
Alstom Transport Australia Pty Limited (ACN 165 157 451)
Modern Slavery Statement 2021

Date of Issue: 27 September 2021

This statement is made on behalf of the board of Alstom Transport Australia Pty Limited ACN 165 157 451 (**Alstom Australia**) with regards to the *Modern Slavery Act 2018* (Cth) which requires companies with an annual consolidated revenue in excess of AUD\$100 million to be transparent about their efforts to identify and mitigate slavery and human trafficking in their business and supply chains, for the year ending 31 March 2021.

Introduction to Alstom¹

Our business

Alstom Australia is a wholly owned subsidiary of Alstom SA (**Alstom**), a French multinational company operating in the rail transport markets. Alstom's well-known products include the AGV, TGV, Eurostar and Pendolino high-speed trains, as well as its Citadis trams.

Alstom's mission is to support the transition toward global sustainable transport systems that are inclusive, environmentally friendly, safe and efficient whilst implementing a socially responsible business model. As a promoter of sustainable mobility, Alstom develops and markets systems, equipment and services for the transport sector. Alstom offers a complete range of solutions (from high-speed trains to metros and tramways), passenger solutions, customised services (maintenance, modernisation), infrastructure, signalling and digital mobility solutions.

Alstom in Australia

Alstom Australia has been providing sustainable infrastructure solutions in Australia and New Zealand for more than 100 years and currently employs approximately 450 people across 10 sites that include workshops, offices and manufacturing facilities.

Alstom Australia is a major supplier of Rolling Stock, Signalling and associated Services for the rail industry throughout Australia. Our proud history includes the manufacturing of diesel/electric Locomotives in Brisbane, Queensland in the 1940s and 1950s to when the Business made a significant step acquiring the Ballarat workshop from the Victorian Government in 1999, as a local industrial base for rolling stock build, renovation and component overhaul.

In the more recent years, Alstom Australia continues to support the national Transport Sector. Our X'Trapolis trains dominate the Melbourne suburban network alongside our Citadis Trams that also operate in both Melbourne and Adelaide. In Sydney, our Metropolis rolling stock and CBTC signalling system have been operating since 2019 for the Sydney Metro Northwest project - Australia's first fully automated, driverless Metro. Alstom Australia is currently delivering the rollingstock and signalling technology for the City & Southwest metro extension. The latest evolution of our Citadis tram, the X05, has delivered a new dimension to Sydney's public transport network as part of the Sydney Light Rail project that includes an Australian first 'wire-free' section in Sydney's historic CBD and the latest innovative HESOP energy recovery substations.

Alstom Australia is a leading end-to-end local manufacturer of Rollingstock in Australia with major industrial sites of its own in Ballarat in Victoria and now also operating out of the new METRONET manufacturing facility in Perth, Western Australia. Alstom Australia will locally manufacture 346 rail cars in Perth for the METRONET Railcar procurement project, supporting local jobs and developing local supply chains.

Alstom Australia's Services operations maintain rail cars (including trams) under long-term maintenance contracts right across the country, delivering the highest fleet availability and reliability performances of any rail fleet in the country. Some of Alstom Australia's major long-term maintenance contracts include the Sydney Metro Northwest, Sydney Light Rail (including infrastructure) and the Perth METRONET projects.

¹ Mandatory Criterion One and Two: Identify the reporting entity and describe its structure, operations and supply chains.

Alstom's signalling technologies are present on the majority of rail networks throughout the country, covering more than 1,500 km's of track and includes Australia's first fully automated driverless CBTC technology, ETCS level 1 and Level 2 and interlockings in New South Wales, Victoria and Queensland.

Key milestone

On 29 January 2021, Alstom announced the completion of the acquisition of Bombardier Transportation, creating a new global leader in smart and sustainable mobility. Over the next many months, the ongoing integration of Bombardier Transportation's rail business at a global level led by Alstom headquarters remains on track.

For the purpose of compliance with the *Modern Slavery Act 2018* (Cth), this modern slavery statement covers the operations and business of Alstom Australia for the reporting period of 1 April 2020 to 31 March 2021 (**Reporting Period**).

Supply chains

Alstom Australia's operations include the manufacture and transportation of single deck trains in Australia. Alstom Australia's supply chain includes a large range of goods from a broad range of industries both domestically and internationally, including Alstom's own domestic and overseas factories where various stages of manufacture take place. the subsequent importation of the trains or parts into Australia and the delivery of the trains to Alstom Australia's customers.

Alstom Australia's supply chain also includes services that contribute to its operations, such as the cleaning and security companies that service Alstom's offices and manufacturing sites.

Alstom Australia's products and services delivered in Australia are sourced from the following countries:

- Rolling stock materials are procured from Australia, Europe and Asia.
- Track/signalling materials and infrastructure services are procured from Australia, New Zealand, Europe, Asia and North America.
- Production consumables are procured from Australia, and North America.
- Indirect services are procured from Australia, New Zealand, Europe, Asia and North America.

Alstom Australia's assessment of modern slavery risks in its supply chain in Australia²

Alstom is committed to combating modern slavery and human trafficking. We understand that slavery and human trafficking can occur in many forms, such as forced labour, child labour, domestic servitude, sex trafficking, workplace abuse and human trafficking.

Supply chain analysis

As Alstom Australia procures a large range of goods from a broad range of industries both domestically and internationally, we acknowledge that modern slavery is a risk to our organisation and extended supply chain. Our approach to the detection of modern slavery risk in our supply chain is based on various factors. These include vulnerable populations, product and service categories, industry and geographic locations and the types of goods or services being provided.

As this is Alstom Australia's second reporting year, Alstom Australia continues to prioritise its due diligence to identify and understand the potential for and scale of modern slavery risks, focussing on our first-tier suppliers and contractors. Due to the COVID-19 pandemic restrictions, we were not able to fully implement our proposed initiatives with our suppliers. To avoid potential instances of modern slavery in our supply chain, we will continue to work with our suppliers to identify potential instances of modern slavery and support the implementation of appropriate remediation or corrective action plans.

² Mandatory Criterion Three: Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls.

During the Reporting Period, Alstom Australia engaged with approximately 414 external suppliers and contractors domestically (including NZ) and 156 international suppliers and contractors. Our key areas of spend include procurement of services (47%), equipment and materials (52%).

Alstom Australia has over 270 external suppliers and contractors providing services, 94% of which are procured domestically. The next largest group of services are sourced from Europe (4%). Services delivered to Alstom Australia include works subcontracted directly for our projects and also to support the operations of the business. The two areas of highest spend on suppliers of services is firstly, the relocation of Alstom overseas employees and temporary labour and secondly, the subcontracting of works for installation and commissioning of signalling and trackside equipment, as well as railway infrastructure such as track, overhead wiring and substations.

In relation to equipment and materials procured by and supplied to Alstom Australia, we have approximately 300 external suppliers and contractors. The majority of equipment and materials are procured from local suppliers in ANZ (54%) with the remaining equipment and materials are procured overseas, from Europe (29%), Asia (16%) and North America (1%). Goods purchased by Alstom Australia include Rolling Stock subsystems including brakes, HVACs, pantographs, bogies as well as Signalling and Infrastructure including electrical cubicles, cables, point machines and network communication hardware.

During the Reporting Period one of the China-based global suppliers to Alstom was named in an Australian Strategic Policy Institute report dated 1 March 2020 on forced labour practices. The supplier has denied allegations of modern slavery. Alstom undertook a review of potential forced labour issues in the supplier, including internal interviews, document reviews and third party audit. The reviews and audit were finalised in September 2020 and no human rights incidents were identified at the plant that supplies to Alstom. Alstom continues to audit the supplier and to closely monitor the situation.

Alstom Australia also has approximately 10 internal suppliers supplying catalogue and standard equipment manufactured in France, US, Brazil, India, Poland and China. Most of this equipment and materials are procured locally within the country of manufacture and are used mainly for Rolling Stock and Signalling purposes. All Alstom's global entities are tasked with following the mandatory global policies and processes to recognise the risks of modern slavery and human trafficking in our business and supply chains.

As manufacturing and maintenance activities constitute a significant proportion of Alstom Australia's operations, we have an ongoing need for personal protective equipment and clothing to protect our workforce. Some or all of these products may be part of the textiles and fashion sector, which is recognised on a global basis as high risk for modern slavery. Alstom Australia's protective apparel or branded clothing (PPE) is procured from domestic suppliers and makes up 0.3% of our total spend.

The selection of Alstom Australia's suppliers is usually performed via a competitive RFQ (Request for Quote) process. Suppliers' offers are reviewed and assessed against industry/market QCD (Quality, Cost and Delivery) and EHS performance.

Alstom Australia aims to progressively develop a more comprehensive supply chain risk mapping to illustrate the geographic location and nature of products and services sourced. Alstom applies a systematic approach to all risk disciplines, including our procurement processes, practices and dealings with suppliers and contractors, which we know is an essential element of progressing the global eradication of modern slavery and human trafficking. Alstom uses an external platform, *Ecovadis*, to ensure that Alstom's supply chain is sustainable. The assessments performed focus on 21 sustainability criteria that are grouped into four themes: Environment, Labor & Human Rights, Ethics and Sustainable Procurement. *Ecovadis* establishes country CSR score cards on corruption risk, respect of human rights, politic instability and eco-awareness. The assessment system is in line with the UN Global Compact guidelines, ISO 26000, and the Global Reporting Initiative (GRI).

Alstom's Coronavirus (COVID-19) response

The reporting period coincided with the unprecedented coronavirus pandemic and health crisis. As each State and Territory in Australia imposed different health and safety rules and requirements to manage the spread of COVID-19, the management of the COVID-19 pandemic has required Alstom Australia to take different approaches according to the specific requirements of each State or Territory. This includes, lock down - for people to 'stay at home except for essential activities' and for workplaces to either close or modify their operations to slow the spread, avoid health systems being overwhelmed and prevent unnecessary deaths.

Alstom Australia has implemented an ANZ Crisis Management Team that meets on a regular basis to govern the requirements and create and approve work instructions in response to COVID-19. The Crisis team refers

to the EHS-AUS-WMS-013 Business Continuity Plan – Pandemic to guide the actions it will take for COVID-19 preparedness, mitigation, response, recovery and restoration. The crisis leadership team meets regularly and as required according to changing circumstances. The crisis management team discusses the plan and is tasked with identifying actions required to ensure the health and safety of its people and to optimise business continuity. The Crisis Team provides Australian situational reports to the Alstom Region Crisis Team.

Alstom Australia also recognises that mental health is an important issue. Psychosocial hazards can develop both within and external to the workplace and can lead to employees being incapable of attending work, performing standard duties or working safely within their roles. Alstom Australia's focus is on working to alleviate such concerns and using the lockdown period to invest in various health and wellbeing mobility initiatives.

Alstom's policies and procedures in relation to modern slavery risks³

Principles

Alstom invests in educating employees to recognise the risks of modern slavery and human trafficking in our business and supply chains.

Alstom has a Code of Ethics that applies to every employee and which is designed to promote honest and ethical conduct with all stakeholders. The Code of Ethics prescribes Alstom's fundamental rules of conduct, relating in particular to full compliance with laws, regulations and requirements in Australia.

Alstom's Sustainability & Corporate Social Responsibility Policy was updated in March 2021 and endorsed by Henri Poupart-Lafarge, Chairman & CEO of Alstom.

Alstom is a member of the United Nations Global Compact initiative. In July 2021, the Group's Chairman and Chief Executive Officer renewed his commitment to the 10 principles of the United Nations Global Compact. Alstom commits itself to a continuous improvement approach with its suppliers and contractors. Alstom's human rights policy is part of the Sustainability and CSR policy and is defined in the Alstom's Code of Ethics.

Supplier compliance

Alstom seeks to do business with suppliers and contractors with similar values, ethics and sustainable business practices, including those related to human rights. Relations with Alstom's suppliers and contractors are governed by Alstom's processes and procedures which apply both during the selection process and during contract performance, including policies governing:

- Consulting Companies;
- Preventing corruption with Suppliers and Contractors;
- Supplier Selection Process;
- Sustainable Development Process;
- Sustainable Sourcing Policy;
- Ethics and Sustainable Development Charter; and
- Generic Process Audit.

An integral part of Alstom's sourcing and procurement process is the Ethics and Sustainable Development Charter for Alstom's Suppliers and Contractors (**Alstom's Charter**). Alstom's Charter sets out Alstom's compliance expectations regarding human rights, the prohibition of child labour, employee health and safety and ethical rules, in particular those relating to anti-corruption and competition compliance, environmental protection and compliance with applicable laws and regulations.

All Alstom's suppliers and contractors are required to commit to compliance with Alstom's Charter, in particular the following objectives:

- Eliminate all forms of illegal, forced or compulsory labour;

³ Mandatory Criterion Four: Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes.

- Eliminate child labour: Alstom's suppliers and contractors shall not employ persons not having reached the minimum age required for work and shall never support the use of child labour, except as part of an official government approved educational youth training scheme;
- Eliminate discrimination of any kind in respect of employment and occupation;
- Comply with applicable laws and regulations related to maximum working hours and minimum days of rest;
- Comply with applicable laws and regulations related to the minimum level of wage;
- Respect the freedom of association for their employees, in compliance with applicable laws; and
- Comply with applicable laws and regulations related to redundancy.

Alstom ensures that its suppliers and subcontractors commit to a social approach and respect environmental, ethical, health and safety requirements through the signature of the Alstom's Charter. By signing the charter, Alstom's suppliers undertake to respect the principles of the United Nations Universal Declaration of Human Rights, the fundamental conventions of the International Labour Organisation (ILO), the OECD Guidelines for Multinational Enterprises, the rules of conduct of the International Chamber of Commerce (ICC), and the values defined by Alstom's Code of Ethics.

Recruitment policy

Alstom Australia operates a robust recruitment policy, including conducting eligibility to work in Australia checks for all employees to safeguard against human trafficking or individuals being forced to work against their will.

Alstom Australia's direct workforce is predominantly made up of professionally qualified and skilled employees and we consider the risk of modern slavery occurring amongst our employees to be very low. Our direct employees are engaged either by contract or under award agreements. We currently have two (2) collective industrial instruments and three unions, with whom our employees are free to associate.

Contractual arrangements

All our contracts with suppliers and contractors contain the right to be assessed or audited by Alstom or by a third party nominated by Alstom on the principles defined in Alstom's Charter.

Supplier On-boarding checks

Prior to engaging a new external supplier, Alstom conducts a qualification process plan for preliminary audits known as a "Quick Industrial Assessment". These audits include questions related to suppliers' CSR activities. If the results are satisfactory, a more extensive "Generic Process Audit" is carried out by the quality team, focussing on a priority pool, unless the supplier is certified "IRIS" (International Railway Industry Standard). As part of mandatory on-boarding documents, Alstom Australia's suppliers and contractors are required to comply with Alstom's Charter. Suppliers signing Alstom's Charter also agree to Alstom performing on-site audits with its suppliers and contractors.

Grievance Alert mechanism

Alstom utilises a tool called the "Alert Procedure" which provides a phone line and web-based portal which can be used to confidentially report matters. The Alert Procedure is available to any employee, any person (ie. contractors or suppliers) and any third party. This process allows reporting of breaches or suspected violation of any law, regulation, or the Code of Ethics or Alstom rules and policies - including concerns relating to modern slavery. All matters reported are managed by Alstom's Ethics and Compliance team.

Training

Training is an essential component of our risk management, governance, compliance framework and Alstom's values. Training our employees helps ensure employees are aware of their legal, regulatory and compliance responsibilities. When new employees start working at Alstom, they are required to complete a suite of mandatory online compliance training courses, including training on our Code of Ethics which also covers

modern slavery and human trafficking. Mandatory refresher training is provided to employees every two years or earlier if required due to changes in Corporate governance compliances or as required by new legislation. As part of our training governance framework and also individual employee performance management, we monitor, report and manage mandatory training completion rates.

Alstom Australia's actions to assess and address modern slavery risks⁴

As our supply chain is one of the areas of greatest potential modern slavery risk, Alstom Australia continues to dedicate significant effort to deepen the understanding of the specific types of human rights risks associated with different types of products, source countries and sectors. Alstom Australia recognises that our review and assessment to identify and address modern slavery risks across our supply chain will be an ongoing and evolving process that we are committed to continue to build upon.

We are and will continue to monitor and assess the effectiveness of Alstom Australia's processes and procedures to address the modern slavery risks.

During the Reporting Period, Alstom Australia completed its update of its standard contracts with suppliers and contractors with specific modern slavery clauses. We believe that by inserting a specific modern slavery provision in our contract terms and conditions with our suppliers will oblige them to be familiar with and to comply with the requirements of the *Modern Slavery Act 2018* (Cth).

Over the next year, Alstom Australia will continue to focus on the development of our Australian supply chain assurance framework by undertaking the following actions:

- Engage with our suppliers with our onboarding and monitoring questionnaire with specific modern slavery focus to raise awareness of the modern slavery requirements, identify potential risks in connection with sustainability at an early stage, and ensure that appropriate steps are taken. Following this and as part of our continuous review and risk assessment process to monitor the adequacy of controls in place, we will require suppliers and contractors to complete the questionnaire on a regular basis.

We will continue to focus on and assess our first-tier suppliers and contractors, in particular those operating in countries where there is a high risk of modern slavery.

Alstom Australia also plans to assess training needs for specific areas of the business with heightened human rights risks. In addition to our corporate training, we will continue to provide training on Australian modern slavery laws which will be rolled out to our board of directors and senior managers at Alstom, our Sourcing and HR teams. This training will be reviewed and updated annually, in particular for key procurement staff who will attend human rights and modern slavery awareness sessions delivered by internal and external experts.

Subject to the ever evolving COVID-19 situation and restrictions, Alstom Australia may also undertake audits of our suppliers and contractors to assess their compliance with Alstom Australia's modern slavery requirements, including under Alstom's Charter, on a case by case basis.

Other relevant information⁵

As Alstom Australia is a subsidiary of a global international company, we would also like to highlight modern slavery compliance and initiatives by the Alstom group of companies in other countries:

- The UK Modern Slavery Act entered into force in 2015 and applies to commercial organisations carrying out business in the UK. Alstom Transport UK Limited ("Alstom UK") complies with and has a current Modern Slavery Statement in compliance with the *Modern Slavery Act 2015* (UK).
- Alstom's Vigilance Plan was first published for the 2017/8 financial year as part of the French law on Duty of Vigilance. This plan documents the various measures taken at the different levels of the organisation to manage human rights, health and safety and environmental risks.

⁴ Mandatory Criterion Five: Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks.

⁵ Mandatory Criterion Seven: Any other relevant information.

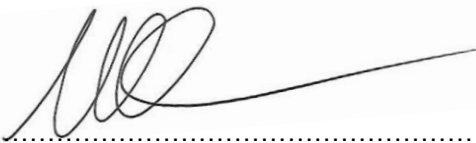
- Evaluation of Sustainability performance by independent third parties: Alstom's sustainable development performance was last assessed by *Ecovadis* in 2021. Alstom obtained a score of 74 and the resulting "Platinum" status. It was among the top 1% rated companies on the platform.
- Alstom UK and Ireland continues its partnership with the Supply Chain Sustainability School and will use this partnership to improve supply chain knowledge about issues relating to Modern Slavery.
- Alstom is a member of *Railsponsible*, an industry initiative focused on sustainable procurement, with the aim of continuously improving sustainability practices throughout the railway industry supply chain.
- Alstom is a member of the United Nations Global Compact initiative and commits itself to a continuous improvement approach with our suppliers and contractors outlined in our Ethics and Sustainable Development Charter for Alstom's Suppliers and Contractors.

During the Reporting Period, Alstom was included, for the tenth consecutive year, in the Dow Jones Sustainability Indices (DJSI), World and Europe, attesting to its leadership position in sustainable business practices. Alstom has maintained its ranking amongst more than 7,300 assessed companies, and is now part of the Top 5% of the best scored companies in its industry. Alstom's performance in the field of Human Rights was awarded 82/100.

Approval

This Statement is made in accordance with the *Modern Slavery Act 2018* (Cth) and constitutes Alstom Australia's Modern Slavery Statement for the reporting financial year commencing 1st April 2020 and ending 31st March 2021.

This Statement has been approved by the Board of Alstom Transport Australia Pty Limited.



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Mark Coxon, Director

Dated: 27 September 2021