

Modern Slavery Statement
ComfortDelGro Corporation Australia
Group
Calendar Year 2020

1. Introduction

ComfortDelGro Corporation Australia Pty Ltd and its related bodies corporate has a zero-tolerance approach to all forms of modern slavery practices and is committed to implementing and enforcing effective systems and controls to ensure modern slavery practices are not taking place in its own operations or in any of its supply chains.

This modern slavery statement (**Statement**) sets out the steps CDC has taken to prevent modern slavery in its business and supply chains for the year 1 January 2020 to 31 December 2020. This Statement has been prepared in line with the requirements of the *Modern Slavery Act 2018* (Cth) and for the purposes of this Statement, “modern slavery” has the meaning given in section 4 of the Act.

2. Reporting entity and structure

This Statement is made on behalf of ComfortDelGro Corporation Australia Pty Ltd (ACN 002 072 004) with its registered office at 28 Prosperity Street, Truganina, Victoria 3029, and all of the entities it owns or controls (together, **CDC**). CDC is a wholly owned subsidiary of ComfortDelGro Corporation Limited, a company incorporated in Singapore and listed on the Singapore Stock Exchange.

3. Operations

CDC’s operations include:

- operation of public bus services and school bus services under government and other contracts in New South Wales, Victoria, the Northern Territory and Queensland;
- operation of special school services in the Australian Capital Territory and New South Wales; and
- operation of non-emergency patient transport services in New South Wales, Victoria and Western Australia.

As part of its operations, CDC employs around 4,200 people in Australia, including drivers, maintenance and support staff and administration or management staff, and operates a fleet of over 2,400 buses and more than 200 non-emergency patient transport vehicles.

4. Supply chains

CDC’s supply chain is diverse in terms of the types of products and services that CDC procures and the size of the supplier entities (being large operators to small and medium local suppliers). Most of these supplier relationships are long term and well established. CDC is required by its contracts with various government organisations to prioritise local suppliers wherever possible so CDC’s suppliers are primarily located in Australia.

CDC’s supply chain is constituted by:

- (a) direct suppliers of the following general categories of products and services:
 - goods and services – for example, fuel, oils, lubricants, spare parts, tyres, uniforms, cleaning services, utilities (including telecommunications services) and information technology systems and services;

- maintenance services – for example, crash repairs, chassis repairs, engine repairs, windscreen repairs, general tradesperson works;
- capital purchases – for example, purchase of assets (such as buses and other vehicles) and property; and
- professional services – for example, advisory services for financial, legal and other technical matters in support of projects such as acquisitions and/or tender responses, and audit services,

for which CDC has a direct contractual relationship (whether formal or informal); and

(b) indirect suppliers such as:

- suppliers of CDC's direct suppliers throughout the supply chain including suppliers of raw materials used in the production of goods procured by CDC; and
- subcontractors of CDC's direct suppliers.

5. Risk of modern slavery practices in operations and supply chain

CDC undertook a scoping exercise to determine the extent of possible modern slavery risks in CDC's operations and supply chains.

In respect of CDC's operations, CDC identified the location of its employees and contractors to determine which (if any) were connected with a geography which may present a heightened risk of modern slavery. CDC then categorised the nature of the roles performed by employees and contractors to determine which, if any, were connected with a product or service which may present a heightened risk of modern slavery.

In respect of CDC's supply chain, CDC identified its most material direct suppliers and considered the geographic location of those suppliers, the nature of the products or services provided by them and any information publicly available about the suppliers' business to identify which, if any, were connected to a sector presenting a higher risk of modern slavery (either directly or further along the supply chain). This process was undertaken in line with guidance published by the Department of Home Affairs. In addition, CDC provided key suppliers with a due diligence questionnaire by which CDC obtained more information on measures the supplier had in place to address modern slavery risks.

This scoping exercise did not identify any actual instances of modern slavery within the operations or supply chain of CDC and CDC did not become aware of any modern slavery allegations against any supplier. CDC also found that some of these suppliers similarly had policies relating to the prevention of modern slavery within their own supply chains.

5.1 Operational risk

CDC operates in Australia and all its employees are in Australia. Given the controls and societal expectations with respect to employment conditions in Australia, the risk of CDC causing, contributing to, or being directly linked to modern slavery practices in respect of its operations is minimal.

CDC monitors all its businesses to ensure all operations are undertaken in a safe environment and workers are treated fairly and in accordance with relevant legislation and/or applicable industrial instruments.

CDC notes in particular:

- CDC's recruitment process verifies prospective employees' age (ensuring they meet the minimum age to be eligible for employment) and are eligible to work in Australia;
- CDC's induction training for new employees clearly outlines expected workplace behaviour including mandatory work health and safety training;
- CDC's contractual and legislative obligations in respect of work health and safety ensure CDC is held to a very high standard when it comes to protecting its workers health and safety.

5.2 Supply chain risk

CDC's risk assessment determined that the risk of modern slavery in CDC's supply chain was higher than in CDC's operations.

Direct suppliers (those with whom CDC has contractual or other direct relationships) present less of a risk of engaging in modern slavery practices because these suppliers are subject to a more rigorous process as part of their engagement than any indirect suppliers. Specifically, CDC uses requests for tender, contracts, contract management and reporting mechanisms to understand and monitor, among other things, the risk of modern slavery in direct suppliers.

Key conclusions of CDC's risk assessment of its direct suppliers were most suppliers posed relatively low modern slavery risk because they possessed one or more of the following characteristics:

- the supplier operates entirely in Australia with no foreign connection – in 2020, approximately 90% of CDC's direct suppliers were located in Australia;
- the supplier supplies equipment that requires more technically challenging construction and which is therefore expected to have been sourced from a country posing low risk and not involving material usage of raw materials and/or practices commonly associated with modern slavery; and
- the supplier operates in industries that are subject to significant regulation with strong forms of employee protection.

CDC's supply chain has multiple tiers and CDC acknowledges that there are certain industries, products, services and geographic regions which carry a higher risk of modern slavery. While CDC can coordinate due diligence of its direct suppliers, CDC has less visibility and influence over the operations and business practices of the suppliers of CDC's suppliers. Based on guidance from the Department of Home Affairs and the Global Slavery Index 2018, CDC concluded that the supply of the following general categories of goods had inherent risks of involving modern slavery practices along the supply chain.

Uniforms and personal protective equipment	The apparel industry is associated with vulnerable populations in higher risk geographies
Information technology equipment	There is a risk the original source material used in manufacture of information technology equipment is linked to modern slavery practices.
Fuel and lubricants	There is a risk raw material extraction could be associated with vulnerable populations in higher risk geographies and that the vessels used to transport fuel could expose crew to forced labour and/or unacceptable working conditions.
Spare parts such as tyres	There is a risk that the sourcing of raw materials used to manufacture some types of tyres, natural rubber, is associated with modern slavery practices as the process is labour intensive and is associated with vulnerable populations in higher risk geographies.

6. Actions taken to assess and address modern slavery risk

CDC will aim to manage modern slavery risks across CDC’s operations and supply chains by continually improving its ability to identify, assess and address modern slavery risks on a group-wide basis. During the reporting period the subject of this Statement, CDC carried out preliminary work to assess and address the risk of modern slavery in CDC’s business including:

- appointment of a senior manager, being the General Manager of Procurement, to oversee CDC’s management of its modern slavery risks, reporting to the Board of Directors of CDC at least once annually;
- review of existing policies and introduction of new policies such as CDC’s Anti-Slavery Policy, a copy of which is available at <https://comfortdelgro.com.au/anti-slavery-policy/>.
- Undertaking a supply chain mapping exercise in accordance with guidance published by Department of Home Affairs and, following this, assessing modern slavery risk as described in section 5 of this Statement including requesting certain suppliers complete a due diligence questionnaire to provide information about the suppliers’ policies and relationships;
- improvement of staff awareness for example, liaising with the General Manager of Procurement for the CDC group of companies to build awareness of the potential risks of modern slavery in our supply chains; and
- setting up a process for incident reporting with the publication of CDC’s Whistleblower Policy, a copy of which is available at <https://comfortdelgro.com.au/whistleblower-policy/>. This policy:
 - encourages current and/or former employees, contractors and suppliers (or any of their spouses or relatives) to raise any concerns where there are reasonable grounds to suspect the existence of matters including illegal, unethical or improper conduct or a serious breach of CDC’s policies; and

- makes it clear the person making the report can do so confidentially or anonymously and without fear of reprisal.

No complaints regarding suspected modern slavery practices were received through this mechanism in 2020.

7. Consultation with entities CDC owns or controls

In consultation with the entities that CDC owns or controls, it was determined CDC would take a group-wide approach to identification and management of the risk of modern slavery practices in CDC's operations or supply chains.

The group-wide approach is appropriate as there are no material differences in the supply chains across the CDC entities and the same analysis applies across all of the entities covered in this Statement and each of their controlled entities.

8. Future objectives

CDC is focussed on embedding and building the maturity of CDC's modern slavery program in 2021 and beyond through the following actions:

- further engagement with suppliers to ensure alignment of their values, including issuing CDC's Supplier Code of Conduct which will set out the minimum standards of behaviour CDC expects from its suppliers and requires contractors and suppliers to manage the risk of modern slavery in their business and supply chains;
- improving staff awareness and continuing to build internal capacity to identify modern slavery risks through completion of modern slavery training by all staff with procurement and supply chain account management responsibilities;
- review and update CDC's standard request for tender documentation and standard contractual terms to ensure that CDC's tender process requires tenderers to commit to CDC's Supplier Code of Conduct; and
- review CDC's existing supplier audit process to identify improvements to be implemented in 2021 / 2022.

9. Assessing effectiveness of actions taken

CDC will assess the effectiveness of its actions (and the actions of the entities it owns or controls) to both assess and address modern slavery risks by a combination of the following actions:

- establishing a regular review process for the actions CDC has taken including, for example, an annual senior management review of CDC's response to modern slavery;
- regularly checking CDC's risk assessment process to ensure it remains up to date should CDC commence operations in another country or introduce new suppliers;
- conduct of internal audits of prequalification checks for suppliers to determine if mitigation measures have been consistently and appropriately actioned; and
- establishing key performance indicators (KPIs) to help measure CDC's response to modern slavery such as specific KPIs on the number of modern slavery training and

awareness raising programs delivered and the number of contracts that include modern slavery clauses.

10. Approval

This Statement was approved by the Board of Directors of CDC on 27 May 2021.

Signed:



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Soon Hua Nicholas Yap

Chief Executive Officer and Director

ComfortDelGro Corporation Australia Pty Ltd