
Alstom UK & Ireland

Modern Slavery Act Transparency Statement 2021

Date of issue: 27 AUGUST 2021

1. ORGANISATION STRUCTURE AND SUPPLY CHAINS

This statement is made by **ALSTOM Transport UK Limited** with regards to the Modern Slavery Act 2015 which requires companies with turnovers in excess of £36million to be transparent about their efforts to eradicate Slavery and Human Trafficking in their supply chain.

In accordance with the Act, this statement articulates our policies and practices around recognising and preventing human trafficking and slavery in the global supply chain.

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. Alstom pioneers and markets the widest range of smart solutions in the rail market offering a complete range of innovative solutions from high-speed trains to metros, tramways and e-buses, on-board passenger solutions, customised services (maintenance, modernisation), infrastructure, signalling and digital mobility solutions. Alstom is a world leader in integrated transport systems.

Sourcing activities represent nearly 60% of the Group's turnover. Alstom works with a broad range of suppliers, contractors and other business partners.

2. POLICIES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING

Alstom has a **Code of Ethics** that applies to every employee and which is designed to promote honest and ethical conduct with all stakeholders in line with our company values: Agile, Inclusive and Responsible. The Code of Ethics prescribes fundamental rules of conduct, relating in particular to full compliance with laws, regulations and requirements in all countries where Alstom operates. This Code of Ethics was updated in 2020, and now integrates a series of case studies to make it more accessible for employees.

Alstom's human rights policy is part of its **Sustainability & Corporate Social Responsibility Policy** endorsed in March 2021 by Henri Poupart-Lafarge, Chairman & CEO of Alstom which commits to enforcing the highest ethical standards, acting against discrimination and respecting human rights.

Alstom aims to comply with the Guiding Principles on Business and Human Rights set out by the United Nations Human Rights Council and to respect internationally recognised human rights in all countries where Alstom operates. Alstom is particularly respectful of the laws governing, *inter alia*, human rights and labour, health and safety standards, and the protection of the environment. Alstom's policy is to comply fully with the fundamental conventions of the International Labour Organisation (ILO). Alstom supports the elimination of all forms of illegal, forced or compulsory labour, including child labour. Illegal, forced or compulsory labour is strictly prohibited for Alstom's suppliers and subcontractors. Alstom also complies with the Guidelines for multinational enterprises of the OECD and the United Nations Universal Declaration of Human Rights.

Alstom is a member of the United Nations Global Compact (UNGC), promoting the respect of human rights within its sphere of influence. 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's objective is to identify risks and prevent serious violations of human rights and fundamental freedom in its activities and supply chain. Respect for human rights is managed transversely according to the topics addressed. The Human Resources function, Sustainable Sourcing, Procurement, Health and Safety, Sustainable Development and Corporate Social Responsibility (CSR), and the Legal Department are all involved in Human Rights processes.

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 is required to be signed by all of our approved suppliers.

Alstom's suppliers and contractors shall, in particular, and in compliance with our Charter for Ethics and Sustainable Development, comply with 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.

Employees or any person or third party may use the Alstom's Alert Procedure, in accordance with the laws and rules applicable in the country where they live or work, if they have reason to suspect a violation of the Code of Ethics or Alstom rules and policies relating to Modern Slavery.

3. DUE DILIGENCE PROCESSES

Evaluation of our sustainability performance by independent third parties:

- Alstom's global sustainable development performance was last assessed by Ecovadis in 2021 and achieved the highest possible recognition of "Platinum" status, placing the Group among the top 1% rated companies on the platform.
- In October 2020, Alstom UK & Ireland was assessed by AFNOR against the Corporate Social Responsibility Commitment Label and achieved 2 out of 3 star "confirmed" status. The audit included verification of sustainable procurement practices.

The watch for potential human rights issues starts from the very beginning of any project. A specific **Human Rights Risk Scorecard** for new tenders and projects has been developed introducing a screening process with several questions, taking into account country risk mapping, type of activity and project structure amongst others. The scorecard has been integrated in the Ethics and Compliance assessment process to allow us to identify potential risks ahead of bid submissions and define a joint mitigation plan along with tender teams. The first mitigation plans are being established if a risk is identified, for example undertaking specific Human Rights due diligence assessments when relevant. The aim is to strengthen the operational approach to human rights management, awareness of project teams and local partnerships if relevant. Implementation is currently in pilot phase.

Making sure contractors and suppliers live and work in decent conditions is a key priority for Alstom. To control it, a **pluriannual external social audit programme** was launched in November 2020. Suppliers and subcontractors are

selected based on potential risks in relation to their activities, locations and/or internal or external feedback in order to roll out additional evaluations of living and working conditions. The first phase is targeting 10 subcontractors and suppliers in China, India, the Philippines, Romania, and Vietnam. The objective is to strengthen expertise and broaden the coverage of our audits.

This external audit programme comes in addition to the assessments deployed by Procurement which include:

1. online assessments, carried out by the external company, EcoVadis;
2. onsite audits, called “Quick Industrial Assessments” run by Alstom’s buyers;
3. onsite audits, called “Generic Process Audits” conducted by Alstom’s teams;
4. online screenings, run by an external solution provider;

The **assessment of living conditions** on sites where workers are provided with accommodation is integrated in AZDP (Alstom Zero Deviation Plan) audits and has been systematically deployed since the beginning of the 2019/20 fiscal year in identified high-risk projects. The evaluation grid was developed in collaboration with local stakeholders, including human resources representatives and workers. A specific instruction has been developed for its implementation jointly by the Sustainable Development and CSR, Sustainable Sourcing and EHS teams. The questionnaire covers such issues as the general level of comfort and cleanliness of the facilities and the existence of communication means and medical care facilities. A score below 80% leads to the implementation of an appropriate action plan by the subcontractor within three months and a subsequent reassessment. The assessment grid can be adapted in the countries to take into account local standards in terms of worker welfare. Unsatisfactory results are reported to the internal CSR and Supplier Financial Risk Management Committee, which is responsible for taking appropriate measures, up to and including the ending of a business relationship. In total four sites were audited over 2020/21 and nine sites were audited over 2019/20 as the audit schedule was interrupted by the Covid-19 pandemic and resulting travel restrictions. These first audits rolled out generally yielded satisfactory results.

Every year, Alstom conducts a **social survey** to ensure the absence of any incident regarding child labour, forced labour or freedom of association and monitors human rights alerts reported through its alert procedure. Alerts are recorded and investigated as per alert procedure rules.

When potential issues related to the working or living conditions in relation to suppliers or contractors have been brought to Alstom’s attention through other sources (like NGO contacts, screening etc.), they have been properly investigated through suppliers inquiry and site visits.

One human rights issue was raised via the Alert Procedure over the 2020/21 fiscal year. This alert was raised following the publication of a report by the Australian Strategic Policy Institute (ASPI). This report focuses on the potential forced enrolment of Uyghurs in the supply chains of major international companies. One of Alstom’s suppliers is mentioned in this report. Following the publication of the ASPI report, Alstom undertook an in-depth review of potential forced labour issues in the supplier referenced, including internal interviews, document reviews and third party audits. The review was finalised in September 2020. Based on the scope and methodology of the review, the documentation and information received from the Supplier and external audits organised, no human rights incidents were identified on the plant that supplies Alstom. Alstom will continue to monitor this specific case and assess potential human rights issues in its supply-chains generally.

In the day-to-day management of its activities Alstom strives to strictly comply with its commitments through its policies on Health and Safety, product safety, prevention of discrimination and harassment, social dialogue and protection of labour laws, supply chain management and data protection for its employees and passengers.

4. RISK ASSESSMENT AND MANAGEMENT

The global Sustainability and CSR Department appointed a CSR and Human Rights Manager in December 2019 with the aim to develop the existing Human Rights programme, and launch new internal and external initiatives.

The analysis and prioritisation of human rights-related risks is established at different levels within Alstom:

- a **global risk mapping for human rights** was done to determine and prioritise human rights that were most likely to be affected by Alstom's activity. The methodology for this risk mapping exercise is detailed below;
- a **risk mapping per country** was established by external consultants on the basis of different indexes by international organisations and NGOs such as the United Nations, the International Labour Organisation (ILO), the European Union, the World Bank, International Trade Union Confederation and Transparency International;
- **A risk mapping of our suppliers and subcontractors** is updated every year by the Sourcing Department

The global risk mapping for human rights was established on the basis of the list of Human Rights as presented in Annex A of the UN Guiding Principles Reporting Framework: "Table: Internationally Recognised Human Rights and Examples Of How Business Might Impact Them". The assessment by the transverse working group of the risks posed to each Human Right by each of Alstom's functions and macro-processes then allowed for the prioritisation of these risks in the context of the Group's activity. In 2019, the methodology and results for this risk mapping exercise were reviewed by an external consultancy who validated the approach.

This assessment led to the identification of the main risks based on the potential severity and probability of impacts in the fields of Human Rights standards applied by business partners, both in projects where Alstom is involved and those where Alstom is an investor. It addressed the safety of solutions and safety at work; the prevention of discrimination and harassment; social dialogue and the protection of labour rights; supply-chain management; and data protection for Alstom employees and passengers.

Our current sourcing policies and contracts refer to the Alstom Charter for Ethics & Sustainable Development and every supplier is required to sign this. Over 98% of suppliers have signed to date but the rules still apply to all.

All our supplier and contractor contracts contain the right to be assessed or audited by Alstom or by a third party mandated by Alstom on the principles defined in the Ethics and Sustainable Development Charter for Alstom's Suppliers and Contractors and internal quality audits include specific questioning.

Alstom's Vigilance Plan was published for 2017/18 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:

- global risk mapping and management tools expanded to integrate the relevant topics;
- specific risk analysis and mitigation measures covering Human Rights, Health and Safety and Environmental risks from Alstom activities, which also apply to contractors operating in Alstom's facilities;
- dedicated risk mapping and risk management measures for risks arising from the Supply Chain applied to suppliers and contractors.

The Vigilance Plan is reviewed on an annual basis and necessary updates are made.

5. KEY PERFORMANCE INDICATORS

	2018/19	2019/20	2020/21
% of purchase amount covered by the referenced suppliers having signed the Ethics and Sustainable Development Charter ^(*)	98%	99%	99%
% of total purchase volume covered by online assessments, on-site audits or screening	51%	60%	64%
% of purchase volume from potentially high-risk suppliers covered by online assessments or on-site audits	75%	85%	83%
% of procurement managers who have attended sustainable sourcing training	91%	90%	93%

(*) Suppliers with whom Alstom has a spending exceeding €100,000, excluding the charters included in the general conditions of purchase.

6. TRAINING ON MODERN SLAVERY AND TRAFFICKING

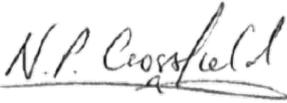
The efficient deployment of Alstom’s Human Rights programme relies on raising employee awareness on this issue. Two training modules were developed in 2020 to be rolled out in 2021: an e-learning for all staff which aims to introduce key concepts around human rights and a more in-depth webinar for the HR community, E&C ambassadors and project teams directly exposed to these issues. The goal is to ensure Human Rights considerations are integrated in all the Group’s activities and that employees are trained globally to represent Alstom’s commitment on this topic, raising awareness around the topic of human rights and Alstom’s actions to promote these.

Alstom UK and Ireland continues its partnership with the Supply Chain Sustainability School and will use the school engagement to set Modern Slavery learning pathways to improve supply chain knowledge about issues relating to Modern Slavery.

APPROVAL

This Statement is made in accordance with Section 54(1) of the Modern Slavery Act 2015 and constitutes our Modern Slavery Act Transparency Statement for the financial year commencing 1st April 2020 ending 31st March 2021.

This Statement has been approved by the board of **ALSTOM Transport UK Limited** on 27 AUGUST 2021.



Nick Crossfield

Managing Director UK & Ireland

Copies of Alstom Code of Ethics, Alstom Ethics and Sustainable Development Charter for Alstom’s Suppliers and Contractors and Sustainability & Corporate Social Responsibility Policy are available on the Alstom website (www.alstom.com) or on request.