

## K&S CORPORATION LIMITED

### MODERN SLAVERY STATEMENT 2019/20

#### Introduction

K&S Corporation Limited ABN 67 007 561 837 and its subsidiaries (collectively “K&S Group”) recognise that modern slavery can occur in many forms. This can include servitude, slavery, forced labour, debt bondage, forced marriage, child labour, human trafficking or exploitation where a person cannot refuse or leave work because of threats, violence, coercion, abuse of power or deception.

K&S Group is committed to acting ethically and with integrity and transparency in its dealings. K&S Group will not tolerate any forms of modern slavery or human rights abuse in its operations or supply chain.

This is the first modern slavery statement published by K&S Group under the *Modern Slavery Act 2018 (Cth)*. The statement covers the year ended 30 June 2020.

#### Our Business

##### Our Group

K&S Group is a tier one logistics provider, recognised as a leader in the development and provision of specialist supply chain solutions for its customers. K&S Group operates in Australia and New Zealand.

K&S Group commenced in 1945 in the south-east of South Australia. K&S Group has grown to have transport depots and warehouses in all mainland states of Australia, as well as on both the North and South Islands in New Zealand.

K&S Group has more than 2,000 employees, a fleet that exceeds 4,000 assets, and a network of more than 300 subcontractors.

The following entities make up the K&S Group:

- K&S Corporation Limited
- Reid Bros Pty Ltd
- Kain & Shelton Pty Ltd
- K&S Freighters Pty Ltd
- K&S Group Administrative Services Pty Ltd
- Kain & Shelton (Agencies) Pty Ltd
- K&S Transport Management Pty Ltd
- Blakistons-Gibb Pty Ltd
- K&S Logistics Pty Ltd
- K&S Integrated Distribution Pty Ltd
- K&S Group Pty Ltd
- DTM Holdings (No. 2) Pty Ltd
- Alento Pty Ltd
- DTM Holdings Pty Ltd

DTM Pty Ltd  
K&S Project Services Pty Ltd  
Regal Transport Group Pty Ltd  
Strategic Transport Services Pty Ltd  
Vortex Nominees Pty Ltd  
K&S Freighters Limited  
Cochrane's Transport Limited  
Scott Corporation Pty Ltd  
Bulktrans Pty Ltd  
Chemtrans Pty Ltd  
Hyde Park Tank Depot Pty Ltd  
Energytrans Pty Ltd

K&S Group's core business is in the management of complex supply chains where linehaul and local transport, export, wharf cartage, bulk transport and storage play key roles.

K&S Group's main operations include:

- Multi-modal linehaul transport;
- Contract logistics;
- Fuel cartage;
- Chemical cartage;
- Local transport;
- Aviation refuelling;
- Heavy haulage;
- Warehousing;
- Fuel wholesaling and retailing.

#### Our Supply Chain

Key inputs into K&S Group's supply chains are as follows:

##### *Transport:*

- Vehicles
- Trailers
- Fuel and lubricants
- Tyres
- Workshop
- Spare parts
- Drivers – employees and agency labour
- Subcontractors – road, rail and sea
- Forklift trucks and other MHE
- PPE / uniforms

##### *Warehousing:*

- Warehousing facilities, including racking and pallets
- Forklift trucks and other MHE
- Fuel and LPG
- Employees
- Power and utilities
- PPE / uniforms

*Fuel Supply:*

- Fuel and lubricants
- Fuel tanks, bowsers and pumping equipment
- PPE / uniforms

*Head Office and Administration:*

- IT Services
- Employees
- Contractors
- Insurance
- Professional services
- Property services
- Power and utilities
- Cleaning services
- Security services
- Couriers
- Domestic travel and accommodation services

**Risk of Modern Slavery in Operations and Supply Chain**

K&S Group recognises that while it operates only in the lower risk jurisdictions of Australia and New Zealand, its operations and supply chain are not immune to the risk of modern slavery.

A number of key inputs into K&S Group's operations (eg, vehicles, fuel and MHE) are sourced from reputable multinationals head quartered in Europe, the United States or Australia. K&S Group understands that these suppliers are attuned to the risks of modern slavery and have in place proactive systems and processes to identify and address those risks.

K&S Group has a number of policies to support freedom of association, equal opportunity, WHS, and minimum standards for its employees. This covers all segments of K&S Group's business, including transport, warehousing, workshops, fuel wholesaling and retailing, and head office / administration employees.

When it comes to subcontractors, these can be broken up into the broad categories of road, rail and sea:

- **Road:** K&S Group assesses that there remains a risk of some modern slavery practices within the road subcontractor market. K&S Group has implemented a subcontractor portal to onboard new subcontractors and to ensure compliance with minimum WHS, NHVL/CoR, licensing and insurance requirements. While the subcontractor portal does not guarantee that all drivers supplying subcontracted road transport services are fully compliant with modern slavery laws, the portal does provide some visibility.
- **Rail:** K&S Group assesses the risk of modern slavery practices in the provision of rail linehaul services in Australia as relatively low.
- **Sea:** While domestic sea freight providers operate in a highly regulated and unionised environment, K&S Group also uses the services of foreign flagged vessels under the single voyage permit system for domestic coastal freight forwarding. K&S Group assesses that there is a risk that foreign flagged vessels may engage in modern slavery practices.

K&S Group assesses as relatively low the risk of modern slavery practices in the case of suppliers of professional services, insurance, power and utilities, and domestic travel/accommodation. However, K&S recognises that services such as cleaning, security and courier services may be susceptible to modern slavery risks. K&S also recognises that the supply chain for PPE / uniforms may create modern slavery risks.

**Actions Taken to Assess and Address Modern Slavery Risks**Modern Slavery Policy

K&S Group has adopted a Modern Slavery Policy. The policy contains a commitment by K&S Group to:

- the identification and elimination of modern slavery practices in its supply chain; and
- acting ethically, with integrity and transparency in all business dealings.

Under the policy, K&S Group is required to respect ethical labour practices, to value and promote diversity, and to take a zero tolerance approach to any form of modern slavery in its operations and supply chain.

The policy has been provided to all employees.

#### Whistleblower Policy

The K&S Group Whistleblower Policy provides a framework for employees, subcontractors and suppliers to make protected disclosures, including in relation to practices that may comprise modern slavery.

#### Ethical Trading Contractual Provisions

K&S Group has introduced ethical trading provisions (including specifically addressing modern slavery) in its standard contracts for the procurement of goods and services.

In the case of major suppliers and major customers, the form of the contract with K&S Group is commonly dictated by those suppliers and customers. As the majority of those suppliers and customers are blue chip companies, K&S Group's experience has been that these contracts typically contain robust modern slavery provisions.

#### Spend Categories

K&S Group has undertaken initial analysis of the breakdown of its spend on suppliers. Further analysis is required to identify and target key supply chain risks.

#### Road Subcontractors

While K&S Group currently cannot guarantee that its road subcontractors are entirely free from all forms of modern slavery, K&S does monitor and review the driving schedules of its subcontractors to ensure that hours worked while engaged for K&S Group comply with applicable work / rest hours and fatigue provisions under the HVNL.

### **Assessment and Effectiveness of Our Actions**

K&S Group recognises that tackling the risks of modern slavery is an ongoing process. While K&S Group has commenced that process, its framework for the identification and elimination of modern slavery risks in its operations and supply chain is not yet mature and currently does not guarantee that there are no modern slavery practices within its supply chain.

K&S Group intends to establish processes and procedures for:

- a standardised risk assessment tool;
- including modern slavery risk as a standard assessment criteria for capital expenditure;
- further analysis of the make up of K&S Group's supply chain;
- the completion of annual compliance declarations by suppliers;
- the development of an audit tool to assess the maturity of compliance systems adopted by suppliers.

The immediate priority will be those sectors of the supply chain and suppliers that K&S Group assesses as higher risk. K&S also intends to further promote awareness of modern slavery risks amongst its workforce.

### **Board Approval**

This statement was approved by the principle governing body for K&S Group, the board of directors of K&S Corporation Limited ABN 67 007 561 837.



**Tony Johnson**  
**Chairman**  
**K&S Corporation Limited**