

HITACHI RAIL AUSTRALIA

Modern Slavery Statement 2023



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01 INTRODUCTION

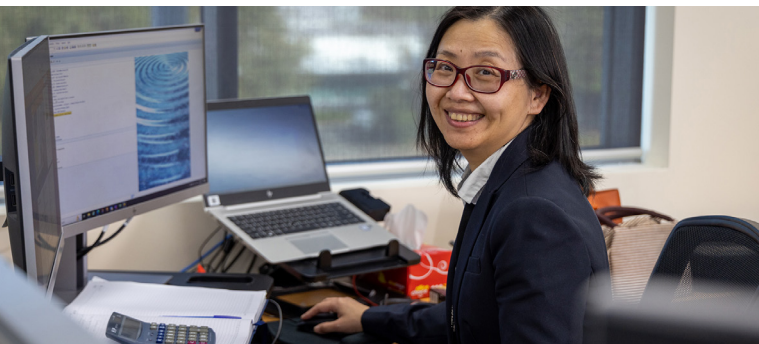
Hitachi Rail STS Australia Pty Ltd (ABN 34 068 707 380) (Hitachi Rail Australia) is committed to supporting and respecting human rights, including the abolition of modern slavery and all forms of forced or compulsory labour, wherever it does business.

Hitachi Rail Australia is committed to acting ethically and with integrity in all our business dealings and relationships and minimising the risk of slavery or human trafficking in our business and supply chains. Hitachi Rail Australia engages its workforce to help them understand what modern slavery is, how to recognise it, and how to act on risk indicators of these issues within our business and supply chain.

This is the fourth 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 since 1 April 2022 to deliver on our commitments.

This Statement covers Hitachi Rail Australia's operations, and includes those of its subsidiaries, Hitachi Rail STS Malaysia Sdn Bhd (**Hitachi Rail Malaysia**) and Hitachi Rail STS India Pvt Ltd (**Hitachi Rail India**). References to "Hitachi Rail" in this Statement describe policies and initiatives which the Hitachi Rail group of companies (see section 3.1) employs at the global level, as they apply to Hitachi Rail Australia and our subsidiaries.

02 TWELVE MONTH SNAPSHOT



Hitachi Rail has, at the global level:

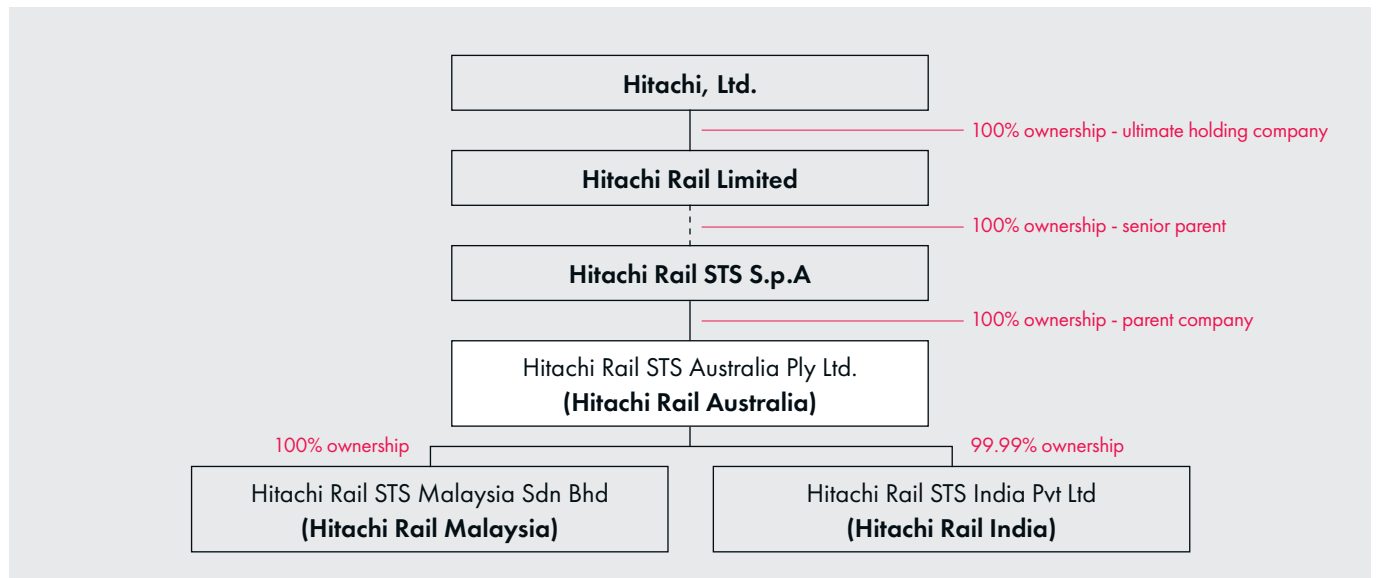
- ▶ Further strengthened the expertise and resourcing of its compliance function under the supervision of the Chief Compliance Officer, including the appointment of dedicated senior compliance managers for anti-bribery and anti-corruption, compliance operations, whistleblowing and investigations;
 - ▶ Deployed training between November 2022 and January 2023 to its internal buyers and category managers regarding the registration with and use of EcoVadis, which is a tool that allows Hitachi Rail to benchmark and risk score suppliers against a range of sustainability and human rights criteria;
 - ▶ Continued its engagement with key stakeholders regarding modern slavery and human trafficking including Responsible Sourcing, Worst Forms of Child Labour, Business & Human Rights Working Groups and the Global Child Forum; and
 - ▶ Drafted and commenced internal stakeholder engagement regarding a new Hitachi Rail Modern Slavery Policy.
- ▶ On a local level, Hitachi Rail Australia:
 - ▶ Adopted the [Hitachi Group Code of Ethics and Business Conduct \(2023\)](#) (**Code of Ethics**), which replaces the previous Hitachi Rail Code of Ethics (2020). The new Code of Ethics further emphasises Hitachi Rail Australia's commitment to the abolition of slavery and all forms of forced or compulsory labour and details its commitment to caring for its communities;
 - ▶ Deployed the first tranche of bespoke Modern Slavery training to staff of Hitachi Rail Australia, Hitachi Rail Malaysia and Hitachi Rail India;
 - ▶ Continued to ensure that its workforce undertakes mandatory training regarding the Code of Ethics;
 - ▶ Revised its suite of subcontract documents to update compliance, modern slavery, anti-bribery, anti-corruption clauses to ensure that suppliers comply with all applicable laws, including the Act, the [Hitachi Rail Supplier Code of Conduct \(2021\)](#) (**the Supplier Code of Conduct**) and the Code of Ethics;
 - ▶ Launched an online platform in February 2023 called Jaggaer for supplier onboarding, which includes a risk model for compliance due diligence checks whereby country and industry human rights risks, are assessed. Jaggaer includes documented acceptance by suppliers of the Supplier Code of Conduct as part of the onboarding process; and
 - ▶ Continues to review transactions between Hitachi Rail Australia or its subsidiaries, and high risk jurisdictions.

03 HITACHI RAIL AUSTRALIA'S STRUCTURE, OPERATIONS AND SUPPLY CHAINS

03.1

Hitachi Rail Australia's Structure

Hitachi Rail Australia is part of a larger group of companies that are subject to direction and coordination of Hitachi, Ltd. (**Hitachi**). Hitachi Rail Australia is wholly owned by Hitachi Rail STS S.p.A, which in turn is wholly owned by Hitachi Rail Limited, the holding company of Hitachi's Railway Systems Business Unit. A chart depicting the organisational structure of Hitachi Rail Australia and that of its subsidiaries Hitachi Rail Malaysia and Hitachi Rail India is set out below:



03.2 Operations of Hitachi Rail Australia, Hitachi Rail India & Hitachi Rail Malaysia

Hitachi Rail is a fully integrated, global provider of rail solutions across rolling stock, signalling, operations, service & maintenance, digital technology and turnkey solutions. Hitachi Rail's mission is to contribute to society through the continuous development of superior rail transport solutions.

Drawing on the wider Hitachi Group's market leading technology and research and development capabilities, Hitachi Rail Australia strives for industry leading innovations and solutions that can deliver value for customers and sustainable railway systems that benefit wider society.

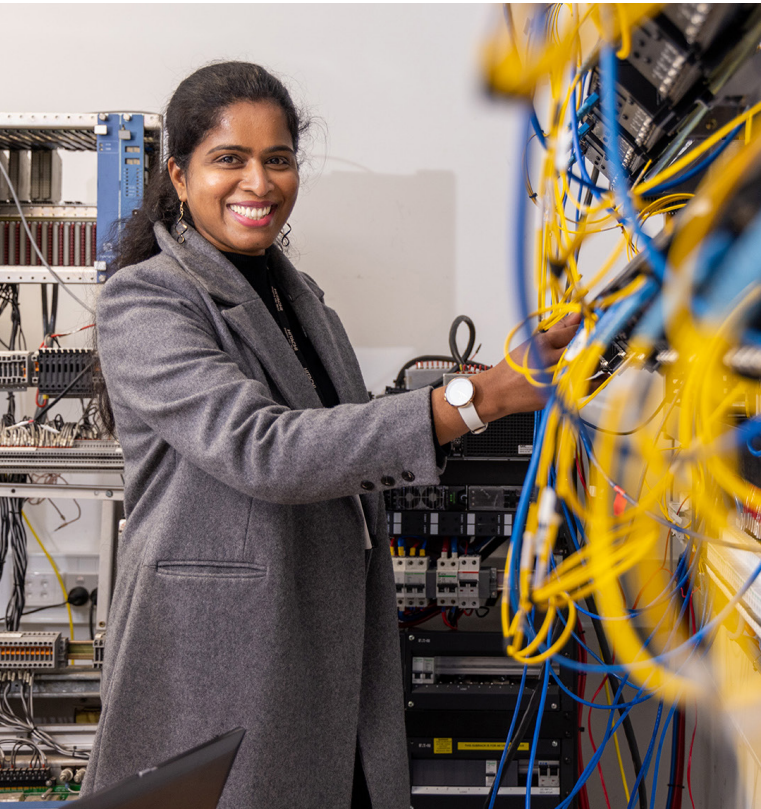
Major projects being delivered by Hitachi Rail Australia, and its subsidiaries Hitachi Rail India & Hitachi Rail Malaysia, during the 2022/2023 reporting period include:

- ▶ Design and delivery of a new railway signalling system (ETCS) for South East Queensland as part of the Cross River Rail Project;
- ▶ the Queensland New Generation Rollingstock Project, which involves upgrading the rail fleet in South East Queensland to be ETCS compatible;
- ▶ Continuing partnership 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 and Southern Double Track projects in Malaysia;
- ▶ Design, Manufacture, Supply, Installation, Testing & Commissioning of Signalling & Train Control System and Video Management System and Telecommunication for Chennai Metro Rail Limited, India;
- ▶ 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; and
- ▶ Modernisation of signalling and telecommunication systems on Ghaziabad-Kanpur Section, India.

03.3

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 primarily on direct relationships with manufacturers (predominately related Hitachi group entities) and approved OEM resellers 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.

03.4

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

We have reviewed all transactions between Hitachi Rail Australia, Hitachi Rail India & Hitachi Rail Malaysia and the high risk jurisdictions set out above. There was one intra-company transaction with a related entity in China during the 2022-2023 reporting period, 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.

04 ACTIONS TAKEN IN THE 2022-2023 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.

04.1

Policies and Procedures of Hitachi Rail Australia, Hitachi Rail India & Hitachi Rail Malaysia

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

The recently updated Code of Ethics applies to all members of Hitachi Rail Australia’s governance and control bodies, executives, workforce and supply chain. The Code of Ethics reflects Hitachi Rail Australia’s commitment to:

- ▶ Abolition of slavery and all forms of forced or compulsory labour;
- ▶ Freedom of association;
- ▶ Equal pay for equal work;
- ▶ Equality at work;
- ▶ Just and favourable remuneration;
- ▶ Non-discrimination; and
- ▶ Protection for the organisation of and participation in collective bargaining.

Hitachi Rail Australia requires its suppliers to comply with the Supplier Code of Conduct, which expressly precludes 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 publication of its last statement, Hitachi Rail has also:

- ▶ Updated its **Whistleblowing & Speak-Up Policy (2023)** that promotes a “speak-up” culture whereby anyone can report, in good faith, actual or suspected violations or breaches of laws, regulations, the Code of Ethics, or its policies and emphasises that Hitachi does not tolerate retaliation against whistleblowers;
- ▶ Published an internal **Compliance Programme Manual (2023)** that describes how to prevent, detect and respond to compliance risks and misconduct, and promote a culture of ethical conduct; and
- ▶ Drafted and commenced stakeholder engagement regarding the publication of a **Modern Slavery Policy** that sets out Hitachi Rail’s expectations for the conduct of its workforce and contractors to help eliminate slavery and all forms of forced or compulsory labour.

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);
- ▶ Social Accountability Manual (2022);
- ▶ Corporate Social Responsibility Governance Manual (2022)
- ▶ Enterprise Risk Management Framework
- ▶ Integrated Risk Management Framework Manual (2021);
- ▶ Other written employment practices and procedures that ensure fair recruitment and treatment of employees.

Hitachi Rail continues to make its policies available to all workers and internal parties globally through publication on our internal document management system. These policies are regularly reviewed and updated.

04.2

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 identified as being high risk, and its supply chain more generally, through our supplier due diligence. Core activities include:

- ▶ **Hitachi Rail Assessment & Screening:** Initial desktop assessment of all suppliers for, anti-money laundering, anti-bribery and corruption, adverse media, sanctions, watchlists and politically exposed persons. Prospective suppliers are required to agree to adhere to the Supplier Code of Conduct and complete the Hitachi Rail Australia screening questionnaire that includes information to understand the supplier's compliance with regulatory requirements and best practices. This screening is repeated on a periodic basis. As noted above, this process has been automated and harmonised under the online platform, Jaggaer, since the last reporting period.
- ▶ **Audit:** Hitachi Rail Australia has 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, Hitachi Rail Australia builds them into the process development.
- ▶ **Whistleblowing & Speakup:** Hitachi Rail provides various speak-up channels for any person, internal or external to its our business, seeking to report a concern regarding actual or suspected misconduct that may be a violation or breach of any applicable law or regulation, its Code of Ethics, or any of its policies. Hitachi Rail's speak-up channels include managers, members of our Human Resources or Legal & Compliance functions, and our dedicated [24-7 Hitachi Global Compliance Hotline](#), which provides for online or telephonic reporting. Hitachi Rail additionally provides for specific email addresses for supervisory bodies and other eligible recipients as speak-up channels, as required by certain local laws and regulations where it operates. As noted above, Hitachi Rail does not tolerate retaliation against whistleblowers
- ▶ **Compliance:** Hitachi Rail has a dedicated global compliance team, led by its Chief Compliance Officer. The compliance team is supported by other functions, including Internal Audit, Legal, Human Resources, Procurement and Sales.
- ▶ **Contracts:** Hitachi Rail Australia binds suppliers to comply with all applicable laws, including the Act and our Supplier Code of Conduct.



- ▶ **Training:** Raising awareness and building expertise is another process used by Hitachi Rail Australia to manage human rights risks. Hitachi Rail Australia ensures that all new members of its workforce undertake mandatory annual training on its Code of Ethics (translated into 15 languages) within three months of joining. This training is refreshed annually for its whole workforce. The training explains how to spot and report potential or actual breaches of the Code of Ethics, including in relation to human rights, and details the consequences for failing to comply with the Code of Ethics. Further, since its last Modern Slavery Statement, Hitachi Rail Australia has deployed bespoke Modern Slavery e-learning to its workforce globally that helps them identify potential instances of Modern Slavery in its business and supply chain, and explains its procedures for preventing and reporting the same.

04.3

Assessing the effectiveness of Hitachi Rail Australia's policies and procedures

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

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

- ▶ Undertakes periodic reviews of its supplier base to identify potential risks of exposure to modern slavery within its supply chain;
- ▶ Reviews the modern slavery statements of our key suppliers and competitors;
- ▶ Seeks to identify and mitigate risks wherever they arise; and
- ▶ Reviews all transactions between Hitachi Rail Australia, Hitachi Rail India & Hitachi Rail Malaysia with any countries deemed high risk.

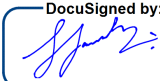
04.4

Commitments for the 2023/24 Reporting Period

Planned activities for the period from 1 April 2023 to 31 March 2024 are:

- ▶ Ensure 100% of new members of the workforce with access to eLearning have completed Code of Ethics training within 3 months of new employee start date
- ▶ Ensure that 100% of existing workforce with access to eLearning have undertaken refresher Code of Ethics training annually;
- ▶ Ensure 100% of workforce with access to eLearning have completed Modern Slavery training by 31 March 2024;
- ▶ Continue to ensure that anti-slavery clauses and compliance with the Supplier Code of Conduct are embedded into all high-risk contracts;
- ▶ Ensure that every identified instance of modern slavery and labour exploitation is addressed.

This Statement was approved by the Hitachi Rail STS Australia Pty Ltd Board of Directors.

DocuSigned by:

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Sarfaraz Samnakay

Country Representative and Executive Director, Australia
Hitachi Rail STS Australia Pty Ltd

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