
Bombardier Transportation Australia Pty Ltd (ACN 010 699 804)

Part of the Alstom Group since 29 January 2021

Date of Issue: 30 June 2021

Bombardier Transportation Australia Pty Ltd ACN 010 699 804 (**BTA**) qualifies as a reporting entity required to submit a statement under the *Modern Slavery Act 2018*. The reporting period covered by this statement is 1 January to 31 December 2020.

This statement has been approved by the board of BTA for BTA and for each of the entities it owns or controls that are covered by this statement, as detailed below. This statement was signed by a duly authorised director of BTA following approval by the BTA board.

OUR ORGANISATION, STRUCTURE, OPERATIONS AND SUPPLY CHAINS

BTA is a proprietary company incorporated in Australia. Its registered office is in Dandenong South, Victoria.

BTA is part of a multi-national group of companies whose core business is rail transport. Before and during the reporting period, BTA and the other companies in the group operated as **Bombardier Transportation**. The ultimate parent of Bombardier Transportation was Bombardier Inc (**Bombardier**), a company incorporated in Canada and listed on the Toronto Stock exchange.

On 29 January 2021, Bombardier Transportation was acquired by Alstom SA, a French multinational company operating in rail transport markets.

BTA's operations involve designing, manufacturing and maintaining train and tram rolling stock across Australia. BTA also provides signalling, rail equipment, asset management and through-life support to customers and operators.

This statement also covers the following entities that are owned by BTA (**BTA Entities**). The BTA Entities are all proprietary companies and their respective operations are described below.

- Bombardier Rail Signalling Services Pty Ltd (formerly known as Rail Signalling Services Pty Ltd) ACN 096 077 244 – provision of engineering project management in relation to signalling.
- Bombardier Transportation (Customer Support) Australia Pty Ltd ACN 088 592 938 – sale of spare parts for rolling stock manufactured by Bombardier Transportation.
- Bombardier Transportation (V/Line) Australia Pty Ltd ACN 088 592 812 – provision of maintenance services in relation to V/Line trains.
- V/Line Maintenance Pty Limited ACN 088 510 614 – provision of maintenance services in relation to V/Line classic trains.

During the reporting period, BTA and the BTA Entities together had over 1,000 personnel working across 22 locations Australia-wide including BTA's manufacturing hub in Victoria and maintenance facilities in Western Australia, South Australia, Victoria and Queensland.

During 2020, BTA and the BTA Entities engaged with approximately 1,200 external suppliers and contractors domestically (including New Zealand) and approximately 140 international suppliers and contractors.

There are over 800 external suppliers and contractors from which BTA and the BTA Entities procure Core Products, which are equipment and materials used to produce and maintain the trains, trams and signalling systems that Bombardier Transportation provides to customers. The majority of Core Products are procured from domestic suppliers (86%) with the remainder being procured overseas, from Europe (10%), Asia (3%) and North America (1%). Core Products procured include: rolling stock subsystems such as brakes, HVAC, pantographs and bogies; and signalling and infrastructure equipment such as electrical cubicles; cables; point machines and network communication hardware.

BTA and the BTA Entities have over 700 external suppliers and contractors providing services and goods (other than Core Products), of which 96% are procured domestically and the balance procured from North America, Europe and Asia. Design, engineering and assurance services account for a high proportion of these supplies.

BTA and the BTA Entities also use approximately seven internal suppliers supplying catalogue and standard equipment manufactured in Germany, Sweden and Austria.

RISKS OF MODERN SLAVERY IN OUR OPERATIONS AND SUPPLY CHAINS

The workforce of BTA and the BTA Entities comprises predominantly professionally qualified and skilled employees. Our employees are engaged either by contract or under award agreements. We currently have five collective industrial instruments and four unions with whom our employees are free to associate. Accordingly, we consider the risk of modern slavery occurring amongst our employees to be very low.

We acknowledge that there is a risk that BTA and the BTA Entities may be exposed to modern slavery through their global supply chains. Primarily this is based on the risk indicator relating to geographic locations.

A number of key suppliers to BTA and the BTA Entities, for example, are located in China, which has a higher risk than other locations for modern slavery practices. Accordingly, there is a risk that modern slavery practices may exist at some level within the supply chains of each of these suppliers.

During the reporting period one of the China-based global suppliers to the Bombardier Transportation group was the subject of media reports in relation to forced labour practices. The supplier has denied allegations of modern slavery made against it. We continue to audit the supplier and to closely monitor the situation.

We acknowledge that dealing through distributors (as we are required to do for some products) rather than directly with the manufacturer, can add to the challenge of penetrating the layers of our supply chains where the risk of modern slavery practices may be higher.

Given manufacturing and maintenance constitute significant parts of our operations in Australia, 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. Accordingly, BTA may also be exposed to modern slavery through these supply chains.

OUR ACTIONS TO ASSESS AND ADDRESS RISKS OF MODERN SLAVERY

Supplier CSR certification

In 2020, Bombardier Transportation introduced a process of certification focused on corporate social responsibility (CSR) provided by an independent third party. This process is in addition to the supplier due diligence processes that BTA already had in place before the reporting period.

Under the certification process, suppliers are assessed against numerous criteria across four themes (environment, labour and human rights, ethics and sustainable procurement). The human rights theme contains criteria that relate to child labour, forced labour and human trafficking.

The integration of this supplier certification into our procurement processes commenced during the reporting period, starting with significant global suppliers. To facilitate the integration, training was provided during mid-2020 to our procurement personnel on engaging with suppliers about certification and on incorporating the certification into supplier evaluation undertaken during our procurement processes.

Review of high-risk country suppliers

During 2020 a review process targeting Bombardier Transportation's top 30 China-based suppliers was undertaken using an external provider. The review covered human trafficking and human rights abuses as well as a broad variety of other activities unrelated to modern slavery.

Based on the findings of the review process BTA, like other Bombardier Transportation entities, implemented closer monitoring of certain suppliers through existing supply agreements and through procurement processes for prospective supply arrangements.

For a number of years, Bombardier Transportation has carried out a program of site visits to suppliers to observe their operations. COVID-19 restrictions in force during 2020 prevented site visits from continuing. Nevertheless, a level of supplier auditing continued via online platforms.

Supplier Code of Conduct

During and prior to the reporting period, BTA has implemented a number of actions that themselves, or in combination with other actions, enable it to identify, assess and address risks of modern slavery. Many of these were introduced at the Bombardier Transportation level.

A key action was the inclusion in the Supplier Code of Conduct of standards relating to modern slavery practices. The Supplier Code of Conduct is directed at our suppliers of products and services, consultants, agents and representatives. It was last revised in 2019 and includes the following standards:

Bombardier will not engage in nor support the use of child labour and will not tolerate the use of child labour by its Suppliers either.

Bombardier will not engage in the use of forced or enslaved labour or human trafficking, nor will it tolerate their use at any level in its supply chains.

Continued actions

During the reporting period, BTA and the BTA Entities continued the practice of including terms in supplier contracts requiring compliance with the Supplier Code of Conduct. Priority was given to Key Suppliers, that is, suppliers of Core Products where the value of a single purchase order placed by BTA or a BTA Entity with such a supplier is €100,000 (approximately AU\$163,000) or more.

BTA and the BTA Entities continued applying a robust recruitment policy and interview process to safeguard against human trafficking or individuals being forced to work against their will.

Access to an independent third party is provided to BTA personnel, suppliers and even members of the public (by telephone, email or via an online portal) to report concerns, or provide information, about matters including modern slavery practices. This is another action commenced before, and continued throughout, the reporting period.

HOW WE ASSESS THE EFFECTIVENESS OF OUR ACTIONS

Our actions to integrate the CSR certification into our supplier due diligence and evaluation helped to increase awareness of modern slavery in our supplier community. This is because suppliers seeking certification are required to consider modern slavery practices in order to be able to respond to questions asked of them during the certification process.

As an initial measure of the effectiveness of our Supplier Code of Conduct, we have tracked the number of our Key Suppliers that have agreed to comply with it.

Our ability to assess the effectiveness of our actions through on-site audits at supplier premises overseas, was impacted by COVID-19 restrictions. However, we continued to work with our suppliers to maintain vigilance and reinforce the need for transparent reporting from our supply chains.

CONSULTATIONS WITH ENTITIES WE OWN OR CONTROL

BTA and the BTA Entities were, during the reporting period, required to comply with and implement Bombardier group policies, including the Supplier Code of Conduct.

The operations of BTA Entities are mostly carried out by BTA personnel and resources shared with BTA. For instance, most procurement activities and other engagement with suppliers on behalf of the BTA Entities is undertaken centrally in Australia by BTA personnel, and in conjunction with the Bombardier Transportation global procurement function.

BTA personnel have direct knowledge of the supply chains of the BTA Entities and are responsible for conducting ongoing consultation in relation to modern slavery and other aspects of CSR.

OTHER RELEVANT INFORMATION

In 2007, Bombardier became a signatory to the UN Global Compact (the **Compact**), agreeing to do business responsibly in accordance with the ten principles of the Compact on human rights, labour, environment and anti-corruption including: the elimination of all forms of forced and compulsory labour (principle 4) and the effective abolition of child labour (principle 5). This laid the foundation for Bombardier's policies and actions in relation to modern slavery.

The Compact is referenced in the Code of Ethics applying to BTA and the BTA Entities before and during the reporting period. Our Code of Ethics addresses ethical conduct in our work environment, business practises and relationships with external stakeholders. The supplier CSR certification process described earlier in this statement is also based on the ten principles of the Compact.

Bombardier was one of the six organisations that together launched Railsponsible in 2015. The aim of Railsponsible is to improve social and environmental practices of the railway sector and its supply chains through best practice sharing and capability building. The Railsponsible code of conduct references the ten principles of the Compact.



As BTA along with the rest of Bombardier Transportation integrate into the Alstom organisation globally, they will adopt and implement Alstom's policies and practices in relation to modern slavery.

APPROVAL

This statement was approved by the board of Bombardier Transportation Australia Pty Ltd on 25 June 2021.

A handwritten signature in blue ink, appearing to read "A. Lueben". The signature is written over a horizontal dotted line.

Andreas Lueben, Director

Dated: 30 June 2021