: none"> To support business operations/programs e.g., financial, advisory, technical and audit services etc.
Indirect Suppliers	<ul style="list-style-type: none"> Suppliers who do not have a direct trading relationship with Kelsian but are part of a recognised Kelsian supplier's underlying supply chain.

Divisional Supply Chain Overview

The below provides an overview of Kelsian’s supply chain activity by division:

Australian Bus	<ul style="list-style-type: none"> • Goods and services i.e., fuel, oils and lubricants, spare parts, tyres, uniforms, cleaning services, telco/ IT services, utility services • Maintenance services i.e., crash repairs, chassis repairs, engine repairs, windscreen repairs, general trades person works • Capital purchases i.e., additional bus fleet as required • Capital works i.e., engagement of construction companies for physical depot upgrades • Professional services i.e., technical services and advisory support
International Bus	<ul style="list-style-type: none"> • Goods and services i.e., fuel, oils and lubricants, spare parts, tyres, uniforms, cleaning services, telco/ IT services, utility services • Maintenance services i.e., crash repairs, chassis repairs, engine repairs, windscreen repairs, general trades person works • Capital purchases i.e., additional bus fleet as required • Capital works i.e., engagement of construction companies for physical depot upgrades • Professional services i.e., technical services and advisory support
Marine & Tourism	<ul style="list-style-type: none"> • Goods and services i.e., fuel, spare parts, uniforms, cleaning services, telco/IT services, utility services • Maintenance services i.e., vessel repairs, engine repairs, blasting and painting, general trades person works • Capital purchases i.e., additional marine fleet vessels as required • Capital works i.e., engagement of construction companies for physical ferry terminal and/or infrastructure upgrades • Retail goods i.e., food and beverage, company merchandise • Professional services i.e., technical services and advisory support

Note that all divisions are subject to indirect suppliers who do not have a direct relationship with Kelsian, however may form part of a direct supplier’s underlying supply chain. For this aspect of the supply chain, Kelsian expects its direct suppliers hold primary accountability and management of these suppliers (given it is a direct supplier to their core operations).

If Kelsian suspects a breach of ethics or concerns are brought to Kelsian’s attention regarding indirect suppliers, Kelsian will notify its direct supplier immediately to seek response and remediation (if required).

Risks of Modern Slavery in Operations & Supply Chain

Kelsian understands modern slavery is a significant issue within the operations and supply chains of organisations globally. We understand that modern slavery is not limited in entirety to a specific location or industry. The Commonwealth Government's legislation has resulted in Kelsian's ongoing commitment to progressively improve our understanding and management of modern slavery risks in our supply chain and operations.

With over 11,000 strong global workforce, Kelsian prioritises operational modern slavery risk to ensure our people are treated fairly, with respect and remunerated appropriately.

Secondly, we understand to conduct our operations we must engage a considerable supply chain. We understand that Kelsian is ultimately responsible for managing the ethics of its direct supply chain. Furthermore, we appreciate the potential that modern slavery could be linked to our business directly, indirectly or through association.

Kelsian acknowledges that statistically it is more likely modern slavery practices may occur in geographic locations with a lesser reputation for supporting human rights. However, it is our responsibility to continue to communicate and reinforce to our employees and suppliers their obligations to operate ethically.

Our approach to modern slavery risk management is governed by our Group Sustainability Policy which outlines our commitment to effectively manage our non-financial risks, including those related to modern slavery and human rights violations. The Kelsian Board provides oversight of risks and proactively considers and reviews risks relating to financial and non-financial issues.

Consistent with the Modern Slavery Reporting Guidelines, during the reporting period we have continued to assess our potential to:

- Directly cause modern slavery through our operations.
- Contribute indirectly to modern slavery through our operations.
- Be directly linked to modern slavery through operations and activities of direct suppliers.

Electric Buses, Transit Systems Victoria



OPERATIONAL RISK

Kelsian employs more than 11,000 people. Employees are based mostly in Australia, Singapore, USA, Channel Islands and the United Kingdom. Whilst Kelsian is a global company, the largest proportion of our operations are conducted within Australia, where most of our employees are located. From a geographical perspective, given the controls, legislation and societal expectations in Australia, this lessens the risk to most of our workforce from being subjected to modern slavery labour practices. Kelsian takes human rights practices very seriously and the safety of our workforce, suppliers and communities in which we operate is the single most important priority for our business. Furthermore, we ensure our operations are compliant with all applicable local and international laws to ensure that international human rights are respected across the business.

According to the Global Slavery Index 2023, our international operations fall in the lower range of geographical country risk categorisation. This is due to these countries having strong governance frameworks in place to prevent human rights violations. However, we continue to monitor our business operations to ensure safe environments are provided to our workforce and that our people are treated fairly and equitably under the relevant legislation and applicable enterprise agreements.

As Kelsian has a level of control to ensure any potential modern slavery risks associated with direct operational aspects of our business in managed correctly, it is expected any issues that arise will be addressed and resolved quickly. Kelsian continues to progressively communicate to all employees, contractors and those affiliated with our organisation our expectations and their obligations, where possible.

SUPPLY CHAIN RISK

Kelsian collaborates with a significant number of suppliers who contribute to our underpinning supply chain. Kelsian considers the potential risk of modern slavery practices occurring within our supply chain to be more possible than directly within our operations.

During the reporting period, we continue to assess areas of our supply chain that may be more susceptible or have greater exposure to the risk of modern slavery being present. Kelsian has built upon its modern slavery risk matrix and communicated our expectations to previously identify areas considered high risk. Modern slavery risks remain an active part of Kelsian's live risk register and suppliers are advised of their obligations regarding ethical conduct when transacting with Kelsian.

Risk Assessment

Modern slavery risk is a component of Kelsian's risk management suite. Risk Assessments regarding modern slavery have concluded that, to the best of our knowledge, Kelsian does not have any direct trading arrangements with suppliers who do not have a local presence or agent in the same geography as Kelsian's operations. The areas considered to be higher risk include:

- Facility Management – cleaning contracts, skilled maintenance etc.
- Uniform Supply – garments or PPE that may originate from a high risk geography.
- Spare Parts & Fleet Purchases – parts that may originate from a high risk geography.
- Tyre Supply – tyres that may be produced in factories from a high risk geography.
- Office Supply Purchases – products that may originate from a high risk geography.
- Food & Beverage Purchases – packaged items that may be produced in factories within a high risk geography.

As set out in our Supplier Expectations documentation, Kelsian expects that our direct suppliers act ethically and disclose any potential modern slavery breach immediately. We view suppliers that we have active contractual relationships with present a lower risk in terms of engaging in modern slavery behaviour in comparison to that of our indirect suppliers. This is due to our direct suppliers undergoing more robust and diligent processes to supply Kelsian's operations (e.g. tender processes, contractual conditions, contract management overview and reporting mechanisms).

Kelsian continues to engage with our supply chain to review our direct and indirect suppliers (specifically those considered 'high risk') to reaffirm their commitment to and compliance with the *Modern Slavery Act 2018* (Cth).

Risk Mitigation

Actions to mitigate and address the risk of modern slavery.

Kelsian is committed to continually enhancing processes to identify, assess and address potential modern slavery risks within our businesses, where possible. We understand that the abolishment of modern slavery activity in operations and supply chains requires ongoing commitment. To date, we have taken a risk-based approach and built out our governance arrangements, policies and procedures, and supply chain documentation to improve our position as an organisation that opposes modern slavery in all its forms.

OUR VALUES

At Kelsian, we believe our core values, known as our 'COMPASS' Values embody the culture of our business operations both commercially and ethically. It is our goal, through the adoption of our COMPASS Values, to create an environment where individuals fundamentally behave and conduct activity on behalf of Kelsian, in a manner aligned to similar moral principles with the greatest standard of integrity.

Our COMPASS Values set the tone for our people and the way we operate:

CUSTOMER BRILLIANCE

We focus on delivering a brilliant experience for every customer.

ONE TEAM

We are one united team. We support, respect and value each other.

MOTIVATED

We embrace each day with energy, enthusiasm, and a can-do attitude.

PROFESSIONAL

We take responsibility to 'do the right thing' with honesty and integrity.

AUTHENTIC

We are 'real' and genuinely care about what we do.

SUCCESSFUL

We are easy to do business with and we deliver results.

SAFETY FOCUSED

We make safety a priority in everything we do.

Kelsian's COMPASS values have been adopted by Transit Systems Group (Australia) and Tower Transit Group (UK) and now align with the values already in place for our Corporate and SeaLink Marine and Tourism Divisions. We recognise that some business units have their own values statements in place to express their values differently in a way that connects with the culture of their specific jurisdiction. We ensure that when this occurs, the sentiment of the values statements are strongly aligned to COMPASS values. For example, our Singapore operations adopt CITIES values (Care, Integrity, Teamwork, Innovation, Excellence, Safety).

All employees and contractors are expected to uphold COMPASS values.

GROUP RISK MANAGEMENT

Business risk registers across our expanded Group have been updated and reviewed during the reporting period. Risk management reviews and updated risk assessments include the assessment and mitigation of potential modern slavery risk within our operations and supply chain. In last year's reporting period, a dedicated risk assessment focused on modern slavery was conducted by Kelsian's internal audit and procurement team. In this year's reporting period, this risk assessment has been strengthened and more controls have been established to mitigate identified risks.

C

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BRILLIANCE**

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S

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FOCUSED**

We make safety a priority in everything we do.



As a major employer in Australia, it is a priority that operational modern slavery risk is of primary importance to ensure our people are treated fairly, with respect and remunerated appropriately.

Policies & Standards

Kelsian currently has a suite of established policies and procedures that outline our expectations of employees and contractors who undertake tasks on behalf of the Group. Our policies and procedures help implement our commitment to ethics, well-being, and safety, and demonstrate the protections afforded to our team members.

During the reporting period, we continue to review, improve and enhance our policies to ensure that they are appropriate for our operations and aspirations. Significantly, during this reporting period, Kelsian has created two key policies relevant to managing modern slavery risks – Kelsian’s Supplier Expectations and Human Rights Statement of Intent.

Several key Group policies and procedures, approved under the governance framework of Kelsian help promote ethical and compliant business conduct and influence our behaviour towards Modern Slavery risk management.

Kelsian is improving its climate related disclosures in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework and is committed to working with various state governments to help them achieve their decarbonisation goals. We also advocate and support global efforts to reduce emissions through the implementation of clear and stable climate change policies and market mechanisms.

In addition, Kelsian has also released its first standalone Sustainability Report. This is a milestone for Kelsian in regard to sustainability reporting within our business, which includes modern slavery. This can be viewed on Kelsian’s website <https://www.kelsian.com/sustainability>

CODE OF CONDUCT

Kelsian Group is committed to not only complying with its legal obligations, but also to acting ethically and responsibly. The Code of Conduct sets out the requirements that all Kelsian employees are required to meet when carrying out their roles or representing Kelsian Group.

DELEGATIONS OF AUTHORITY

Kelsian Group has a Delegation of Authority (DoA) directive which is applicable to all group operations. The DoA ensures that relevant senior management has oversight of key decisions, undertakings, and expenditures within the Group’s portfolio.

The DoA provides comfort that our actions as an organisation are both tangibly auditable and appropriate consultation and management approval is obtained when conducting our activities.

RESPECTFUL WORKPLACE BEHAVIOUR POLICIES

Kelsian Group is committed to providing a professional work environment, free from discrimination, victimisation and workplace harassment, including workplace bullying and sexual harassment. Policies and processes are in place across our Group to support this commitment for our employees.

WHISTLEBLOWER PROTECTION POLICY

Kelsian Group is committed to acting with fairness, honesty and integrity. This policy encourages people to speak up if they become aware of wrongdoing and help deter wrongdoing; explains how to speak up and what protections a discloser will receive; outlines how Kelsian Group will respond to reports made under this policy; and promotes a “safe to speak up” culture in which everyone feels protected and supported. This policy is intended to supplement, and not limit in any way, the provisions of the Corporations Act in relation to whistleblowing where they apply.

Transit Systems NSW



ANTI-BRIBERY AND CORRUPTION POLICY

Kelsian Group is committed to operating with the highest standards of honesty, integrity, fairness and professionalism in its operations and dealings with shareholders, employees, governments, customers, suppliers and communities. Bribery and corruption are unacceptable in any form and Kelsian Group requires all employees to ensure that any business dealings in which they are involved in, remain free from real or perceived bribery or corruption. The purpose of our Anti-Bribery and Corruption Policy is to clearly describe the commitment to ethical business practices and standards all employees are expected to adhere to by observing and upholding the prohibition of bribery and improper conduct.

GROUP PROCUREMENT POLICY

Kelsian Group Procurement Policy outlines how we manage our purchasing and procurement activities to enable efficient commercial arrangements that aligns with Kelsian Group strategies and drivers. One of the main objectives of this policy is to ensure probity and accountability is reflected through ethical procurement/purchasing processes, including fair treatment of suppliers. This policy references the requirement to be diligent in regard to modern slavery practices whilst engaging with external parties.

DIVERSITY AND EQUITY POLICY

Kelsian Group recognises that a talented and diverse workforce is a key competitive advantage, and our success reflects the quality and skills of our people. Kelsian Group benefits by bringing together high-quality people of diverse backgrounds. The Kelsian Group Board undertakes an annual assessment of performance against diversity objectives. This policy applies to all Kelsian employees, contractors, directors, and officers at all Kelsian Group locations.

HEALTH SAFETY ENVIRONMENT AND QUALITY POLICY

Kelsian Group is committed to the health, safety and welfare of our employees, contractors, visitors and customers. We care for the environment and are committed to preserving the natural environment through the efficient use of resources, minimising waste and reducing environmental impact, whilst promoting a culture of sustainability. We are also committed to high quality of service that provides an efficient, reliable and safe experience to our customers.

SUSTAINABILITY POLICY

This Policy provides Kelsian employees and directors with an overview of our commitment to sustainability. The objective is to support and enable employees to act in line with Kelsian values and expectations. We expect every employee to support the Sustainability Policy and strive to continuously improve to embed a culture of sustainability throughout the organisation.

SUPPLIER EXPECTATIONS

Kelsian's supplier expectations documentation is a public document that references the ethical standards and obligations expected of all suppliers who seek to engage with Kelsian's operations in a supply chain capacity.

HUMAN RIGHTS STATEMENT OF INTENT

This public document highlights Kelsian's commitment to seek to prevent any negative impacts as a result of our activities, including in relation to modern slavery, and ensure that our operations do not contribute to any form of human rights violation.



Procurement Visibility

Kelsian has a dedicated centralised procurement function to support the local procurement aspects of its subsidiaries that operate within a decentralised model.

A procurement support function has resulted in national supply agreements being managed more effectively with relevant corporate oversight and point of escalation. Tender processes for significant purchases or high-risk goods and services have increased in maturity. In relation to possible modern slavery activity, Kelsian requires that potential suppliers state their commitment and compliance with the Commonwealth *Modern Slavery Act 2018* (Cth) when bidding for goods and services through tender processes.

Below is an excerpt of a standard question Kelsian asks of potential suppliers in its Request for Proposal template issued to the market.

The Client (Kelsian) requires that you provide a statement to the best of your knowledge that in the event your Proposal is accepted the underlying supply chain utilised in the manufacture, transportation and delivery of goods and services does not contain elements of modern slavery. Please also outline any mechanisms your organisation has in place to mitigate these risks. Kelsian is aware of the potential of modern slavery to be present in its underlying supply chain and is committed to ensuring suppliers understand their obligations when trading with a Kelsian entity. It is our expectation that suppliers follow through on their commitments and to this end Kelsian will flag any potential issues, that may become apparent, through the contracted term.

Kelsian encourages all staff involved in procuring goods and services to consider potential modern slavery implications of transactions.

Group Procurement Policy

SOCIAL GOVERNANCE

All procurement and purchasing activities undertaken within our operations must consider Kelsian's commitment to ethical sourcing, anti-modern slavery, and corruption practices. All procurement activities are expected to examine and evaluate any potential negative impacts that may arise through Kelsian being affiliated with prospective suppliers.

Kelsian seeks assurance from key suppliers regarding modern slavery practices when required. Previously Kelsian has issued surveys to suppliers as a compliance tool to ensure alignment with Kelsian's views on modern slavery. Please refer to *Attachment One – Anti-Modern Slavery Survey* for the type of information Kelsian has requested from suppliers.

INTERNATIONAL COMMITMENT

The Tower Transit Division (Tower), part of Kelsian, operates essential public bus transport services in the Channel Islands and Singapore.

Under the UK Modern Slavery Act 2015 legislation, Tower has for some years assessed the risks of modern slavery in its supply chain and articulated its approach to managing risks of modern slavery practices in both its operations and supply chain in an annual statement available on the Tower website. Tower is committed to ethical dealings and aims to maintain the highest standard of business conduct with its customers, suppliers, employees, and communities wherever they operate around the world.

Tower Transit has stated its desire that each and every one of its suppliers conduct business in a lawful and ethical manner, including business practices that prevent slavery and human trafficking in its own supply chain. Tower selects suppliers and business partners carefully. Should any selected supplier not attain the standards that Tower expects, Tower will not do business with them.

Note, Kelsian acquired All Aboard America! Holdings, Inc. (USA) in June 2023. It is intended that an assessment of this division's modern slavery risks will be considered in future reporting periods.

SUSTAINABILITY FOCUS

During the reporting period, Kelsian has enhanced its sustainability reporting as a result of driving greater sustainability awareness and performance across the Group. This includes driving improved anti-modern slavery practices and supporting both operations and supply chain functions within the business. Kelsian's sustainability function is actively involved in modern slavery risk management mapping, compliance monitoring and reporting. Kelsian's Group Sustainability Manager has a direct line of accountability to Kelsian's executive team through the Chief Legal and Risk Officer. Sustainability is a regular agenda item at both board and committee meetings.

Kelsian understands that it has both a moral and legal responsibility to ensure, to the best of its knowledge, that modern slavery practices do not exist within its operations and supply chain.





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FY23 Progress

During the reporting period 1 July 2022 – 30 June 2023, Kelsian continued to progress activities and actions to increase awareness and ensure our exposure within our operations and supply chains is reduced. These activities included:

- A modern slavery working group has continued to hold formal meetings to discuss the challenges of modern slavery within our operations. This cross functional team includes representatives from audit & risk, legal, procurement and sustainability.
- Kelsian revamped its modern slavery training and developed training materials to be assigned to relevant employees. This complements the mandatory education and learning material, highlighting the requirements of the *Modern Slavery Act 2018 (Cth)* that is already in place. All employees who undertake this training must formally declare and acknowledge Kelsian's Modern Slavery Statement and understand our position on modern slavery within our operations and supply chain.
- Kelsian continued to agree on terms and conditions with suppliers that included appropriate contractual conditions that outline our position on modern slavery and the expectations of our suppliers.
- Kelsian has developed and published a Supplier Expectations document which sets a standard for all suppliers to conform to when engaging with Kelsian.. This document is available on the company website.
- Kelsian has developed and implemented its Human Rights Statement of Intent which highlights Kelsian's commitment to ensure no human rights breaches or unethical practices occur within our business operations or supply chain. This document is available on the company website.
- Kelsian has developed its initial roadmap that outlines its future actions and timeline for building its capability to manage and control modern slavery risks in the future. This roadmap is intended to be used as a future looking framework for implementing new measures to ensure Kelsian is consistently improving its modern slavery mitigation strategies.
- Kelsian continues to seek information from suppliers to ensure compliance with modern slavery legislation and Kelsian's expectations of its suppliers. Kelsian has previously also sought assurances from numerous original equipment manufacturers and goods suppliers that no products entering our supply chain originate from the Xinjiang region and to the best of our knowledge this has not occurred during the reporting period. Note, for products originating from high-risk locations overseas Kelsian will only procure through a reputable local agent.

ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

Kelsian is not aware of any specific instances of modern slavery occurring in our operations or supply chain during the reporting period. Kelsian continues to refine current processes and implement new systems to manage modern slavery risks. As a result of actions completed in both the current and past reporting periods, Kelsian is confident that it is more cognisant of potential modern slavery risks that could enter our operations and supply chain, and importantly have mechanisms in place to mitigate those risks should it occur. Kelsian continues to engage with our workforce, contractors and suppliers to spread awareness of this important issue.

In the next reporting period, Kelsian aims to begin implementation of its modern slavery roadmap and begin work on the initiatives to support modern slavery risk management capability. This includes the development of Key Performance Indicators to track performance and assess the quality and effectiveness of our actions.

Additional Information

We understand as a business that we must further our work to embrace community and sustainability practices across our business, in both our operations and supply chain. We are proud of the recent work we have commenced and completed to bring a more sustainable and community focused outlook to the way Kelsian operates.

RECONCILIATION

Kelsian is committed to supporting Aboriginal and Torres Strait Islander people, cultures, and communities. Each employee brings a fusion of skills and contributions to our operations and services. It is through this diversity that we can embrace and incorporate recognition, acknowledgement and understanding of Aboriginal and Torres Strait Islander peoples and cultures to further achieve equality, reconciliation and healing.

Kelsian has submitted our 'Innovate' Reconciliation Action Plan (RAP) to Reconciliation Australia focusing on implementing reconciliation initiatives, strengthening existing relationships and developing new connections with Aboriginal and Torres Strait Island peoples. Kelsian Group is focused on achieving our vision for reconciliation. We are motivated to engage our staff and stakeholders in reconciliation and develop and pilot innovative strategies to empower Aboriginal and Torres Strait Islander peoples. We will do this while ensuring that our plan remains practical, measurable and achievable.

COMMUNITY

In every community where we operate, Kelsian has a bespoke local content plan to capture the needs of the community and empower our teams on the ground to take pride in the outcomes. Support for local communities primarily takes the shape of charitable donations, sponsorship support and the provision of in-kind services. Kelsian is highly aware of our responsibility to local residents and local services. In the reporting period, the majority of Kelsian supply chain expenditure occurred within the communities that are serviced by us.

ZERO EMISSIONS

Sustainability is an ongoing focus for us at Kelsian and we are a leader in delivering zero emission bus solutions to Australian public transport networks. In the reporting period, Kelsian has continued to grow Australia's largest fleet of battery electric buses (BEB) with our Leichhardt depot in Sydney the largest electrified depot in the country. Kelsian has plans to expand its zero-emission fleet to ~375 BEBs and four HFCBs by the end of 2025.

During FY23 Kelsian deployed two hydrogen fuel cell buses into its Adelaide public transport contracts in Australia. Deploying hydrogen technology on public bus routes is a major milestone achievement for the Australian bus industry. This deployment follows our extensive trials in operating a fleet of hydrogen buses in London as part of the Transport for London-led Clean Hydrogen in European Cities (CHIC) and 3Emotion projects.

In addition, our USA, London and Singapore operations continued to diversify its fleet of buses and invest in sustainability initiatives throughout the reporting period.

SUSTAINABILITY REPORT

The FY23 Kelsian Group Sustainability Report provides an overview of how we manage our material environmental, social, and governance topics. Our newly set Group sustainability targets will provide further direction and inspiration to the business and ensure sustainability becomes central to everything we do so that we can effectively manage our impact on the environment and society.



Kelsian has bespoke local content plans to capture the needs of the community and empower our teams on the ground to take pride in the outcomes.



Charging station- Leichhardt Depot, Transit Systems, NSW

Outlook

At Kelsian, a core value is to consistently act ethically, in line with the expectations of our Board and Shareholders. Our view, to the best of our knowledge, is our identified risks of modern slavery occurring within our operations and supply chain, is being managed to the best of our ability with the current processes, systems and tools at our disposal. As a responsible organisation, eradicating modern slavery is important to us and we shall continue to attempt to improve our processes in line with legal obligations and moral duty.

Moving ahead, in FY24, we intend to build on our current progress including:

INTERNALLY

- Continue to collaborate and consult with our broader team to educate and mitigate the risks of modern slavery developing within our business.
- Roll out the modern slavery awareness training to build greater awareness across our business about the hidden indicators of modern slavery and how to address the problem.
- Continually review our risk-based approach to ensure appropriate human rights practices are in place to address potential infringements across all business divisions.
- Continue a regular quarterly working group to work through modern slavery risks. This will be expanded to include operational employees in the next reporting period.
- Continue to ensure explicit references to risks and practices to combat modern slavery are built into relevant Kelsian policies and procedures.
- Develop and promote appropriate grievance mechanisms.
- Commence the review and assessment of the modern slavery risks pertaining to our international divisions.
- Begin implementation of our modern slavery road map.

EXTERNALLY

- Continue to engage with our key suppliers to ensure the alignment of values on modern slavery practices.
- Continue to work towards progressively building in specific terms and conditions regarding anti-modern slavery into our supply contracts moving forward.
- Ensure relevant due diligence is undertaken on the purchase of goods from geographies considered 'higher-risk' and ensure any Australian agents of products manufactured from those geographies have relevant controls in place.
- Seek to implement new systems to capture modern slavery information from a larger proportion of our supply chain, along with broader sustainability metrics.

Approval

This Statement is made in accordance with the *Modern Slavery Act 2018 (Cth)*. This Statement has been approved on 13 December 2023 by the Board of Kelsian Group Limited for itself and as the ultimate holding company of its wholly owned subsidiaries, Transit Systems Pty Ltd, Transit Systems West Pty Ltd, Swan Transit Pty Ltd and Torrens Transit Pty Ltd who are also reporting entities for purposes of the Act.



Jeffrey Ellison AM

Chair

Kelsian Group Limited

Attachment One

Modern Slavery Supplier Survey

GENERAL	
Company name	
ABN/ACN	
Your name	
Your job title	
Phone number	
Email address	

SITE / LOCATION	
Geographical location of your main employment site	
Management structure description	

STAFF	
Total number	
Gender split (if known)	
Nationalities (including approx. %)	
Number of employees who identify as indigenous (if known)	
Is accommodation offered to staff? <i>If yes, please provide details</i>	
Staff remuneration mechanism i.e. salaried, enterprise award	

STATEMENT	
Kelsian requires that you provide a statement to the best of your knowledge that both your operations and that of the underlying supply chain utilised in the manufacture, labour, transportation, and delivery of goods and/or services does not contain elements of modern slavery.	
Kelsian further requests that your business identifies any arrangements you have in place either directly or indirectly that may be associated with the Xinjiang region in northwest China. Please provide detail of any relevant information from both an operational (including subcontractors) and associated supply chain perspective.	

Attachment One (Cont.)

Modern Slavery Survey

PROCEDURES TO PREVENT SLAVERY AND HUMAN TRAFFICKING		
QUESTION	PLEASE TICK	DESCRIPTION / EXPLANATION
Do you have any relevant programs to ensure human trafficking and slavery do not exist in your operations and supply chain?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
Do you have any relevant policies, procedures and controls in place that help to mitigate the risk of modern slavery in your operations and/or supply chain?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
Have you identified the overall risks of slavery and human trafficking in your supply chain eg by mapping your supply chain and/or by analysing the countries you source from?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
Do you conduct audits of your operations and suppliers?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
Do you require your direct suppliers to certify that all materials incorporated into your final product were sourced, processed, and manufactured in compliance with the human trafficking and slavery laws of the country or countries in which they operate?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
Do you have company standards on human trafficking and slavery for your employees and contractors, with effective sanctions for non-compliance?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
Have you trained relevant employees (e.g. management and those in charge of your supply chain) on what slavery and human trafficking are and how to mitigate the risk of them in their roles?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
Does your organisation have policies and procedures in place to combat potential bribery and/or corruption from occurring within your operations and supply chain.	YES <input type="checkbox"/> NO <input type="checkbox"/>	
Do you maintain appropriate health and safety procedures?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
Do you have adequate grievance procedures which your staff are free to use?	YES <input type="checkbox"/> NO <input type="checkbox"/>	



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