

Standards of Business Conduct

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Standards of Business Conduct

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1 SCOPE

1.1 General

The Standards of Business Conduct policy is an integral part of our business integrity policy, prohibiting all forms of corruption and influence peddling, and dealing with situations of conflict of interest.

As a responsible group, the Keolis Downer Group upholds a zero-tolerance policy with regard to active or passive corruption and to influence peddling. As a result, the group is committed to prohibiting all forms of corruption in its business transactions and complying with all international anti-corruption conventions and all anti-corruption laws in force in the countries in which it operates.

The Keolis Downer (KD) group aims to create an environment in which all of our people, suppliers and consultants feel free to raise concerns about conduct which may be unethical, unlawful or against KD values. We are committed to providing ways to report practices and behaviors which are in contradiction to the Standards of Business conduct or which may be illegal. This overarching policy covers areas that all our subsidiaries and operations must focus on to ensure sustainable and ethical business practices are followed.

Areas include, but are not limited to, procurement management, gifts and benefits, entities codes of conduct, and tendering practices. It is up to each of our people to uphold the KD values.

2 LEGAL AND REGULATORY FRAMEWORK

Entities of the KD Group are subject to supranational and national legislation with which they must ensure that they comply. The legal and regulatory framework set up to tackle corruption, whether in France or Australia, is complex and increasingly stringent, and any acts or practices involving corruption are heavily penalised.

KD are obliged, to implement measures aiming to prevent and detect acts of corruption or that may influence peddling. These measures include:

- Standard of Business code of conduct policy;
- An internal alert system;
- An external alert system for contractors and non KD employees;
- Accounting control processes embedded within our entities;
- Education and Training on this topic;
- Grievance and Disputes Handling procedures within each entity;
- Financial and evaluation system at group level.

3 DEFINITIONS

3.1 What is Corruption?

There is no single definition for corruption, however all available definitions converge on a number of core concepts.

Corruption is traditionally defined as:

- The improper performance of one's function or activity in return for an undue financial or other advantage;
- For personal benefit or for the benefit of a third-party; and
- Irrespective of whether 'payment' for the corruption be made directly to the recipient or via an intermediary and whether this 'payment' be intended for the corrupted person or a third party.

Traditional offences of corruption include:

- Active corruption, i.e. the giving or promising of advantages (by the corrupting party); and
- Passive corruption, i.e. the receiving of advantages or incitement of others to offer or give advantages (by the corrupted party).

All acts of corruption committed are strictly prohibited and may result in heavy sanctions. The awareness of actual or possible offences and refraining from verifying their existence, or where relevant, putting a stop to them, is also an offence.

3.2 Implications of a Corrupt Action

Acts of corruption associated with KD maybe liable to prosecution. As KD is an Australian company with both French and Australian shareholders any act including an act of corruption committed abroad by (an) employee(s) of a French company, by the subsidiary of a French company or a foreign sales agent working for the company or subsidiary, could expose the company to liability in Australia, within the country in which the crime is committed, as well as in France.

Corruption, whether active or passive, direct or indirect, or in the public or private sector, is a punishable offence under Australian and French criminal law. Sanctions for such offences may apply to both individuals (in the form of imprisonment and fines) and legal persons (in the form of fines). Additional penalties, such as the exclusion of legal entities from public contracts, may also apply.

In Australian and French criminal law, there are two types of corruption:

- **Active corruption** (the offence of corrupting someone), whereby a person offers, promises or gives any undue financial or other advantage, whether directly or through intermediaries, to another person in order to influence them to perform an undue favour in return; and
- **Passive corruption** (the offence of being corrupted), whereby a person requests, is promised or accepts, whether directly or indirectly, an undue advantage in return for an undue favour.

French criminal law distinguishes between public and private corruption. The persons concerned by these categories are as follows:

- Public corruption: public officials and civil servants (government employees, members of all authorities, any individual with a public mandate); and
- Private corruption: employees, company partners, representatives, assistants of third-party private-sector organisations.

3.2.1 What is Influence Peddling, and how does this affect Keolis Downer?

Influence peddling, unlike corruption which applies to a relationship between corrupting and corrupted parties, refers to a three-way relationship whereby a person with proven or presumed influence over certain people exercises this influence in return for a benefit supplied by a third party wishing to gain an advantage from this influence (such as a favorable decision by public authorities, confidential information, jobs or public contracts).

As it does for corruption, Australian and French criminal law distinguishes between two types of influence peddling:

- **Active influence peddling** is when someone offers an advantage to another person in order that they apply their influence to obtain a favorable treatment from a third party for the benefit of the donor; and
- **Passive influence peddling** applies to being encouraged to exercise one's influence for the benefit of a third party.

In French law, influence peddling is severely punished by articles 433-1 and 433-2 of the Penal Code.

Several examples of situations which could be qualified as influence peddling:

- A supplier inviting a person on a holiday in consideration of the actual or presumed influence that the supplier believes that person has on the purchasers responsible for selecting suppliers.; and

- A company bidding for a contract giving a sum of money to an intermediary in return for them entering into contact with a member of the public service contract commission over which the official is considered to have significant influence, whether this is proven or not.

4 KEOLIS GROUP COMPLIANCE PROGRAM

Since 2013, the Group has implemented a compliance program, Konformité, targeting several areas, including anti-corruption. KD as part of the Global Keolis group is required to adhere to this program. The aim of the program is twofold:

- To provide all staff with a clear set of rules and principles, constituting effective guidelines for conducting all of the Group's business activities, so as to have good knowledge and understanding of the Group's issues and commitment; and
- To empower those involved at operational level and make compliance a key focus of the business culture by placing it among the Group's core values.

Policies and Procedures that feature as part of Konformité have been drawn up to address the main identified sources of risk in terms of context or situations; they may highlight basic Group principles conduct to be adopted or procedures to be applied. These are set out in an easy-to-understand format, with a series of Do's and Don'ts.

Each entity across Australia has access to these documents and can supply on request to staff members. Supporting this global program each entity has it's own suite of documents, determining how an employee will act with regard to procurement, gifts and when confronted with a possible corrupt situation.

4.1 Key Principles According to Context

4.1.1 Keolis Downer Rejects all forms of Corruption

Keolis Downer rejects any form of corruption and applies this principle across all operating entities. This principle concerns not only people qualified as public officials but anyone who could benefit from an act as a result of their position, function or relations. While certain legislation focuses only on corruption in the public sector, the Keolis Group's global anti-corruption policy is equally strict with regard to the private sector.

As a Keolis Group entity, KD employees must not directly or indirectly (through the intermediary of a supplier, subcontractor, consultant or any other third party acting in its name or on its behalf), propose, offer, or award any financial or other advantage, to a person in the public or private sector, for that or any another person, for the sole purpose of obtaining or retaining business; nor may they receive any advantage or favour that infringes regulations.

In particular:

- Bribes are strictly prohibited – a bribe being defined as anything of value offered in order to influence a decision;
- The payment of illegal kickbacks to third parties (whether customers, suppliers or consultants) is prohibited;
- The acceptance of commission from third parties is prohibited without the express permission of the Group; and
- Inciting actual or attempted corruption is forbidden, as is complicity with actual or attempted corruption.

On the same basis, Group's Entities and employees must not accept the offer of any person claiming to have a real or presumed influence on a public or private sector employee, to use their influence to obtain contracts or a favourable decision.

It is forbidden to give any advantage of any type whatsoever that may be requested by a public official for the performance or arrangement of an administrative procedure or formality under their responsibility and which the Group is entitled to demand through normal legal channels.

Facilitation payments are quite simply prohibited by the Group, since they are in fact acts of corruption.

All employees of KD's Entities are forbidden to request, accept or receive any financial or other advantage, for their own benefit or that of a member of their entourage, in return for a decision or act, carried out while conducting their professional functions, that opposes Keolis Group's principles of independence, objectivity and protection of interests.

4.1.2 Preventing Corruption is Everyone's Business

Acts of corruption are punishable by fines and imprisonment for the employees that commit or participate in them under Australian law and French law.

Furthermore, they expose KD to the risk of extremely severe commercial, financial or administrative penalties. In addition to fines, a company found guilty of corruption may be excluded from public invitations to tender. An affair may lead to financial, administrative and penal consequences not only for KD, but Internationally for the whole Group.

The damage to the Group's image resulting from the revelation of acts of corruption, or the simple fact of being suspected of such action, can be irreversible and considerably harm the confidence of shareholders, clients and suppliers, thereby seriously affecting Group performance.

4.1.3 Relations with Public Authorities

The business activities performed by KD may lead some employees to enter into relations with public officials and administrations in the context of government contracts and administrative procedures, as part of ordinary business conduct.

A public official is generally defined as any person in a country or region, who by either appointment or election holds a legislative, administrative or judicial office and exercises a public function for that country or region or any other public body. Thus, employees of companies that are partially owned by a public corporation and employees of political parties and candidates for political office are also considered as public officials.

Relations with public officials and equivalent persons must be conducted with extreme caution. KD is committed to full compliance with anti-corruption laws and regulations relating to public officials. Locally applicable regulations must in all cases be abided by.

As a general rule, nothing whatsoever should ever be offered to a public official, either directly or via a third party acting on behalf of KD, in exchange for preferential treatment.

4.1.4 Relations with Business Partners, Public and Private Sector Clients

Professionalism, a sense of responsibility and a constant drive to improve performance and create the best possible company culture are key to the development and credibility of KD.

The business transactions that we undertake with business partners, as well as public and private sector clients must be conducted in full compliance with internal procedures as well as applicable laws and must be performed transparently and subject to fair competition.

The utmost vigilance is therefore required to ensure that:

- Business and contracts are won fairly, without ever offering undue advantages (i.e. bribes) or succumbing to any attempts at blackmail;
- Payment for the Group facilities and services is made within a well-defined contractual framework in which all aspects of the business relationship are fully outlined;
- Business relationships are conducted properly, particularly as regards the use of gifts and hospitality;

4.1.5 Fair Competition

Under fair competition laws, it is usually illegal to make an agreement with another person to fix or control prices, market share and distribution practices (among other things). It is also illegal to make an agreement with a competitor to boycott suppliers or to deal with only specific customers or markets. You must not engage or be involved in any

conduct that breaches competition or antitrust laws. Each KD entity has a Procurement Management procedure, a breach of these laws (by any employee, worker, agent, stakeholder or any third party) can have serious consequences for KD, and even the perception of a breach of these laws could have a serious impact on the reputation of the Company.

4.2 Conflicts of Interest

4.2.1 What is a Conflict of Interest?

A conflict of interest exists when a personal interest (personal, family, financial, associative, sporting, political, caritative, religious, union, philosophical) interferes with a professional function and might affect or appear to affect the position or decision that the employee or executive may take in their line of work.

The conflict of interest is therefore characterised by the fact that a person risks losing their intellectual independence or objectivity or having their decisions challenged, thus becoming more vulnerable in the exercise of their professional duties. The conflict of interest is not an offence *per se*, but in certain circumstances, may lead to potential situations of corruption.

The most common types of conflict of interest are:

OUTSIDE EMPLOYMENT	A situation in which two activities are exercised (simultaneously or at different times) by the same person, which could conflict with each other because they defend opposing interests.
NEPOTISM	A situation in which private, and usually family relationships (partner, child or other close relation) can interfere with professional duties (for example two relatives working in the same department with a hierarchical link, or a member of the entourage working for a supplier, client, public transport authority, etc.).
SELF-DEALING	A situation in which an employee acts on an operation as a representative, adviser, consultant, etc., while also having a personal interest which he could support to the detriment of his professional interests (e.g. a buyer choosing a supplier in which he has a financial interest).
GIFTS AND HOSPITALITY	A situation in which an employee receives or has received donations, gifts or favours from people (suppliers, customers, etc.) with whom they also entertain a business relationship.

Identifying potential conflicts of interest is a key factor to forewarn and address them. It is therefore your duty to ask yourself the right questions and identify any interests that you have which might conflict with those of the Company. This is your responsibility.

4.2.2 What do you do if a Conflict of Interest arises?

Transparency is fundamental. This is why, as soon as you identify a conflict of interest, whether for yourself or for one of your colleagues, you should spontaneously report this risk to your Line Manager and seek their advice before taking any decision or action, even if you believe or know that the only interests that will guide you are those of KD.

Acting or taking a decision in this context will in all events and as soon as the conflict becomes known, lead to suspicion (even if unfounded) from your professional entourage, suppliers, clients or any other stakeholder, and will damage your credibility or that of the colleague concerned.

Your conduct naturally has a considerable effect on that of your team members. As a personal leader, your decisions and actions are seen as an example by the employees under your responsibility.

Consequently, you should:

- Within your scope of responsibility, arrange an internal discussion on the issue of conflicts of interest;
- Invite your team members to systematically raise any questions they have on the subject if they have a doubt about conflicts of interest for themselves or for their own team members; and
- Finally, avoid placing yourself in a situation which might give rise to conflicts of interest.

5 HOW TO REPORT A PROFESSIONAL ALERT

5.1 Professional Alert System

In light of our obligations, nationally, KD has provided employees with a professional alert system (section 5.4).

This is not intended to replace local or entity based Grievance and Disputes Handling procedures. Nor is it a channel to interrupt internal communication between management and staff, and should be used only in circumstances as defined below.

Reports to the alert system “Our Voice” may include:

- A crime or an offence;
- A serious and obvious breach of an international commitment duly ratified or approved by KD;
- A serious and obvious breach of a unilateral act from an international organisation issued on the basis of a duly ratified international commitment;
- A serious and obvious breach of law or regulation;
- A serious threat of harm to the public interest or;
- Any act, whereby a reporter feels they require protection as defined under the *Corporations Act 2001* (Corporations Act) which gives certain people legal rights and protections as whistleblowers.

This system aims to enable sincere, reliable and responsible communication, and we guarantee the confidentiality of data provided. KD prohibits any form of retaliation, disciplinary action or threats thereof towards employee who use the alert system.

5.2 Acting in Good Faith

Employees using the alert system must act in good faith and under no circumstances deliberately make wrongful accusations or make it their sole intention to do harm or draw personal benefit from their report.

With good faith, it is assumed that the employees can establish, or produce, facts formulated in an objective manner, directly related to the professional alert scope and that are strictly necessary for the verification of the alleged facts, through formulations which demonstrate the alleged nature of the reported facts.

Any employee who, intentionally or with manifest negligence, makes untruthful declarations or consciously discloses misleading information through the alert system, will be deemed to have acted in bad faith or disloyally and will be liable to face disciplinary action or legal prosecution in accordance with the applicable laws and regulations.

Conversely, an employee having acted in good faith will not be subject to any disciplinary action or prosecution whatsoever even if the alleged facts prove unfounded or lead to no further action being taken.

5.3 Reporting a Concern

Employees can report misconduct or other behaviour which does not meet the expectations set out in this document or as defined within the Corporation Act through their local Grievance and Disputes Handling procedure or raising your suspected report of misconduct or other behaviour to your Line Manager or Team Leader. If you do not feel comfortable raising a concern at this level, or you have done so and feel that the matter remains unsolved, you can contact the alert system.

Keolis Downer has engaged the services of the independent reporting service called 'Our Voice', which can be accessed from any country 24 hours a day, 7 days a week, 365 days a year.

The Our Voice services makes it easy for anyone who has a concern to report misconduct or other unethical behaviour without fear of reprisal, dismissal or discriminatory treatment.

You have the option of making a report anonymously.

You are protected when you make a report to the Our Voice service, KD will not tolerate any type of retaliation against any of our people who report misconduct, raise a concern or assist in an investigation. When reporting misconduct, raising a concern or assisting in an investigation, we expect you to act in good faith and with a reasonable belief that any information you provide is true.

You can contact **Our Voice** by:

- Calling the Our Voice hotline on 1800 940 889 (free call from within Australia)
- Making a report online www.ourvoicekeolisdowner.deloitte.com.au
- Sending an email to ourvoicekeolisdowner@deloitte.com.au; or
- Sending a fax from anywhere in the world to +61 3 9691 8182.

5.4 What happens when a report is made?

The following basic steps set out what happens when a report is made:

- Person identifies questionable conduct – report is made either via the local Grievance and Disputes Handling process or Our Voice;
- If a report is made to Our Voice, the reporter will be provided a confidential reporting code after reporting.
- The report will go either anonymously or with the reporters details to the Workplace Organisation (WPO);
- The report is investigated in full by WPO. The WPO may request more information or evidence from the reporter through an independent 3rd party investigator not associated with KD;
- Findings are reported to Management

Appropriate action is taken. Where appropriate and legally able, the reporter is notified of outcome.



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