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**Alstom Transport Australia Pty Limited (ACN 165 157 451)**  
**Modern Slavery Statement 2020**

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Date of Issue: 18<sup>th</sup> December 2020

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This statement is made on behalf of the board of Alstom Transport Australia Pty Limited ACN 165 157 451 (“Alstom”) 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 2020.

## **Introduction to Alstom<sup>1</sup>**

### **Our business**

Alstom is a wholly owned subsidiary of Alstom SA, 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, tramways and e-buses), passenger solutions, customised services (maintenance, modernisation), infrastructure, signalling and digital mobility solutions.

### **Alstom in Australia**

Alstom has been providing sustainable infrastructure solutions in Australia for more than 100 years and currently employs approximately 500 people across 12 sites that include workshops, offices, engineering design units and manufacturing facilities.

Our local transport operations began in the 1940’s, manufacturing diesel-electric locomotives in Brisbane, Queensland. Alstom was the pioneer in re-establishing Victoria’s rolling stock manufacturing industry when it acquired the Ballarat workshops from the Victorian Government in 1999 and continues to invest in the local rail supplier industry through supply chain relationships spanning 20 years.

Since 1999, Alstom has successfully manufactured and delivered Australia’s largest fleet of single deck trains (more than 630 rail cars) in Victoria – the most reliable trains on the Melbourne network; 50 Citadis trams operate in Melbourne & Adelaide and major signalling projects have been delivered in Victoria, Queensland, NSW and Western Australia. Alstom recently delivered the Rolling Stock, CBTC signalling and 15 years maintenance for the Sydney Metro Northwest project and 60 Citadis Trams and 19 years maintenance for the Sydney Light Rail project. Alstom will also soon deliver Perth’s new C-Series suburban trains, re-establishing railway manufacturing in WA and providing up to 30 years maintenance.

### **Supply chains**

Alstom’s operations include the manufacture and transportation of single deck trains in Australia. Alstom’s supply chain requirements include a large range of goods from a broad range of industries both domestically and internationally, including Alstom’s own domestic / overseas factories where the varying degrees of the trains are made, the subsequent importation of the trains or parts into Australia and the delivery of the trains to Alstom’s customers.

Alstom’s supply chains also include services that contribute to its operations, such as the cleaning and security companies that service Alstom’s offices and manufacturing sites.

Alstom’s products / services delivered in Australia are sourced from the following countries:

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

- Rolling stock materials are procured from Australia, Europe, China and India.
- Track/signalling materials and infrastructure services are procured from Australia, New Zealand, United Kingdom, Europe, China, India, Indonesia, Singapore and North America.
- Production consumables are procured from Australia and Europe.
- Indirect services are procured from Australia, New Zealand, United Kingdom, Europe, India, Brazil and North America.

## **Alstom's assessment of its supply chain in Australia on modern slavery risks<sup>2</sup>**

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 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 category, industry and geographic location and the types of goods or services being provided.

As our supply chain is one of our areas of greatest potential modern slavery risk, Alstom devoted significant effort to deepen our understanding of the specific types of human rights risks associated with different types of products, source countries and sectors. Resulting from our work, we prioritise assessment of our suppliers' human rights performance based on risk.

For FY19/20, Alstom prioritised its due diligence assessment to identify and understand the potential context and scale of modern slavery risks with our first-tier suppliers and contractors. Where potential instances of modern slavery are identified, we will work with the supplier to support the implementation of appropriate remediation or corrective action plans.

In FY19/20, Alstom engaged with approximately 438 external suppliers and contractors domestically (includes NZ) and 70 international suppliers and contractors. Our key areas of spend include procurement of services (62%) and equipment or materials (38%).

We have over 300 external suppliers and contractors providing services, of which 95% is procured domestically, and the next largest group of services being provided from Europe (4%). Services delivered to Alstom include not only works subcontracted directly on our projects, but also to support the operations of the business. The two areas of highest spend on services suppliers is firstly, the relocation of Alstom overseas employees and temporary labour and secondly, subcontracting 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 being procured and supplied to Alstom, Alstom has approximately 200 external suppliers and contractors. The majority of equipment/materials procured are from local suppliers (73%) with the remaining being procured overseas, from Europe (21%), Asia (5%) and North America (1%). Goods purchased by Alstom include Rolling Stock subsystems including brakes, HVAC, pantograph, bogies as well as Signalling and Infrastructure like electrical cubicles, cables, point machines and network communication hardware.

Alstom also uses approximately 10 internal suppliers supplying catalogue and standard equipment manufactured in France, US, Brazil, India, Poland and China. Most of the equipment/materials are procured locally within the country of manufacture. The products procured are mainly for Rolling Stock and Signalling

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<sup>2</sup> 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.

purposes. All of Alstom's global entities are tasked with following the mandatory global processes and checks defined in this document.

Apparel or clothing (PPE) has been identified as one of the high-risk sectors for modern slavery<sup>3</sup>; our apparel or clothing (PPE) have been procured from domestic suppliers and makes up 0.2% of our total spend.

The selection of suppliers to deliver goods or services to Alstom is usually performed through a competitive RFQ (Request for Quote) process, where suppliers' offers are reviewed and assessed against industry/market QCD (Quality, Cost and Delivery) and EHS performance.

Alstom aims to progressively develop a more comprehensive supply chain map to better demonstrate the geographic location and nature of products and services sourced. We apply a systematic approach to all risk disciplines, including in 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 a sustainable one. The assessments performed focus on 21 sustainability criteria that are grouped into four themes: Environment, Labor & Human Rights, Ethics and Sustainable Procurement. These criteria are based on international sustainability standards such as the Ten Principles of the UN Global Compact, the International Labour Organization (ILO) conventions, the Global Reporting Initiative (GRI) standards, the ISO 26000 standard, the CERES Roadmap, and the UN Guiding Principles on Business and Human Rights, also known as the Ruggie Framework. *Ecovadis* establishes country CSR score cards on corruption risk, respect of human rights, politic instability and eco-awareness.

## Alstom's policies and procedures in relation to modern slavery risks<sup>4</sup>

### Principles

Alstom invests in educating our staff 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 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 September 2020 and endorsed by Henri Poupart-Lafarge, Chairman & CEO of Alstom.

Alstom is a member of the United Nations Global Compact initiative. In June 2020, 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 our suppliers and contractors outlined in our Ethics and Sustainable Development Charter for Alstom's Suppliers and Contractors which was expanded and updated in October 2017, and Alstom's Sustainable Sourcing Policy, updated in 2019.

### Supplier compliance

Alstom seeks to do business with suppliers and contractors that have similar values, ethics and sustainable business practices, including those related to human rights. Relations with Alstom's suppliers and contractors are governed by process and procedures, 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
- Generic Process Audit

<sup>3</sup> <https://www.globallslaveryindex.org/2018/findings/country-studies/australia/>

<sup>4</sup> 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.

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 our 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 of Alstom's suppliers and contractors are required to and have signed compliance with Alstom's Charter, in particular the following:

- Eliminate all forms of illegal, forced or compulsory labour;
- 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;
- Comply with applicable laws and regulations related to redundancy.

### **Recruitment policy**

Alstom 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'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 mandated by Alstom on the principles defined in Alstom's Charter.

### **Due diligence checks**

Prior to engaging any new external supplier, Alstom will carry out a qualification process plans for preliminary audits called "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's suppliers and contractors are required to complete Alstom's Charter. Alstom due diligence is not only limited to the signature to Alstom's Charter, but also includes the right for Alstom to perform on-site audits with its suppliers and contractors.

### **Grievance mechanism**

Additionally, 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. Any employee, any person (ie. contractors or suppliers) or third party may use the Alstom Alert Procedure. This 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 brought to the attention of the Ethics and Compliance team.

## Training

Training is an essential component of our risk management, governance, compliance framework and Alstom's values. It ensures our employees are aware of their legal, regulatory and compliance responsibilities. When newcomers 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's commitment to combat modern slavery risks<sup>5</sup>

Over the next year, Alstom's key focus is on the development of our Australian supply chain assurance framework by undertaking the following actions:

- Updating Alstom contracts with suppliers and contractors with specific modern slavery clauses. As part of the contract terms, suppliers and contractors are also required to notify us if they become aware of any modern slavery offences occurring in their business or own supply chains.
- Onboarding and monitoring questionnaire with specific modern slavery focus. We believe that by adding this specific process, we will 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. The period of this frequency will be determined upon completion and obtaining all the questionnaires back from our suppliers and contractors for FY20/21.
- For FY20/21, we intend to send these questionnaires to our first-tier suppliers and contractors, aligned with Alstom's strategy and also those operating in higher risk countries.

Alstom 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 develop a training program with specific content on Australian modern slavery laws which will be rolled out to our board of directors and senior managers at Alstom, and our Sourcing and HR team. This training program will be reviewed and updated yearly especially with key procurement staff to attend human rights and modern slavery awareness session, delivered by internal and external experts.

We may also plan to undertake audits of our suppliers and contractors to assess their compliance with Alstom's modern slavery requirements, including under Alstom's Charter, on a case by case basis.

## Other relevant information<sup>6</sup>

As Alstom is a subsidiary of a global international company, we would also like to highlight modern slavery compliance and initiatives by 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 been submitting statements in compliance with the *Modern Slavery Act 2015* (UK).
- Alstom's Vigilance Plan was published for 2017/8 fiscal year as part of the French law on Duty of Vigilance. This plan presents the various measures taken at the different levels of the organisation to manage human rights, health and safety and environmental risks.
- Evaluation of our Sustainability performance by independent third parties: Alstom's sustainable development performance was last assessed by *Ecovadis* in 2018 and again achieved the highest possible recognition of "Gold" status. Alstom's ranking has improved from the 95th percentile in 2016, to the 99th percentile when compared with other companies on this platform.

<sup>5</sup> Mandatory Criterion Five: Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks.

<sup>6</sup> Mandatory Criterion Seven: Any other relevant information.

- Alstom UK and Ireland continues its partnership with the Supply Chain Sustainability School and will use the school engagement 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 to continuously improve sustainability practices throughout the railway industry supply chain.
- Alstom is also 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 which was expanded and updated in October 2017.
- For the tenth consecutive year in 2020, Alstom has been included 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, now being part of the Top 5% of the best scored companies in its industry. Its 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 our Modern Slavery Statement for the reporting financial year commencing 1st April 2019 and ending 31st March 2020.

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



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Mark Coxon, Director

Dated: 18/12/2020