



Modern Slavery Statement  
**2022**

# Table of Contents

Overview	4
Our Business Structure & Operations	5
Our Global Operations	6-7
Our Supply Chain	8
Risks of Modern Slavery in Operations & Supply Chain	9
Risk Mitigation	10
Our Compass Values	11
Policies & Standards	13
Procurement Visibility	14
FY22 Progress	17
Additional Information	18
Outlook	20
Approval	21
Attachment One: Modern Slavery Survey	22





## 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 urban bus operations in Singapore and London. The group provides essential journeys for our customers by delivering safe and intelligent transport solutions designed to improve the sustainability and liveability of the communities we serve.

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

As at 30 June 2022, Kelsian employs 8,744 people and operates 4,134 buses, 115 vessels and 24 light rail vehicles that delivered more than 240 million customer journeys over the last year. Through its London bus joint venture, Kelsian has involvement in employing a further 4,000 people operating 1,250 buses in London, including 300 electric vehicles.

Kelsian is made up of SeaLink Marine & Tourism operations and facilities, and two bus divisions, Transit Systems (Australia) and Tower Transit (International).

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

Kelsian, through its Transit Systems division, has also become the first operator in Australia to purchase hydrogen fuel cell buses to be deployed in a public transport environment. Kelsian also operates an ecotourism resort on the world heritage listed 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 in recent years. Kelsian has emerged as a leader in both public transport and tourism, bringing together Australia's most dynamic travel company and global leader in public transport.



# Overview

Kelsian continues to support the Commonwealth Government's commitment to combating modern slavery in global supply chains and the introduction of modern slavery reporting pursuant to the Commonwealth Modern Slavery Act 2018 (the Act).

The statement sets out Kelsian's report for 2022 and outlines Kelsian's approach to identifying and managing modern slavery risks in its operations and supply chains. This statement is approved by the Board of Kelsian.

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 appreciates 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 to maintain a responsible underpinning 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.<sup>1</sup>

The Board of Kelsian unequivocally condemns modern slavery in all its forms and our expectation continues to be that all 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
- Transit Systems West Pty Ltd
- Torrens Transit Pty Ltd
- Swan Transit Pty Ltd

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 Report

2021 - 2022



For detail of the entities part of Kelsian Group Limited, please refer to our 2021 - 2022 Annual Report.




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

## 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 2022, our business operations and divisions are structured as follows:

		
<p>Transit Systems, our Australian Public Transport Division, provides public transport services including bus and light rail operation, on behalf of governments in Australia.</p>	<p>Tower Transit, our International Bus Division, provides bus public transport services under contract to government transport agencies in Singapore and London.</p>	<p>SeaLink, our Marine &amp; Tourism Division, provides passenger and transport ferry services, tourism experiences and resort facilities within Australia.</p>



# OUR GLOBAL OPERATIONS

Snapshot of Kelsian Operations at 30 June 2022.

● Ferries ● Buses ● Tourism ● Trams

## 240 MILLION CUSTOMER JOURNEYS

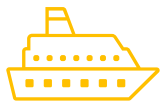


## OUR GLOBAL OPERATIONS

### Singapore



### London



115

VESSELS



4,134

BUSES



8,744

EMPLOYEES



24

TRAMS



8

CAPITAL CITIES



19

ISLAND CONNECTIONS

# Our Supply Chain

Kelsian aims to partner with 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, and we understand that external providers who Kelsian interact with may reflect on our organisation.

To deliver our extensive range of services, Kelsian partners with a large, dynamic network of suppliers and subcontractors. Our supply chain is diverse in its product and service offerings with suppliers differing in entity size from large corporates to small and medium businesses located in Australia and other countries.

Our supply chain consists of both direct and indirect suppliers. As an Australian based business and through contractual commitments to our customers and clients, we make local Australian sourcing a priority, when possible, within our Australian operations. We aim to ensure that prior to contracting or entering into supply arrangements with another entity, the entity is aware that Kelsian expects they act honestly, lawfully and ethically.

## Supply Chain Categories

Kelsian's supply chain is broadly reflected into the categories noted below:

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

## 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"> <li>Goods and services i.e. fuel, oils and lubricants, spare parts, tyres, uniforms, cleaning services, telco/ IT services, utility services</li> <li>Maintenance services i.e. crash repairs, chassis repairs, engine repairs, windscreen repairs, general trades person works</li> </ul>
International Bus	<ul style="list-style-type: none"> <li>Goods and services i.e. fuel, oils and lubricants, spare parts, tyres, uniforms, cleaning services, telco/ IT services, utility services</li> <li>Maintenance services i.e. crash repairs, chassis repairs, engine repairs, windscreen repairs, general trades person works</li> </ul>
Marine & Tourism	<ul style="list-style-type: none"> <li>Goods and services i.e. fuel, spare parts, uniforms, cleaning services, telco/IT services, utility services</li> <li>Maintenance services i.e. vessel repairs, engine repairs, blasting and painting, general trades person works</li> <li>Retail goods i.e. food and beverage, company merchandise</li> </ul>



# Risk of Modern Slavery in Operations & Supply Chain

Kelsian understands that combating modern slavery is a significant issue within operations and supply chains globally and is not limited in entirety to a specific location or industry. Kelsian continues to be committed to complying with the Commonwealth Government legislation to increase transparency and combat this confronting problem.

As a global operation supported by a considerable supply chain, we appreciate the potential that modern slavery could be linked to our business directly, indirectly or through association. Kelsian acknowledges that, although it is more likely modern slavery practices may occur in geographic locations with a lesser reputation for supporting human rights, it is our responsibility to continue to communicate and reinforce to our employees and supply partners 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, we continue to assess our potential to:

- Directly cause modern slavery through our operations
- Contribute to modern slavery through our operations
- Be directly linked to modern slavery through our suppliers operations or activities

## OPERATIONAL RISK

Kelsian employees more than 8,000 people, primarily based in Australia, Singapore, and the United Kingdom. Whilst Kelsian operates on a global stage, 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. We are respectful towards the human rights and safety of our workforce, suppliers and communities in which we operate and comply with all local and international laws to ensure that international human rights are respected across the business.

Likewise, according to the Global Slavery Index 2018, our international presence and operations based in Singapore and London fall in the lower geographical country risk category as these locations are likely not be considered as high-risk geographies with vulnerable populations. However, we continue to monitor our businesses to ensure all operations are undertaken in safe environments and our workforce is treated fairly under the relevant legislation and/or enterprise agreements.

Given the risks associated with modern slavery occurring within the operational aspects of our business, 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

Our business collaborates with a significant number of supply partners who contribute to our underpinning supply chain, which is extensive and diverse. Kelsian considers the potential risk of modern slavery practices occurring within our supply chain to be materially more possible than directly within our operations.

During the reporting period, we have further assessed areas of our supply chain that may be more susceptible or have greater exposure to the risk of modern slavery being present. Kelsian undertook a risk assessment of our supply chain to identify areas considered high risk in regards to modern slavery and to ensure these risks are managed appropriately. Modern slavery risks remain an active part of Kelsian's live risk register which is reviewed regularly.

## The outcome of Kelsian's Risk Assessment.

The Risk Assessment concluded that Kelsian do not have any material direct trading arrangements with suppliers who do not have a local presence or agent in the same geography as Kelsian's operations. Several high-risk areas continue to be monitored for compliance including:

- Facility Management
- Uniform Supply
- Spare Parts & Fleet Purchases
- Tyre Supply
- Office Supply Purchases
- Food & Beverage Purchases

It is Kelsian's view that our direct suppliers, especially those whom 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 because our direct suppliers undergo more robust and diligent processes 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 re-affirm their commitment to and compliance with the Commonwealth Modern Slavery Act 2018.

# Risk Mitigation

## Actions to mitigate and address the risk of modern slavery.

As noted in our previous report, we are committed to continually enhancing our processes to identify, assess and address potential modern slavery risks within our businesses at both a corporate and local level, where possible. We understand that the abolishment of modern slavery activity is an ongoing commitment. We intend to take a risk-based approach and refine 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:

#### **C**USTOMER BRILLIANCE

We focus on delivering a brilliant experience for every customer

#### **O**NE TEAM

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

#### **M**OTIVATED

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

#### **P**ROFESSIONAL

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

#### **A**UTHENTIC

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

#### **S**UCCESSFUL

We are easy to do business with and we deliver results

#### **S**AFETY FOCUSED

We make safety a priority in everything we do

During the reporting period, 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 legacy values statements in place and express their values differently. 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

During the FY22 reporting period, progress was made in updating our business risk registers across our expanded Group. These risk management reviews and updated risk assessments included further assessment of the risks of modern slavery within our operations and supply chain. A dedicated risk assessment focused on modern slavery was conducted by Kelsian's internal audit and procurement team. This process identified gaps in our current processes and mitigating controls are now being actioned.

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

C  
O  
M  
P  
A  
S  
S

## **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 everyday 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 deliver results.

## **SAFETY FOCUSED**

We make safety a priority in everything we do.



Our policies and procedures help implement our commitment to ethics, wellbeing, safety, and demonstrate the protections afforded to our team members.



# 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, 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.

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.

## 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 have oversight of key decisions, undertakings, and expenditure 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.

## 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.

# 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, 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.*

*As stated previously, 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.*

During the reporting period Kelsian have also further specified the requirement for all staff involved in procuring goods and services must consider modern slavery implications of potential transactions.

## Group Procurement Policy

### SOCIAL GOVERNANCE

All procurement and purchasing activities undertaken at both local level and corporate level must consider Kelsian's commitment to ethical sourcing, anti-modern slavery, and corruption practices. All procurement activities should examine and evaluate any potential negative impacts that may arise through Kelsian being affiliated with prospective suppliers.

During the reporting period Kelsian has sought more in-depth assurance from key suppliers in regard to modern slavery practices and control mechanism. A survey has been issued to suppliers considered to be either high value to our business or in a higher risk category of modern slavery exposure. Please refer **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 United Kingdom and Singapore. During the period Tower operated services on behalf of Transport for London (UK) and the Land Transport Authority (Singapore).

Under the UK Modern Slavery Act 2015 legislation, Tower has for some years assessed 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 the 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.

### SUSTAINABILITY FOCUS

During the reporting period Kelsian created a corporate sustainability function with a focus on driving sustainability 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 will be 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.



**Tower Transit is committed to ethical dealings and aims to maintain the highest standard of business conduct with its customers, suppliers, employees, and the communities wherever they operate around the world.**





## FY22 Progress

During the reporting period 1 July 2021 – 30 June 2022, 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:

- Cross functional team of Kelsian employees have participated in an open anti-modern slavery forum. Building on our successful forum in FY21, Kelsian continued to provide education to our employees on the Group's anti-modern slavery commitments and reinforced the requirement of being vigilant and encouraged discussions on key risks and potential mitigations.
- Newly named Audit, Risk and Sustainability Committee (previously the Audit and Risk Committee) will provide oversight on all ESG issues including modern slavery.
- Through our learning and development team, Kelsian assigned relevant employees with mandatory education and learning material, highlighting the requirements of Commonwealth Modern Slavery Act 2018. This included a formal declaration from all employees that they had read and acknowledged Kelsian's Modern Slavery Statement and understood our position on modern slavery within our operations and supply chain.
- Kelsian continued to agree terms and conditions with suppliers that included appropriate contractual conditions that outline our position on modern slavery and the expectations of our suppliers.
- Several risk management workshops focused on modern slavery have been completed. Driven by Kelsian's International Compliance Director and the broader risk and assurance team, Kelsian successfully reviewed and integrated modern slavery risks into its active risk framework.
- Issued supplier surveys to high value and high-risk suppliers. Kelsian conducted a supplier survey to understand the controls suppliers have in place to manage modern slavery risk. This includes seeking a statement, policies and procedures and firm understanding of where goods and services originate from.
- Undertook supplier due diligence for specific projects that have occurred or are occurring in higher risk geographies. This includes vessel construction and crewing services in Indonesia and China as well as ICT services contracted direct from China, India and the Philippines. Kelsian continues to monitor these areas with a specific focus.
- Communicated to suppliers Kelsian's intention to not procure goods and services originating from the Xinjiang due to the region's continuous links with modern slavery. Kelsian have sought assurance from numerous OEMs and goods suppliers in this regard. For products originating from high risk locations overseas Kelsian will only procure through a reputable local agent.
- Invested in the development of its People and Culture division to ensure that the Group's workforce is supported appropriately. With a team dedicated to employee welfare and remuneration this will reduce the risk of modern slavery practices occurring within Kelsian's direct workforce.

### 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. However, Kelsian recognises that we are in the early stages of embedding our systems and processes for modern slavery risk management and therefore will continue to deepen our understanding of our supply chain and strengthen our ability to identify and effectively manage these risks.

Over the next few years, Kelsian intends to track its performance in relation to modern slavery risk management and the effectiveness of our actions by establishing key performance indicators.

## 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. We celebrate the vast diversity of our network. 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.

Within the reporting period Kelsian submitted its actions and outcomes to Reconciliation Australia as part of our Reconciliation Action Plan (RAP) Kelsian has also recruited a Diversity and Inclusion Manager who is responsible for overseeing Kelsian's RAP Working Group and drive greater reconciliation outcomes across the Group.

### 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 first major electrified depot in the country. Kelsian are also collaborating with Transport for New South Wales to introduce a further 79 BEBs into the Sydney bus network. These 79 buses will be manufactured by a local company based in Sydney's western suburbs aligning with Kelsian's commitment to buy local where possible.

During FY22 Kelsian also took delivery of two hydrogen fuel cell buses to service public transport contracts in Australia. Deploying hydrogen technology on public bus routes will be a milestone achievement for the Australian bus industry. This purchase 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. The buses will begin operation in FY23.

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

Although the above-mentioned activities do not directly address the risks associated to modern slavery, our view is that it continues to provide an insight into our commitment to creating a better, more inclusive, and prosperous community.





**We are proud of the recent work we have commenced and completed to bring a more sustainable and community focused outlook to the way we operate.**

# Outlook

At Kelsian, a core value is to consistently act ethically, in line with the expectations of our Board and Shareholders. We believe that we have made progress and given more consideration to the potential risks of modern slavery occurring within our operations and supply chain since the introduction of the Commonwealth Modern Slavery Act 2018. We shall continue to manage our obligations appropriately and educate our employees and suppliers to refine our processes to manage the risk of modern slavery, where possible.

Moving ahead, in FY23, 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.
- Review and implement more meaningful mandatory learning materials to operational level employees and assignment of this material to be part of the employee onboarding processes.
- Continually review our risk-based approach to ensure appropriate human rights practices are in place to address potential infringements across all business divisions.
- Continue to ensure explicit references to risks and practices to combat modern slavery are built into relevant Kelsian policies and procedures.
- Build an internal road map to capture future objectives and progression metrics in regard to modern slavery driven by our Group Sustainability Manager.

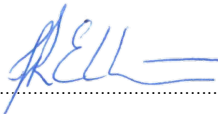
## EXTERNALLY

- 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 an automated vendor management system to capture sustainability data including modern slavery information and controls from our broader supply chain.



## Approval

This Statement is made in accordance with the Modern Slavery Act 2018 (Cth). This Statement has been approved on 13 December 2022 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 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

<p>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.</p>	
<p>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.</p>	

# 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"/>	



Kelsian Group Limited  
Head Office  
Level 3, 26 Flinders Street  
Adelaide SA 5000

[www.kelsian.com](http://www.kelsian.com)  
+61 8 8202 8688

ABN 49 109 078 257  
ACN 109 078 257  
ASX Code KLS