

A blurred photograph of a city street at night, showing light trails from buildings and streetlights. The Hitachi logo and slogan are overlaid in the top right corner.

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**Hitachi Rail Australia  
Modern Slavery Statement 2022**

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## 1 Introduction

Hitachi Rail STS Australia Pty Ltd (ABN 34 068 707 380) (**Hitachi Rail Australia**) has a zero tolerance policy to modern slavery and human trafficking. Hitachi Rail Australia is committed to ensure that we source responsibly, trade ethically and prevent human trafficking within our business and supply chain.

This is the third Modern Slavery Statement prepared by Hitachi Rail Australia (**Statement**), in compliance with the *Australian Modern Slavery Act 2018 (Cth)* (**Act**). This Statement sets out the key activities Hitachi Rail Australia has undertaken between 1 April 2021 and 31 March 2022 to deliver on our commitment to sustainable and responsible supply chain management.

## 2 Twelve Month Snapshot: 1 April 2021 to 31 March 2022

Hitachi Rail has, at the global level:

- Engaged a Chief Compliance Officer and strengthened the resource and expertise of our compliance function;
- Published global internal policies in respect of Social Accountability and Human Rights; and
- Continued to ensure that all our employees undertake mandatory training regarding the Hitachi Rail Code of Ethics and Compliance, which explains Hitachi Rail's policy on modern slavery and human trafficking, and how to report potential or actual instances of these issues.

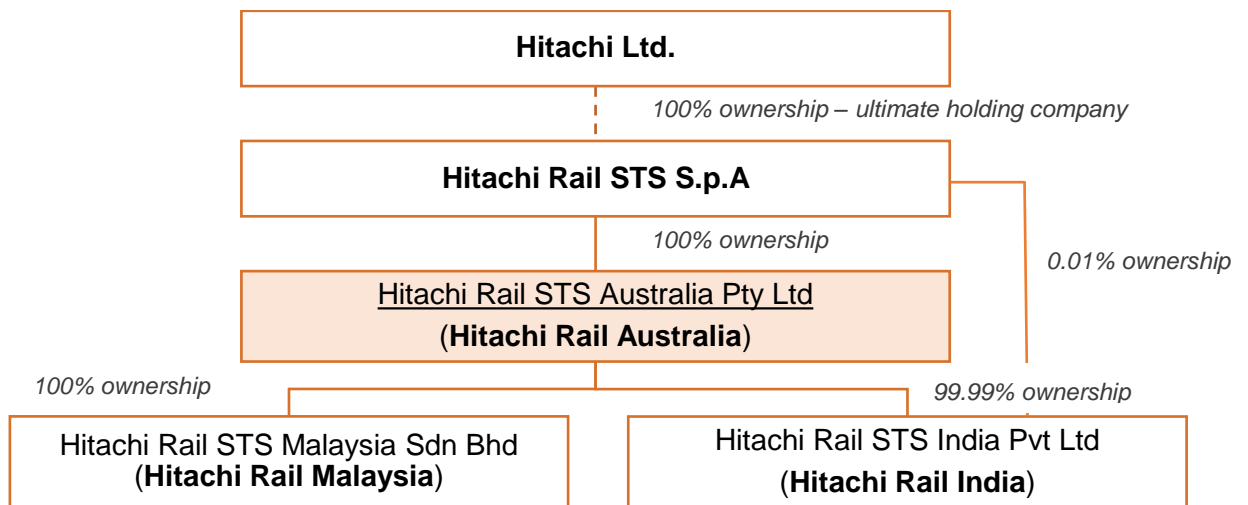
On a local level, Hitachi Rail Australia:

- Implemented targeted training for our procurement and supply chain teams;
- Implemented and utilised our global on-boarding program to qualify suppliers against risk-based criteria;
- Engaged with key suppliers to confirm awareness of modern slavery issues and implementation of appropriate internal safeguards and programs;
- Undertook a review of transactions between Hitachi Rail Australia or our subsidiaries, and high risk jurisdictions, and found no evidence of any wrongdoing.

## 3 Hitachi Rail Australia's Structure, Operations and Supply Chains

### 3.1 Hitachi Rail Australia's Structure

Headquartered in the United Kingdom, the Hitachi Rail group of companies (**Hitachi Rail**) has a presence in 38 countries, across 11 manufacturing sites on three continents. Hitachi Rail is a fully owned subsidiary of Hitachi Ltd, headquartered in Tokyo Japan. A chart depicting the organisational structure of Hitachi Rail Australia is set out below:



This Statement covers Hitachi Rail Australia’s operations, and includes those of our subsidiaries, Hitachi Rail Malaysia and Hitachi Rail India. References to “Hitachi Rail” in this Statement describe policies and initiatives which the Hitachi Rail group of companies employs at the global level, as they apply to Hitachi Rail Australia and our subsidiaries.

### 3.2 Operations of Hitachi Rail Australia, Hitachi Rail India & Hitachi Rail Malaysia

Hitachi Rail is a global supplier of fully integrated rail solutions across rolling stock, signalling, operation, service & maintenance, digital technology and turnkey.

Major projects being delivered by Hitachi Rail Australia, and its subsidiaries Hitachi Rail India & Hitachi Rail Malaysia, during the 2021/2022 reporting period include:

- Design and delivery of a new railway signalling system (ETCS) for South East Queensland as part of the Cross River Rail Project;
- Upgrading the rail fleet in South East Queensland to support new railway signalling system technology (the Queensland New Generation Rollingstock Project);
- Designing and delivering signalling and telecommunications systems for the Perth Transport Authority’s extension of its northern metropolitan railway line to the airport (Forrestfield Airport Link);
- Continuing work with Rio Tinto in developing its world-first autonomous heavy freight long distance rail network, known as AutoHaul®, operating since 2018;
- Klang Valley Double Track Phase I project in Malaysia;
- South Double Track project in Malaysia;
- Design, Manufacture, Supply, Installation, Testing and Commissioning of Control and Signalling, Telecom and Low Current Systems for Kolkata E-W Metro Project, India;
- Manufacture, Supply, Installation, Testing and Commissioning of Train Control, Signaling and Telecommunication Systems, Supply of Spares and Training of Operation & Maintenance personnel for Noida - Greater Noida Metro Project, India;

- Design, Development, Construction, Testing and Commissioning of the Onshore Supply portion of the Signalling System for the Monorail System in Mumbai Metropolitan Region, India; and
- Modernization of signalling and telecommunication systems on Ghaziabad-Kanpur Section, India.

### **3.3 Supply Chains of Hitachi Rail Australia, Hitachi Rail India & Hitachi Rail Malaysia**

Hitachi Rail Australia, Hitachi Rail India & Hitachi Rail Malaysia do not undertake any manufacturing activity in the development and delivery of systems and services for their operations. The highly specialised products and components required to assemble these systems and services are supplied from within the Hitachi Rail group's factories based in Italy, France, the USA and Japan, with final assembly, installation and commissioning work undertaken by workers in Australia, Malaysia and India.

Hitachi Rail Australia, Hitachi Rail India & Hitachi Rail Malaysia rely on tier 1, 2 and 3 suppliers and subcontractors for the purchase of materials for their projects including circuit boards, mechanical and plastic parts, cables, industrial PCs, on-board equipment and electromechanical components.

Hitachi Rail Australia, Hitachi Rail India & Hitachi Rail Malaysia also lease a number of commercial and warehouse facilities to support their operations, and procure cleaning and maintenance services from external service providers. Engagement of these services is undertaken using standard terms and conditions, which require providers to undertake to comply with Hitachi Rail policies regarding ethical behaviour and standards.

### **3.4 Potential Risks in Operations and Supply Chains of Hitachi Rail Australia, Hitachi Rail India & Hitachi Rail Malaysia**

Hitachi Rail has identified the following jurisdictions as giving rise to the highest risk of modern slavery and human trafficking:

- |                              |                                      |
|------------------------------|--------------------------------------|
| • Afghanistan                | • Myanmar                            |
| • Algeria                    | • Nicaragua                          |
| • Belarus                    | • Papua New Guinea                   |
| • Burundi                    | • Russian Federation                 |
| • China                      | • South Sudan                        |
| • Comoros                    | • Syrian Arab Republic               |
| • Cuba                       | • Turkmenistan                       |
| • Eritrea                    | • Venezuela (Bolivarian Republic of) |
| • Iran (Islamic Republic of) | • Libya                              |
| • Korea, North               | • Somalia                            |
| • Lesotho                    | • Yemen                              |

We have flagged and investigated all transactions between Hitachi Rail Australia, Hitachi Rail India & Hitachi Rail Malaysia and the high risk jurisdictions set out above. All of the flagged

transactions were either intra-company or with global OEM technology owners as a counterparty, and no evidence of wrongdoing was identified.

Specific measures we take to identify, assess, control and monitor risks are set out in further detail in Section 4.2 of this Statement.

## **4 Actions taken in the 2020-2021 Reporting Period**

In addition to the key activities captured in the “Twelve Month Snapshot” at Section 2 of this Statement, this Section sets out Hitachi Rail policies and procedures, and how we identify, assess, respond to and monitor risks in our operations and supply chain to respond to the potential risks set out above.

### **4.1 Policies and Procedures of Hitachi Rail Australia, Hitachi Rail India & Hitachi Rail Malaysia**

Hitachi Rail’s commitment to prevent modern slavery or human trafficking in our business and supply chains is underpinned by appropriate policies that are regularly reviewed and updated to reflect our evolving business globally.

The Hitachi Rail Group Code of Ethics (2020) applies to all members of Hitachi Rail’s governance and control bodies, executives, employees and supply chain. The Code of Ethics reflects our commitment to, amongst other things, protecting human rights and preventing modern slavery, child labour and the exploitation of workers.

- The Hitachi Group Human Rights Policy is aligned and references the International Bill of Human Rights, International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights;
- Hitachi Rail’s Supplier Code of Conduct was developed with the UNGC Framework (10 Principles) structure as guidance.

Hitachi Rail requires our suppliers to comply with the Hitachi Rail Supplier Code of Conduct (2021), in which we expressly preclude the use of forced, bonded, indentured, involuntary or exploitative labour, slavery and human trafficking. The Supplier Code of Conduct was developed to reflect the 10 Principles of the United Nations Global Compact.

Since our last statement, Hitachi Rail also recently introduced internal policies in respect of Social Accountability (2022) and Human Rights (2022). Our Social Accountability Policy reiterates Hitachi Rail’s commitment to the highest standards of ethics and sustainable development by respecting and implementing the principles of Standard SA8000 (Social Accountability) for human rights and workers’ rights. The Human Rights Policy reflects our commitment to comply with the Universal Declaration of Human Rights when conducting business.

Hitachi Rail supplements the above with the following relevant internal policies and manuals, which are subject to continuous review and improvement:

- Environmental Policy (2022);
- Quality Policy (2022);
- Product Safety Policy (2022);
- Health and Safety Policy (2022);
- Security Policy (2022);

- Whistleblowing Policy (2022);
- Enterprise Risk Management Framework;
- Other written employment practices and procedures that ensure fair recruitment and treatment of employees.

Hitachi Rail continues to make our policies available to all workers and internal parties globally through publication on our internal document management system. We regularly review and update our policies.

#### 4.2 How Hitachi Rail Australia assesses, controls and monitors risks

Hitachi Rail Australia identifies, assesses, controls and monitors the risk of modern slavery and human trafficking in the industries and jurisdictions we have identified as being high risk, and our supply chain more generally, through our supplier due diligence. Core activities include:

- **Hitachi Rail Assessment & Screening:** Following the initial desktop assessment, prospective suppliers are required to agree to adhere to the Supplier Code of Conduct and complete the Hitachi Rail screening questionnaire that includes information to understand the supplier's compliance with regulatory requirements and best practices.
- **Audit:** We have a framework in place for all current procurement processes. These are all tested internally and externally through rigorous audits that look at compliance and the application and adherence to processes. Where there is a non-conformance report or recommendation, we build them into the process development.
- **Whistleblowing:** Any violations of laws, policies, regulations or Hitachi Rail's Code of Ethics, including in relation to potential or suspected breaches of the Code of Ethics relating to modern slavery, human rights or the exploitation of workers, can be reported online or through the Legal and Compliance teams.
- **Compliance:** We have a dedicated global compliance team, led by our Chief Compliance Officer. The compliance team is supported by other functions, including Internal Audit, Legal, Human Resources, Procurement and Sales.
- **Contracts:** Hitachi Rail binds suppliers to comply with all applicable laws, including the Act and our Supplier Code of Conduct.

#### 4.3 Assessing the effectiveness of Hitachi Rail's policies and procedures

Hitachi Rail is committed to ensuring that we source responsibly, trade ethically and prevent human trafficking within our business.

To assess the effectiveness of our activities, Hitachi Rail Australia:

- Reviews the modern slavery statements of our key suppliers and competitors;
- Seeks to remove or minimise risks where we see them – for example, we have increased our internal head-count to reduce the need for reliance on visa-reliant suppliers; and
- Reviews all transactions between Hitachi Rail Australia, Hitachi Rail India & Hitachi Rail Malaysia with any countries deemed high risk.

#### 4.4 Commitments for the 2022/23 Reporting Period

Planned activities for the period from 1 April 2022 to 31 March 2023 are:

- Roll out specific modern slavery training to all employees of Hitachi Rail Australia, Hitachi Rail India & Hitachi Rail Malaysia;
- Continue work on internal template subcontract clauses to ensure contractual means of initiating remedial action and appropriate recognition of issues;
- Prepare a mission statement, KPIs and quarterly board reporting for Hitachi Rail Australia's Modern Slavery Steering Committee and implement this reporting for our subsidiaries;
- Utilise our global on-boarding program to monitor our existing qualified suppliers against risk-based criteria;
- Extend the modern slavery control measures in Section 4.2 to Hitachi Rail India & Hitachi Rail Malaysia.

## **5 Other relevant information**

### **5.1 Preparation of this Statement**

In preparing this Statement, Hitachi Rail Australia undertook the following process of investigating potential issues during the reporting period and consulting with its subsidiaries:

- Submission of queries to Hitachi Rail Malaysia and Hitachi Rail India supplier lists for review;
- Review of any transactions between Hitachi Rail Australia, Hitachi Rail India & Hitachi Rail Malaysia and its subsidiaries with any countries deemed to be high risk (jurisdictions listed in Section 3.4 above as 'High Risk'); and
- Circulation of draft Statement to key internal stakeholders in senior management roles within Hitachi Rail Australia and its subsidiaries for confirmation and comment prior to being finalised.

This Statement was approved by the Board of Hitachi Rail STS Australia Pty Ltd (ABN 34 068 707 380) of 11 Viola Place, Eagle Farm, Brisbane, Queensland 4009, Australia on 29 September 2022.



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**Roslyn Stuart**  
**Director and Country Representative**  
**Hitachi Rail STS Australia Pty Ltd**