

MODERN SLAVERY STATEMENT

Financial Year 2021-22

THINK

LIKE A

PASSENGER





To meet our seven mandatory reporting criteria, our statement is structured across seven sections.

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ACKNOWLEDGEMENT OF COUNTRY

Keolis Downer acknowledges Aboriginal and Torres Strait Islander peoples as the First Australians and Traditional Custodians of the lands where we live, learn and work.

We would like to acknowledge and pay our respects to the Elders of the past, present and future in maintaining the culture, country and their spiritual connection to the land.



Chief Executive Officer Introduction



Keolis Downer remains committed to conducting our business in an ethical and responsible way. We acknowledge our responsibility to safeguard against any impact our business practice could have on human rights and we are opposed to all forms of modern slavery.

Keolis Downer's Modern Slavery Statement outlines our approach to address and minimise the risk of modern slavery in our business operations and supply chains. Keolis Downer's Guide for Ethical Conduct helps to minimise this risk. This is further underpinned by a robust governance process and the support of our shareholders.

Keolis Downer takes a risk-based approach and is committed to continuously improving our processes. We will continue to collaborate with our internal and external stakeholders over the coming years to address our own modern slavery risks and build on our commitment to combat modern slavery in our supply chain.

This, Keolis Downer's latest Modern Slavery Statement for Financial Year 2022, outlines the progress we have made to identify, mitigate and manage the risk of modern slavery in our operations and supply chain.

While we have made progress and improvements to our processes and procedures, we remain alert to the challenges and risks we face and understand we must keep sight of current and evolving threats.

This statement was approved by the Board of Keolis Downer on 7 December 2022

David Franks

Keolis Downer Chief Executive Officer

Criteria A

About our statement

This Modern Slavery Statement covers the activities of Keolis Downer Pty Ltd ACN 165 343 680 (Keolis Downer) and all group subsidiary entities, as informed by the Commonwealth Modern Slavery Act 2018, for the period 1 July 2021 to 30 June 2022 (FY22).

Registered office and principal administration office:

Keolis Downer Pty Ltd
Level 6, Trinitii II
Trinitii Business Campus
39 Delhi Road
North Ryde NSW 2113

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

- KDR Victoria Pty Ltd ACN 136 066 074
- Keolis Downer Bus and Coachlines Pty Ltd ACN 604 655 140
- Keolis Downer Adelaide Pty Ltd ACN 644 359 473

This statement has been prepared and submitted on behalf of Keolis Downer Pty Ltd and the above entities in respect of the operations of the Keolis Downer Group. Other group entities covered by this Statement are listed in the Appendix 1.

The Statement has been signed by the Chief Executive Officer of Keolis Downer and by a Director as approved by the Board of Keolis Downer.

Our approach

Keolis Downer respects universal human rights and will work to identify and manage the risks of modern slavery in its own operations and in its supply chain. We provide a healthy, safe and sustainable workplace underpinned by the Keolis Downer Zero Harm Policy and we reject any activities which may cause or contribute to forced or bonded labour, child labour, human trafficking, slavery, servitude, forced marriage or deceptive recruiting for labour or services.

Keolis Downer stands against modern slavery in all its forms and expects that all our employees, suppliers, contractors, stakeholders and other business partners share this view.

We acknowledge the diverse nature of our supply chain and the challenges we face to make our supply chain visible. To mitigate these challenges, we will provide leadership through education, collaborate widely and establish a pathway of accountability for our organisation.



Criteria B

Our structure, operations and supply chain

Our Operations

Keolis Downer is a leading operator and integrator of public transport in Australia. With over 5,000 employees and a presence in five states, Keolis Downer enables 350 million passenger journeys per year.

We operate and maintain the largest tram network in the world in Melbourne (Yarra Trams), the light rail network on the Gold Coast (G:link), the Adelaide Metro train services and more than 1,300 buses in New South Wales, Western Australia, South Australia and Queensland.

Established in 2009, Keolis Downer is a joint venture between Keolis, a leading public transport operator established in 15 countries, and Downer, the leading provider of integrated services in Australia and New Zealand.



Keolis Downer Snapshot

MELBOURNE LIGHT RAIL – YARRA TRAMS

Yarra Trams is the world's largest tram network proudly operated by Keolis Downer and delivers more than 200 million passenger trips each year.

- 475+ trams
- 2,000+ employees
- 5,000 services a day



GOLD COAST LIGHT RAIL – G:LINK

- 18 trams
- 200+ employees
- 845,000+ passengers every month

ADELAIDE METRO RAIL SERVICES

- 70 diesel and 22 electric trains
- 6 lines
- 89 stations
- 500+ employees
- 15 million passenger trips per year



NEWCASTLE MULTI MODAL CONTRACT

First multi-modal public transport contract to be delegated to a private operator in Australia.

It includes buses, ferries and light rail.

- Over 180+ buses
- 2 Ferries
- 6 light rail vehicles
- 4 On Demand Vehicles
- Over 440+ employees



BUS OPERATIONS ACROSS AUSTRALIA

NEW SOUTH WALES - Northern Beaches & Lower North Shore: 800+ employees, 402+ vehicles, 31 million+ passenger trips per year, 12 On Demand Vehicles.

WESTERN AUSTRALIA - Pathtransit: 700+ employees, 15 million vehicle km/per year, 400+ vehicles, 8 million passenger journeys per year.

SOUTH AUSTRALIA - Southlink & LinkSA: 260+ vehicles, 3,600+ weekly services, over 3.5 million passenger journeys per year and 6 On Demand Vehicles.

QUEENSLAND - Hornibrook Buslines: 115+employees, 64+ vehicles, Over 1.7million passenger journeys per year, 3.6 million+ vehicle km/per year.



Our Supply Chain

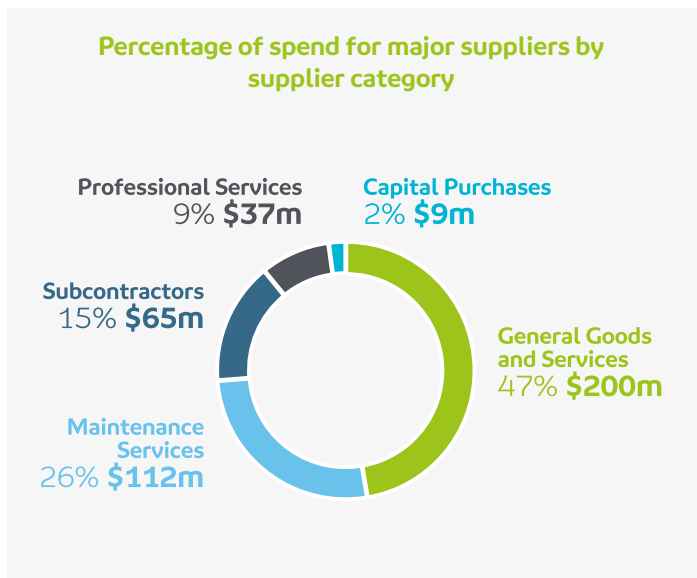
Keolis Downer engages with a diverse network of suppliers. Our partners range from large established businesses to smaller local business. Keolis Downer’s supply chain can be broadly classified across 5 categories:

- **General Goods and Services:** Purchases for operations including fuel, spare parts, uniforms, IT services and other items
- **Maintenance Services:** Maintenance works and services on vehicles and property.
- **Subcontractors:** Contractors hired by Keolis Downer to perform services such as consulting and other operational activities.
- **Professional Services:** Supporting functions for business which can include legal, financial and accounting advisory in addition to other technical services.
- **Capital Purchases:** Purchase of assets such as fleet vehicles, land and buildings.

The major suppliers used by Keolis Downer are essentially Australian for 96%, which reflects our priority in supporting local Australian businesses.



Level of risk based on data from The Global Slavery Index and the US Department of Labor’s List of Goods Produced by Child Labor or Forced Labor



Location and risk of major suppliers – in order of spend

Rank	Country	Spend	Risk Level
1	Australia	\$407m	Low
2	Germany	\$4m	Low
3	Czech Republic	\$3m	Low
4	United Kingdom	\$2m	Low
5	China	\$2m	High
6	Austria	\$2m	Low
7	Switzerland	\$1m	Low
8	France	\$1m	Low

Total Spend for major suppliers in FY22 was \$423m.

Criteria C

Identification of modern slavery risks in our operations and supply chain

Keolis Downer recognises modern slavery as acts of servitude, slavery, forced labour, forced marriage, child labour, debt bondage, deceptive recruiting for labour or services and trafficking.

Keolis Downer's group and entity policies govern how we identify and respond to modern slavery risk.

Consistent with the **UN Guiding Principles on Business and Human Rights**, we continue to assess our potential to:

- Cause modern slavery through our operations
- Contribute to modern slavery through our operations
- Be directly linked to modern slavery through the operations, products, services or activities of a supplier, whether they reside in our Tier 1 supply chain or beyond.

The vast majority of our supplier spend relates to goods and services suppliers and subcontractors who are based in Australia.

Risk of Modern Slavery Practices in Operations and Supply Chain

Each year, Keolis Downer conducts a review of suppliers to identify instances and risk factors of modern slavery. While no instances of modern slavery were identified, we have identified potential risk areas that will require further investigation and more rigorous controls.

OPERATIONAL RISK – KEOLIS DOWNER'S WORKFORCE

Keolis Downer employs more than 5,000 people, primarily based in Australia, in accordance with an employment contract and/or under legislative instruments.

The profile of Keolis Downer's workforce at the end of FY22 is shown below.

Employees by employment type

	FY21	FY21 %	FY22	FY22 %
Permanent – Full & part time	4,861	92.1%	5,429	92.4%
Casual and Fixed term contract	418	7.9%	446	7.6%
Total	5,279		5,875	+11.3%

Through our HR teams and trusted external advisors, we are committed to ensuring we meet all employment obligations; whether arising under statute, collective agreements or modern awards. This is achieved by conducting regular reviews and audits, a thorough analysis of terms and conditions built into our payroll systems and by quickly remedying any issues identified. Group entities also conduct appropriate background security checks on prospective employees.

Keolis Downer's Business Integrity Policy provides a mechanism for grievance reporting via any senior manager or officer of the company. **In addition, the 'Our Voice' service allows our employees, subcontractors and suppliers to make an anonymous report of inappropriate, illegal, corrupt or unethical behaviour, which may include instances of modern slavery and labour exploitation.**

Because of these factors we consider operational risk within Keolis Downer's workforce to be inherently low.



SUPPLY CHAIN RISK

After successfully applying our risk-based approach to identifying modern slavery risks in Financial Year 2021, we again used this methodology to assess risk factors and prioritise areas for monitoring in Financial Year 2022. Suppliers were categorised and assessed as high, medium, or low risk for modern slavery practices.

General goods and services again comprised the largest category. This category is considered more at risk than other categories although this is mitigated by service based procurement being largely in-house and outsourced services will be monitored through induction of staff. Procurement relating to employee uniforms, cleaning and IT services were classified as potential risk areas.

Capital purchases were made almost exclusively from Australian based companies. Keolis Downer is cognisant that materials and/or additional labour used within the manufacture of these capital items may have been sourced from overseas, where there is a potential risk to Keolis Downer of indirect association with modern slavery practices.

Geographically, using The Global Slavery Index² (2018) and the US Department of Labor's List of Goods Produced by Child Labor or Forced Labor³, we have classified the location of most of our suppliers as low risk. We have only considered China as a high risk country.

Given the complexity of our supply chain, we do not have visibility over our Tier 2 and 3 suppliers to the same extent as our Tier 1 suppliers. We plan to gain greater transparency

beyond our direct suppliers to better understand the risk of modern slavery practices in our supply chain. This is an ongoing focus for us.

Comprehensive Modern Slavery Risk assessments were conducted on two companies considered to be higher risk suppliers. This included using information collected and contained in reputable independent third-party due diligence platforms. The first of these companies is a supplier of employee protective clothing and uniforms and the second is a provider of rolling stock and maintenance services. In both cases they showed no flags via the compliance reporting platform and their questionnaire responses were likewise all clear. In both cases, further analysis of their parent company Modern Slavery Statements showed that they were appropriately addressing risks and potential nonconformities within the supply chains of their broader groups.

SUBCONTRACTORS AND LABOUR HIRE

Keolis Downer engages subcontractors and labour hire providers across our operational locations. We are aware that modern slavery risks may not be immediately visible within this network. Labour hire contracts require Keolis Downer contractors to comply with industrial relations obligations under the Fair Work Act and not engage in unethical work practices.

Services procured relating to maintenance, subcontractor and professional services were exclusively performed within Australia, the majority of which were performed by qualified professionals. This category was considered low risk.



CLEANING SERVICES

The cleaning industry can be highly susceptible to modern slavery risks, via common practices such as subcontracting, employment of migrant workers, as well as the high volume, time pressured and often base-skilled nature of the work itself. The industry has historically been classified as 'high risk'. Keolis Downer recognises this risk and uses certain suppliers for the provision of cleaning services, most of which are major Australian-owned/operated and all operating primarily or exclusively within Australia (including Downer subsidiaries) to provide services. Suppliers are expected to maintain fundamental labour and human rights standards and comply with all applicable laws and

regulations of the jurisdictions in which the suppliers are doing business, including employment laws, maintain just and decent working conditions, share Keolis Downer's respect for the environment and implement sound security measures. Keolis Downer has reviewed the Modern Slavery Statement of suppliers where available.

We also take additional action, such as the inclusion of explicit obligations in respect to modern slavery in new contracts with suppliers and subcontractors. This includes the right for Keolis Downer to take meaningful steps should those obligations be breached.

Case Study

In 2022, Yarra Trams, a Keolis Downer operating entity and the operator of the world's largest tram network, completed a network-wide tender for Cleaning Services.

Multiple engagements were undertaken with candidate suppliers that assessed compliance to the Fair Work Act and addressed the risks of modern slavery:

- The successful supplier was able to reference their own Modern Slavery Statement and they directly outlined their approach to address and minimise the risk of modern slavery in their business operations and supply chains.
- They recognise the challenges arising from the diversity of their service offerings and locations, and have designed and implemented a risk-based approach and are committed to continuously improving processes to ensure Modern Slavery is not taking place in their workforce, which includes the supply chain beyond their own direct suppliers.
- They committed to engaging direct workforces through the correct industrial instrument, which ensures that all their staff are paid correctly and covered by Workcover.

Yarra Trams actively monitored the recruitment of the new cleaning contractor's staff to ensure:

- Applicants were based in Australia, were Australian citizens, permanent residents or held valid visas with permissions to work
- Candidates were subject to reference checks and visa checks, had appropriate language skills and were interviewed in person
- The labour model that was employed did not involve employees working additional hours outside of the standard work week and staffing hours were set to meet fatigue management compliance
- Recruitment of staff as employees paid under EBA arrangements, as opposed to subcontractors was required

Yarra Trams awareness and commitment to eliminating the risks of Modern Slavery practices were essential features of the tendering process for this known high-risk area of supply. The outcomes achieved from this process will ensure this objective will continue to be met as we operate Melbourne's iconic Tram network.

Criteria D

Assessment of our Modern Slavery risks and process to address

Our approach

Keolis Downer implements a four-stage mitigation approach in dealing with modern slavery risk.

These stages are:

1. Policies and framework: Our Modern Slavery Statement is supported by Keolis Downer's policies based on the Keolis "Konformite" program which incorporates human rights, employee conduct, supplier conduct, sustainable procurement and modern slavery.
2. Processes, procedures and standards: Our policies and framework are supported by procedures and standards to prevent modern slavery occurring within our supply chain. These include:
 - Employee training including at induction related to Modern Slavery and other employment and business policies;
 - Improvement of our Procurement processes and further training of procurement and contract management staff;
 - Supplier and subcontractor prequalification in line with procurement processes;
 - Standard terms and conditions for supply agreements and subcontracts, including our purchase order terms and conditions;
 - Supplier due diligence.
3. Governance: Strong governance assures compliance with our policies, framework, processes, procedures and standards. Keolis Downer employees, suppliers, contractors and consultants can raise concerns about modern slavery through our formal whistleblower process.
4. Continuous improvement: Keolis Downer is committed to continually enhancing our approach to modern slavery. Keolis Downer's progress in Financial Year 2022 is set out below while our focus areas for Financial Year 2023 are outlined on page 17.



During 2022, Keolis Downer took the following steps to mitigate the risk of modern slavery based on the objectives identified in our FY21 Modern Slavery Statement.

LOOKING BACK: 2022 OBJECTIVES

Focus Area	Objective	Outcome
Increase our understanding:	Research and implement Australian/globally consistent approaches towards identifying, assessing and mitigating modern slavery risks across our operations and our supply chains;	Completed
Communicate our Modern Slavery commitments internally and externally:	Develop a Keolis Downer modern slavery e-learning training module to increase employee awareness of modern slavery and the risks it poses to our operations and supply chain activity;	Completed
	Incorporate our modern slavery training module to form part of Keolis Downer employee induction process;	Partially Completed
	Review of procurement policies and procedures;	Completed
Facilitate reporting of modern slavery concerns:	Establish a channel to report concerns or make further enquiries about modern slavery risks and embed those into business practices;	Completed
Better understand our supply chain:	Undertake annual assessments where geographical and industry risk will continue to be used to identify at risk suppliers and contractors;	Completed
	Carry out further assessment, audit and monitoring of identified high-risk major suppliers;	Completed
Improve systems and processes to comply with KD's Policies:	Commence the review of procurement templates to assess the inclusion of terms and conditions specifying modern slavery obligations and review supply contracts as each of them are varied or renewed, where possible.	Commenced



Criteria E

Assessing the effectiveness of our actions

ASSESSMENT AND EFFECTIVENESS OF OUR ACTIONS

Many of the steps initially identified in our Modern Slavery project have been successfully implemented. These included establishing the Modern Slavery Working Group.

Keolis Downer's Modern Slavery Working Group is comprised of members of the operations, finance, legal, procurement and communications departments from the Group's operating entities. It has oversight to:

- Provide for regular engagement and feedback between key functions;
- Tracking actions and measuring the impact of our actions;
- Review the effectiveness of Keolis Downer's Modern Slavery controls and provide a forum for regular engagement and feedback;
- Monitor training development and deployment;
- Check risk assessment processes to ensure they remain up to date;
- Oversee internal audits, supplier agreements, and results of supplier prequalification;
- Review any feedback in relation to any potential Modern Slavery risks identified and subsequent course of action to remediate;
- Review policies relevant to modern slavery.

By their nature, these actions are expected to continue, providing a basis for internal and external reporting of our progress.

Keolis Downer's Modern Slavery working group meets regularly to discuss the effectiveness of actions taken and continues to mature our risk management framework. In assessing the effectiveness of our approach to modern slavery we will use performance indicators including:

Action	Performance indicator
Modern Slavery Working Group (MSWG)	<ul style="list-style-type: none"> ■ Meeting frequency ■ MSWG Meetings held
Training	<ul style="list-style-type: none"> ■ Percentage (%) of KD's management team trained to recognise and safeguard against modern slavery risks ■ Percentage (%) of KD's key categories employees (contract management, procurement, operational management) trained to recognise and safeguard against modern slavery risks
Modern slavery instances	<ul style="list-style-type: none"> ■ Instances detected ■ Instances remedied (and how)

In 2022 no actual instances of modern slavery were identified via our assessments, due diligence processes, or through our grievance procedures or whistleblower processes.

Criteria F Consultation process

CONSULTATION WITH OTHER ENTITIES

The Keolis Downer Modern Slavery Statement is a result of consultation and collaboration between Keolis Downer operating entities and Keolis Downer shareholder groups.

Through our Keolis Downer Modern Slavery Working Group, Keolis Downer operating entities routinely discuss issues that relate to modern slavery.

Each Keolis Downer operating entity representative on the Modern Slavery Working Group monitors their respective controlled entity's compliance with and support Keolis Downer's modern slavery positions, including compliance with all relevant legislation, adoption of procurement-related standards and policies, and training.



Criteria G

Looking forward

Looking forward: FY2023 Objectives

Focus Area	Objective
Communicate our Modern Slavery commitments internally and externally:	Deliver our Keolis Downer modern slavery e-learning general training module to operating entities and employees to increase employee awareness of modern slavery and the risks it poses to our operations and supply chain activity;
	Continue to incorporate our modern slavery training module to form part of Keolis Downer employee induction process;
Increase our understanding:	Develop and deliver an enhanced Keolis Downer modern slavery e-learning training module to be specifically targeted to Purchasing, Procurement, Contract Management, supplier relations and operational management staff to ensure enhanced awareness of modern slavery issues and relevant policies, in order that breaches of Keolis Downer's policies can be identified and reported.
	Modern slavery training content to be included in the Keolis Downer site-based induction process for suppliers working at each site.
Improve systems and processes to comply with KD's Policies:	Updated procurement policies and procedures including reference to modern slavery to be uploaded onto the Keolis Downer operating entities intranet sites for business wide access;
	Continue to review and progressively build in specific modern slavery terms and conditions into our procurement templates and supply contracts as each of them are varied or renewed.
Better understand our supply chain:	Carry out further assessment and monitoring of higher-risk suppliers and/or Tier 2 suppliers;

Keolis Downer will continue to mature our processes and raise awareness of the issues with our employees, subcontractors and local and international suppliers. We recognise that this process will be ongoing and we will seek to respond to changes in market conditions to manage our modern slavery risks moving forward.

Certification & Appendix

CERTIFICATION BY DIRECTORS

This statement was approved by the Board of
Keolis Downer Pty Ltd

Signed



Bernard Tabary

Director

Keolis Downer Pty Ltd

APPENDIX

1. Other Group Entities

KDR Gold Coast Pty Ltd ACN 150 236 936
KDR Victoria Services Pty Ltd ACN 169 448 382
Keolis Downer Bus and Coachlines Property Pty Ltd ACN 604 655 834
Hornibrook Transit Management Pty Ltd ACN 010 693 348
South West Transit Pty Ltd ACN 077 811 253
Australian Transit Enterprises Pty Ltd ACN 066 987 086
Hornibrook Bus Lines Pty Ltd ACN 010 013 224
Path Transit Pty Ltd ACN 074 765 692
Southlink Pty Ltd ACN 067 806 544
Link SA Pty Ltd ACN 131 552 415
Keolis Downer Hunter Pty Ltd ACN 614 205 766
Keolis Downer Northern Beaches Pty Ltd ACN 621 012 717
Keolis Downer South Australia Pty Ltd ACN 644 358 234

2. <https://www.globallslaveryindex.org/2018/findings/highlights/>
3. <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods-print>



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