

2023-2024

Modern Slavery Statement

Minimising the risk of modern slavery

Section 1

Hitachi Energy in Australia

1. This statement is intended to meet the requirements of the Modern Slavery Act 2018 (Cth) (**Act**) and for the purpose of the Act, the reporting entities are Hitachi Energy Australia Holdings Pty Ltd ACN 632 805 862 and Hitachi Energy Australia Pty Ltd ACN 010 087 608 (collectively, **Hitachi Energy**). This statement covers Hitachi Energy's reporting period of 1 April 2023 to 31 March 2024 (**Reporting Period**).
2. This joint statement describes the steps taken by Hitachi Energy to minimise the risk of modern slavery occurring in its business and supply chains and covers the activities of Hitachi Energy's controlled entities, as informed by the Act.
3. The reporting entities covered by this statement have been consulted, including the relevant directors and key risk and governance stakeholders. This joint statement has been approved by the board of Hitachi Energy Australia Holdings Pty Ltd, being the higher entity (as that term is defined in the Act) covered by this statement and has been signed by two authorised directors of that entity.
4. Hitachi Energy is part of the Hitachi Energy group of companies (**Hitachi Energy Group**), who are global leaders in power technologies in the energy sector largely supporting the transport and infrastructure, industry, and utilities sectors. The Hitachi Energy Group in its current form was created in 2018, but its history spans over 120 years.
5. To prepare this statement Hitachi Energy undertook a detailed assessment of its operations and supply chain, and its performance against the commitments made in its 2022-2023 statement. Hitachi Energy is proud of the steps it has taken to combat modern slavery and remains committed to further improving its business practices in this area. Continuing to improve the way Hitachi Energy assesses and addresses the risk of modern slavery remains an important focus area for the business.
6. To meet the mandatory reporting criteria, this statement is structured across the following sections:



Section 1 - Hitachi Energy Australia

Section 2 - Organisational structure, operations and supply chain

Section 3 - Modern slavery risks in our business

Section 4 - Actions taken to assess and address risk

Section 5 - Action effectiveness assessment

Section 6 - Consultation process

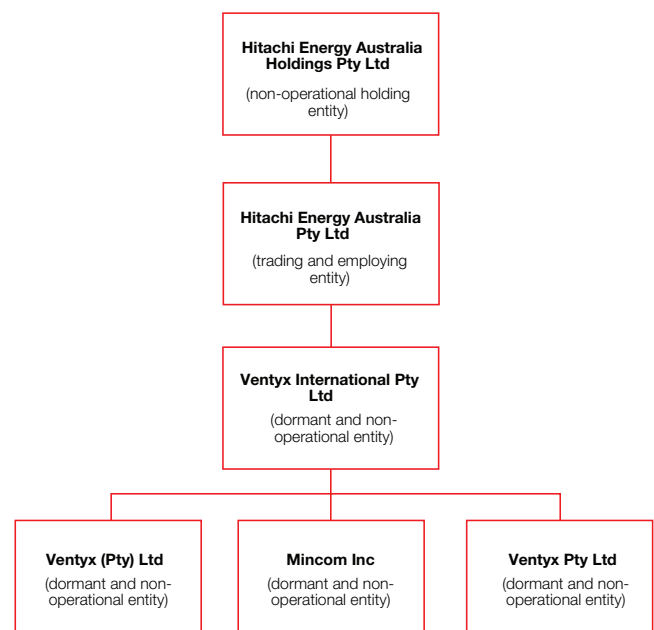


Hitachi Energy’s commitment to combatting modern slavery

- 7. Hitachi Energy remains committed to ensuring there is transparency in its business and in its approach to managing modern slavery risks throughout its supply chains. This commitment is reflected in its governance, policies, code of conduct, and business practices (both internally and within its value chain) and compliance with the Hitachi Energy Group’s framework and initiatives. Hitachi Energy fully acknowledges its responsibility to respect human rights as set out in the Act and the International Bill of Human Rights and reinforces its commitment to implementing the United Nations Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO Core Conventions on Labor Standards, the ILO Minimum Age Convention No. 138 and the Worst Forms of Child Labor Convention No. 182. This is further emphasised in the Hitachi Energy Group’s sustainability strategic plan which draws upon the United Nations Sustainability Development Goals (SDGs). This strategy is based around the Hitachi Energy Group’s three DNA strands of Planet, People, and Principles whereby each pillar has corresponding top targets that drive the Hitachi Energy Group’s business to contribute to social, environmental, and economic value.
- 8. Hitachi Energy complies with the Hitachi Energy Group’s comprehensive human rights framework that demonstrates its commitment to respecting all internationally recognised human rights within and across its business activities and value chain. The Hitachi Energy Group’s human rights framework and related programs, openly commits to respecting human rights, including non-discrimination, the prohibition of child labour, prohibition of forced labour, and prohibition of modern slavery. Hitachi Energy and the wider Hitachi Energy Group actively support safe working conditions, non-retaliation, freedom of association, and the right to engage in collective bargaining.
- 9. For the past several years the Hitachi Energy Group has been recognised worldwide and within its industry for ethical business practices by the research based Ethisphere® Institute, including Compliance Leader Verification™ and Anti-Bribery Management System Verification™. The Hitachi Energy Group also contributes to various organisations and initiatives related to integrity, sustainability, and health, safety, and the environment.

- 10. Respect for the dignity of the individual and the importance of human rights forms the basis of the behaviours Hitachi Energy expects from everyone who works for it, either engaged as a direct Hitachi Energy employee, or engaged indirectly through its supply chain. Hitachi Energy does not accept any form of discrimination, harassment or bullying within its business or supply chain. All managers are required to implement processes designed to ensure equal opportunity and inclusion for all Hitachi Energy employees as well as for individuals employed in the supply chain. Further, suppliers must take measures to avoid any form of forced, bonded or compulsory labour (or any other kind of modern slavery or human trafficking). Recognising the extremely complex nature of modern slavery, Hitachi Energy continues to emphasise the importance of collaboration and learning from others.

Section 2
Hitachi Energy’s organisational structure



11. Hitachi Energy Australia Holdings Pty Ltd is a non-operational proprietary company in Australia, with its registered office at Level 3, 100 McLachlan Street, Fortitude Valley QLD 4006. This is a holding entity with no employees, however, is included as part of this joint statement given the consolidated revenue threshold specified in the Act.
12. Hitachi Energy Australia Holdings Pty Ltd wholly owns and controls Hitachi Energy Australia Pty Ltd, also a proprietary company incorporated in Australia with its registered office at Level 3, 100 McLachlan Street, Fortitude Valley QLD 4006. Hitachi Energy Australia Pty Ltd is the sole operating entity within the corporate structure and employs over 300 people with offices across the country.
13. During the Reporting Period, Hitachi Energy Australia Pty Ltd wholly owned and controlled the following dormant, non-operational and non-employing entities:
 - a. Ventyx International Pty Ltd (ACN 010 547 270) a proprietary company incorporated in Australia, which in turn wholly owned and controlled:
 - i. Mincom Inc, a foreign entity incorporated in the Philippines;
 - ii. Ventyx (Pty) Ltd, a foreign entity incorporated in South Africa; and
 - iii. Ventyx Pty Ltd, a foreign entity incorporated in the United Kingdom with a branch also located in Kazakhstan,

(collectively the **Subsidiaries**). Each of the above-mentioned entities do not meet and are not classed as reporting entities in their own right under the Act.
14. Effective 28 December 2022, Hitachi Energy's sole shareholder is Hitachi Energy Ltd, a company domiciled in Switzerland, which is part of the Hitachi Group, headquartered in Tokyo, Japan.

Hitachi Energy's business operations

15. To deliver maximum value, the Hitachi Energy Group has organised its operations around four global business units and has local offices and research centres spanning 90 countries. This highly networked design enables the Hitachi Energy Group's 45,000 experts located across 200 local offices, to stay close to customers fostering a strong awareness and knowledge of local market operating conditions, connecting the latest pioneering developments and solutions, competence, and reference points from its global business units.
16. The Hitachi Energy Group's four global business units (**Business Units**) are:
 - a. **Grid Automation:** The grid automation business unit has a comprehensive portfolio of solutions. These range from substation automation, communication networks, grid automation services, grid edge solutions to enterprise software solutions. These solutions address all key segments connected to the energy system including generation, transmission distribution, industries, transportation and infrastructure sectors.

- b. **Grid Integration:** The grid integration portfolio spans a wide range of transmission and substation applications, which facilitate reliable and efficient system integration of the future digital electric network with minimum environmental impact. Grid integration incorporates the integrated systems, solutions and services of the business' DC and AC fields, including HVDC, substations, FACTS, offshore wind connections, semiconductors and power consulting, for utility and industrial grid applications, as well as e-transportation solutions.
- c. **High Voltage products:** The Hitachi Energy Group is a leader in high-voltage technology, offering a wide range of high-voltage products up to 1,200-kilovolt (kV), helping to enhance the safety, reliability and efficiency of power networks while minimising environmental impact. The high voltage primary offerings include switchgears, circuit-breakers, generator circuit breakers, power quality products, surge arresters, disconnectors, instrument transformers and high-voltage service. The Hitachi Energy Group's technological leadership continues to facilitate innovations in areas such as ultra-high-voltage power transmission, enabling smart grids, and enhancing eco-efficiency.
- d. **Transformers:** Through innovative and diverse transformers team and pioneering technology the Hitachi Energy Group transforms energy to add social, environmental and economic value powering future generations. The transformers business unit offers a complete range of power transformers, traction transformers, insulation and components, digital sensors and transformer services and supports power generation, transmission and distribution, metals and mining, oil and gas, commercial and infrastructure projects, and mobility.

Hitachi Energy's supply chains

17. Hitachi Energy offers leading power and automation products, systems, service and software solutions across the generation, transmission and distribution value chain. These offerings are provided by leveraging the Hitachi Energy Group's global supply chain which supports operations in 90 countries. Hitachi Energy sources materials and services from a variety of local and overseas sources. These materials and services are made up of three major categories as follows:
 - a. **Direct materials and services:** Sourced from over 20,000 direct material and project service suppliers both wholly owned (internal) Hitachi Energy Group Business Units and third-party suppliers based locally and abroad. These include transformers, capacitors, switchgear, surge arrestors, relays and engineering services.
 - b. **Indirect materials and services:** Sourced through third party suppliers who engage suppliers locally and abroad.
 - c. **Transport and logistics services:** Sourced from both global and domestic service providers.
18. Hitachi Energy remains committed to high standards of integrity, ethics and sustainability and has a zero-tolerance policy when it comes to unethical business behaviour, such as bribery, corruption and forced labour. Hitachi Energy expects all its suppliers to adhere to its standards and to conduct their business ethically and comply with all applicable laws and regulations.

Section 3

Modern slavery risks in Hitachi Energy's business

19. Hitachi Energy has undertaken an assessment of modern slavery risks in its business. The assessment focused on the sole trading and operational entity Hitachi Energy Australia Pty Ltd. As Hitachi Energy Australia Holdings Pty Ltd and the Subsidiaries do not employ individuals or carry out operations there is no risk of modern slavery in these entities.
20. Hitachi Energy regularly considers the risk of modern slavery practices in its business by maintaining a working group made up of stakeholders from various departments that reviews company processes and procedures and to better understand operations, the supply chain, potential risks to the organisation and the actions being taken in support of the objectives of the Act.
21. Hitachi Energy considers the risk of modern slavery practices in its own operations as low, given it continues to employ largely a professional workforce. As part of Hitachi Energy's commitment to address and mitigate modern slavery risks in its operations, it continues to perform pre-employment background checks, including right to work in Australia, age verification and an assessment of qualifications for the relevant tasks to ensure legal compliance.
22. The most significant modern slavery risks associated with Hitachi Energy's supply chain during the Reporting Period remain consistent with those risks identified in its prior statement as:
 - a. direct materials and services sourced from emerging markets where there is a higher risk of modern slavery and/or human trafficking;

- b. indirect services provided by third party contractors such as cleaning, site works, labour hire, service contractors; and
- c. local and international logistics providers, especially shipping from emerging markets.

23. During the Reporting Period Hitachi Energy focused on improving how it assesses and addresses those identified modern slavery risks in its supply chain.

Section 4

Actions taken to assess modern slavery risks in 2022-2023

24. In Hitachi Energy's 2022-2023 statement, it identified the below actions were undertaken to assess, manage and reduce the risks of modern slavery practices occurring in its operations and supply chains. These included:
 - a. supporting the Hitachi Energy Group's implementation of the EcoVadis third party sustainability assessment of current suppliers to further assess supplier quality and risk;
 - b. continuing to support the Hitachi Energy Group's participation in the EcoVadis program and reassessment under that program; and
 - c. implementing the Hitachi Group Code of Ethics and Business Conduct which emphasises the Hitachi Group's respect of human rights and commitment to combatting the risks of modern slavery.



Actions taken to assess modern slavery risks during the Reporting Period

25. During the Reporting Period, Hitachi Energy continued to perform the actions identified in its prior statement, while improving and expanding the way those actions are performed by:
 - a. supporting the Hitachi Energy Group's establishment of a regulatory function that considers the regulatory impact of sustainability development, including environment, social, and governance (**ESG**) standards (including human rights);
 - b. adopting the Hitachi Energy Group's extension of the scope coverage of the high risk countries evaluated under the Hitachi Energy Group's Supplier Sustainability Development Program (**SSDP**);
 - c. reviewing training materials to ensure it remains relevant to those who have a direct involvement in purchasing decisions and reflects the relevant best practices adopted by Hitachi Energy; and
 - d. adopting the Hitachi Energy Group's extension of the reach of the EcoVadis third party sustainability assessments of current suppliers to further assess supplier quality and risk.

These are discussed in further detail below.

Human rights policies and procedures

26. Hitachi Energy implements several key local and Hitachi Energy Group policies that address the prohibition of modern slavery within its operations and supply chain, including reporting channels. These policies and procedures remained substantively unchanged during the Reporting Period.
27. During the Reporting Period, the Hitachi Energy Group established a dedicated regulatory function (**Regulatory Function**), which supports the regulatory impact of sustainability developments including the fields of environment, social and governance standards. The Regulatory Function places particular focus on labour and employment, human rights, human trafficking, modern slavery, as well as conflict minerals. The establishment of the Regulatory Function enhances the Hitachi Energy Group's commitment to ESG performance, preserving human rights and combatting modern slavery throughout its business dealings via a centralised global function.

Supply chain management policies

28. Hitachi Energy implements and enforces the Hitachi Energy Group's Supplier Code of Conduct which is published in 10 different languages. The Hitachi Energy Group's Supplier Code of Conduct specifies the standards and requirements all suppliers are expected to adhere to and comply with at all times. The Supplier Code of Conduct remained substantively unchanged during the Reporting Period.
29. As a precondition to engagement, suppliers are requested to review and in turn, acknowledge the need to comply with the Supplier Code of Conduct as part of Hitachi Energy's General Terms and Conditions.

30. Under the SSDP, the Hitachi Energy Group continued to train its suppliers on human rights risks, focusing on those related to modern slavery and human trafficking. The focus remained on tier one suppliers in priority countries, however during the Reporting Period, the focus increased from 17 high risk countries to suppliers located in 21 high risk countries across Asia, the Middle East, Africa, Europe and the Americas, and those suppliers who supply high risk materials or are a key strategic supplier for sustainability.
31. In addition to continuing those actions identified in its previous statement, the Hitachi Energy Group continued its participation in EcoVadis' independent external sustainability assessment. This assessment considered four environmental, social and corporate governance criteria, including environment, labour and human rights, fair business practices and sustainable procurement. The EcoVadis assessment provides a globally recognised sustainability score for companies worldwide.
32. In 2021 the Hitachi Energy Group scored a silver sustainability rating, meaning it was in the top 25% of companies rated by EcoVadis. As a result of its participation in the EcoVadis assessment in December 2022, the Hitachi Energy Group scored a gold sustainability rating. During the Reporting Period, the Hitachi Energy Group once again scored a gold sustainability rating, placing the Hitachi Energy Group in the top 5% of the 130,000 companies assessed globally by EcoVadis.

Supply chain management procedures

33. Continuous assessment of suppliers under the Hitachi Energy Group's robust SSDP was undertaken. The SSDP assesses suppliers against 42 assessment criteria, to actively evaluate the supplier's respective supply chain.



34. During the Reporting Period, the Hitachi Energy Group assessed 103 high risk suppliers as part of the SSDP. As a result of that assessment, the Hitachi Energy Group identified 277 risks and mitigated 52 of them, in addition to mitigating 79 other risks raised from prior reporting periods. For every area of non-compliance identified during the supplier assessments, a supplier support action was launched to systematically address each issue in turn. These support actions included capacity building, customised participatory workshops, sharing best practices, jointly implemented collaborative programs, and transfer of knowledge and expertise.
35. As at the end date of the Reporting Period any identified risks not yet mitigated or resolved under the SSDP, remained under investigation as part of the supplier support action process outlined above and require remediation.
36. In June 2022, the Hitachi Energy Group introduced the use of EcoVadis sustainability assessments as part of its supplier sustainability assessment process. The assessment evaluates suppliers on responsible sourcing, manufacturing and procurement across 21 sustainability criteria.
37. During the Reporting Period, the Hitachi Energy Group expanded its focus under the EcoVadis program from strategic suppliers to all high and medium risk suppliers and during the Reporting Period, assessed 1,289 suppliers. This was an increase from the 269 suppliers assessed during the 2022-2023 reporting period. As part of the EcoVadis program, 259 suppliers undertook at least one (1) EcoVadis training course during the Reporting Period.
38. In addition to the above actions, Hitachi Energy continued to routinely monitor key global industry and government sources that reported on modern slavery risks and patterns. Where relevant to its supply chain, Hitachi Energy considered it reasonable or necessary to do so, internal screening tools were updated to reflect these developments, such as prohibiting purchasing from newly identified entities listed under sanction laws.
39. Notwithstanding the identification of these risks and the updates to internal supplier screening tools, neither the assessments nor other supplier due diligence processes indicated the presence or use of modern slavery or human trafficking in Hitachi Energy's supply chain.

Employee training and engagement

40. During the Reporting Period, Hitachi Energy reviewed training materials to ensure they remain relevant to those who have a direct involvement in purchasing decisions and reflects the relevant best practices adopted by Hitachi Energy and the Hitachi Energy Group.
41. The Hitachi Energy Group trained 70 employees from the Supply Chain Management Function on its Responsible Minerals Sourcing Program (**RMSP**) during the Reporting Period. The RMSP establishes a framework for the sourcing of materials in an ethical and sustainable manner that ensures the health, safety, and protection of people and planet, whilst establishing a management systems pursuant to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High Risk Areas.
42. During the Reporting Period, the Hitachi Energy Group also trained all 42 new employees involved in purchasing decisions (nominated by the Business Units) as part of the SSDP, which addresses 42 assessment criteria, including modern slavery.
43. Hitachi Energy continued to offer its specialised support offering under its Employee Assistance Program (**EAP**), providing employees with assistance from experienced and qualified consultants who have specialist expertise, such as consultants providing specialised support to those who may be more susceptible to modern slavery practices.



Section 5

Action effectiveness assessment

44. Hitachi Energy measures how effective it has been in ensuring that modern slavery is not present in any part of its business or supply chains using various metrics which have been summarised in the table below.
45. Following a review of the effectiveness of the steps Hitachi Energy took during the Reporting Period, to ensure that it continues to improve on the way it assesses and addresses modern slavery risks in its operations and supply chain, Hitachi Energy intends to undertake the following further remedial steps:
- providing mandatory training to Hitachi Energy employees, specifically regarding the risks and steps that can be taken to combat modern slavery in operations and supply chain;
 - supporting the Hitachi Energy Group in extending the reach of the SSDP and EcoVadis assessments, in order to assess a greater number of suppliers forming part of the Hitachi Energy Group supply chain; and
 - participating in any further customer led audits to align practices, assessment and actions against those of Hitachi Energy's customers and their expectations.

Actions Matrix

Action	Metric	Details
Human rights policies and procedures	Number of people who reported issues concerning modern slavery	During the Reporting Period, there were no incidents reported concerning allegations of modern slavery within Hitachi Energy's operations or supply chains
Supply chain management policies and procedures	Number of instances of the presence or use of modern slavery or human trafficking	During the Reporting Period, neither remote supplier assessments nor other supplier due diligence processes indicated the presence or use of modern slavery or human trafficking in supply chains (as supported by the activities in paragraphs 33 and 34)
	Number of suppliers who received training addressing modern slavery as part of the SSDP	During the Reporting Period, 109 suppliers received training as part of the SSDP which also addressed modern slavery
	Number of suppliers with whom business has been terminated due to continued non-compliance as part of the SSDP	During the Reporting Period, business with three (3) suppliers were descope due to unsatisfactory progress in resolving identified risks
	Number of suppliers who received training addressing modern slavery as part of the EcoVadis assessment	During the Reporting Period, 259 suppliers undertook at least one (1) training course relevant to the EcoVadis sustainability criteria slavery as part of the assessment program
Employee training and engagement	Number of people within the business who received training under the RMSP	During the Reporting Period, 70 Supply Chain Management Function employees were provided training under the RMSP, as set out in paragraph 41
	Number of people within the business who received training under the SSDP	During the Reporting Period, all new 42 employees involved in purchasing decisions (nominated by the Business Units), received training addressing modern slavery as part of the SSDP, as set out in paragraph 42

Section 6

Consultation process

46. This joint modern slavery statement is made by Hitachi Energy Australia Holdings Pty Ltd on behalf of the reporting entity it owns and controls, Hitachi Energy Australia Pty Ltd. The reporting entities have been consulted and informed of the reporting requirements of the Act. No consultation was required with the Subsidiaries given those entities are non-operational.
47. Hitachi Energy's modern slavery working group, key stakeholders and various internal functions such as Legal and Integrity, Human Resources, and Supply Chain Management (both locally and globally) were all consulted to inform and contribute to the development of this joint statement.
48. This joint modern slavery statement was approved by the Board of Hitachi Energy Australia Holdings Pty Ltd as the ultimate controlling entity in accordance with its constitution on 18 September 2024.



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