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**Alstom UK & Ireland****Modern Slavery Act Transparency Statement 2024**

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Date of issue: 27 September 2024

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**1. ORGANISATION STRUCTURE AND SUPPLY CHAINS**

This statement is made by **ALSTOM Transport UK Limited** (Registered Number 08462831) with regards to the Modern Slavery Act 2015 which requires companies with turnovers in excess of £36 million 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.

Procurement activities represent over 50% 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, and defines Alstom's human rights policy. 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 2023, the Group's Chairman and Chief Executive Officer renewed his commitment to the 10 principles of the United Nations Global Compact.

In addition to the human rights policy, the following corporate policies ensure compliance with applicable law and recognised international standards regarding human rights and working conditions:

- Alstom Sustainability and Corporate Social Responsibility Policy;
- Alstom Anti-Discrimination and Anti-Harassment Policy;
- Alstom Sustainable Procurement Policy;
- Alstom Environment, Health and Safety Policy;
- Alstom Ethics and Compliance Policy;
- Alstom Data Privacy Charter;
- Alstom Diversity, Equity and Inclusion Charter;
- Alstom Ethics and Sustainable Development Charter for Alstom's Suppliers and Contractors.

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 Procurement, Health and Safety, Sustainable Development and Corporate Social Responsibility (CSR), Ethics and Compliance and the Legal Department are all involved in Human Rights processes.

In addition, a cross-functional Vigilance Committee was set up in May 2023, which comprises of global Alstom Leadership members from Legal, Governance, CSR, Strategy, Ethics and Compliance. This committee gathers on a quarterly basis to develop and implement the strategic guidance on vigilance duties.

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**. Procurement teams require their suppliers to comply with Alstom Sustainable Development values and principles detailed in the charter. This is a pre-requisite to enter into Alstom's panel of suppliers. Compliance with this Charter is also part of Alstom's general procurement terms and conditions.

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.

They undertake to be compliant at least with the United Nations' Universal Declaration of Human Rights, the fundamental conventions of the International Labour Organisation (ILO), the OECD Guiding Principles, the rules of conduct of the International Chamber of Commerce (ICC), and the values defined by Alstom's Code of Ethics. Following the application of the European Union General Data Protection Regulation (EU GDPR) since 25 May 2018, data confidentiality is also integrated in this Charter.

In accordance with the **ISO 37001** standard on anti-corruption management systems, the Alstom Charter includes Alstom's alert procedure. Suppliers and sub-contractors can use this procedure 24/7 to report possible violations of the Code, Alstom rules and policies, or the laws, on a nominative or anonymous basis.

### 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 2024 and achieved the recognition of "Platinum" status, placing the Group among the top 1% rated companies on the platform.

In December 2023, Alstom UK & Ireland was re-assessed by AFNOR CSR Commitment Label and achieved 2 out of 3 star "confirmed" status. The audit assessed our maturity against the principles of ISO 26000 which included verification of sustainable procurement practices.

In March 2023, Alstom completed the UK Government's Modern Slavery Assessment Tool and scored 71/100 with strengths noted on Governance, Due Diligence and KPIs, and areas for improvement noted on Policies and Procedures, Training, Risk Assessment and Management. Recommendations are being progressed to drive continuous improvement.

#### Reinforcing social audits on Alstom construction activities and high-risk suppliers

Because of the nature of on-site activities and the scale of these projects, living conditions, working conditions and labour and recruitment practices on construction sites have been identified as priorities and the following actions are now in place:

- **Assessment of living conditions** on construction sites where workers are provided with accommodation is integrated in AZDP in identified high risk projects. A specific instruction has been developed for its implementation jointly by the Sustainability and CSR, Sustainable Procurement and EHS teams. The questionnaire used in the assessment covers such issues as the general level of comfort and cleanliness of the facilities and the existence of communication means and medical care facilities. It can be adapted in the countries to take into account local standards for example in terms of worker welfare. Non-compliance leads to the implementation of an appropriate action plan by the subcontractor and potentially a reassessment depending on the results. Unsatisfactory results are reported to the internal supplier risk management committee, which is responsible for taking appropriate measures, up to and including the ending of a business relationship. In total two sites were audited over 2023/24. The selection focused on large sites in India and the results of the audits were largely compliant.
- **Pluriannual external audit programme:** since 2020, Alstom has partnered with external specialists to conduct an audit programme with the aim of rolling out additional assessments, benefiting from a global network of local social audit experts and targeting high-risk contractors and suppliers. In 2023/24, 15 audits took place on sites in Bahrain, Brazil, China, India, Italy, Romania and South Africa. Themes covered include: Forced labour, Child labour, Health & Safety, Freedom of association, Working hours and Remuneration. All audits were followed by a closing meeting on site which involved the signature of a corrective action plan if required. If critical or major non-compliances are identified, Alstom organises a follow-up audit.  
Out of the 15 audits which took place in 2023/24, 12 were follow-up audits. Due to the implementation of the new suppliers' CSR performance process, most onsite CSR audits led in FY2023/24 were follow-up audits of suppliers from the past year's risky pool.

#### Strengthening the integration of Human Rights risks in the tender process and project management

The watch for potential human rights issues starts from the very beginning of any project. A specific Human Rights and CSR Scorecard for new tenders and projects has been developed taking into account country risk mapping, type of

activity and project structure amongst others. The objective is to identify potential risks related to projects and define mitigation measures ahead of bid submissions, including the undertaking of specific Human Rights due diligence assessments when relevant. The human rights scorecard is integrated in the Ethics and Compliance assessment process, and the associated instruction. In FY2023/24, the specific monitoring on high-risk projects is pursued, involving operational teams as well as central functions.

In addition to the internal risk assessments, central functions are developing bespoke solutions to address client requirements in bids on the topic of Human Rights over the project lifecycle. Such requirements have involved the development of a supplier panel risk management tool or a Method Statement to address Modern Slavery risks.

### **Suppliers' CSR evaluation methodology and governance**

These actions come in addition to the CSR assessments deployed by Procurement which include:

1. online documentary assessments, carried out by the external company, EcoVadis;
2. onsite evaluations, called "Quick Industrial Assessments" run by Alstom's procurement teams;
3. onsite audits, called "Supplier Process Audits" conducted by Alstom's supplier quality teams;
4. online screenings, run by an external solution provider;

FY2023/24: 91% of supplier sites were covered by CSR assessment(s) (ADIT screening, EcoVadis, onsite CSR audit), according to their CSR gross risk and their yearly ordered amount. The outcome of these evaluations – the CSR net risk level, is used in the supplier business award and in the supplier risk management processes. Each time CSR evaluation results do not meet Alstom's criteria, suppliers are required to define and implement a corrective action plan. To do so, they can benefit from the support of Alstom's teams who are trained to help them in their improvement process.

All suppliers with medium CSR net risk and pending corrective action plans from EcoVadis and/or onsite CSR audits are closely monitored by the domains and/or regions in charge, with the support of the Sustainable Procurement Performance Manager. Suppliers with high CSR net risks trigger escalation: the CSR status of these suppliers must be discussed during the quarterly Supplier Risk Management Reviews, with procurement top management. If there is no progress after 2 sessions, the suppliers who triggered the escalation process are escalated to the top offenders reviews, which can lead to suspension or termination of the business relationship with these suppliers.

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. In FY2022/23, a new question was added to the Social Survey to monitor the deployment of Human Rights programmes at country level, beyond specific points relating to forced/child labour already covered. Best practices reported include diversity, equity and inclusion networks, and gender pay reporting.

If potential issues related to the working or living conditions of suppliers or contractors are brought to Alstom attention through other sources (like NGO contacts, screening, etc.), they are properly investigated through supplier inquiries and site visits.

Following the new EU regulation around **conflict minerals** and European Directive on Batteries, Alstom has proceeded to establish whether its supply chain is exposed to conflict minerals. The Sustainable Procurement department launches an annual campaign which involves sending a specific survey on conflict minerals to targeted suppliers to track the origin of minerals contained in the goods purchased by Alstom and verify that suppliers have internal policies to mitigate related risks in their supply chain. Alstom's suppliers are also encouraged to use recycled minerals or get certifications attesting that minerals are conflict-free or to be part of an international initiative for the responsible sourcing of conflict minerals (e.g. the RMI, the International Tin Supply Chain Initiative (ITSCI), the Responsible Cobalt Initiative (RCI)).

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 identification, analysis and prioritisation of human rights related risks are established at different levels:

- **At global level:** a global risk mapping for human rights was completed in FY2021/22 to determine and prioritise human rights that were most likely to be affected by Alstom’s activity. This risk mapping is performed every three years to ensure regular monitoring of existing risks and the identification of emerging risks. The methodology for this risk mapping exercise is detailed below;
- **On the Group’s supply chain:** a risk mapping of Alstom’s suppliers and contractors based on CSR criteria, including labour and human rights, is performed annually.

In addition to the risk mapping exercises, a CSR risk assessment with a strong focus on Human Rights is performed at tender stage for projects of a certain size.

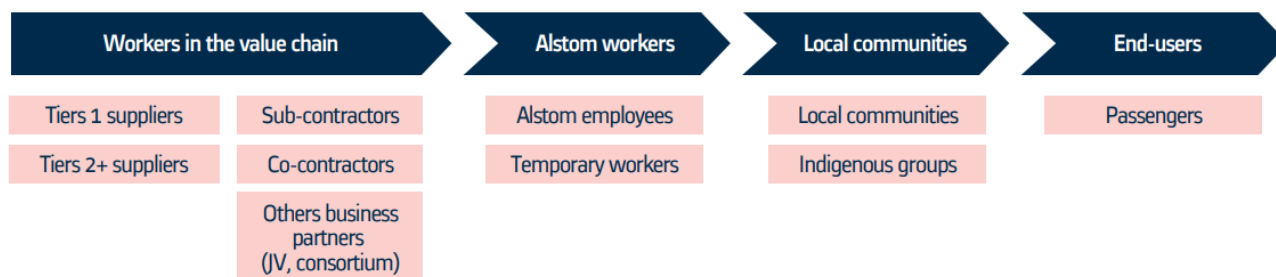
The global risk mapping for human rights is based on the list of Human Rights as presented in Annex A of the UN Guiding Principles Reporting Framework: “Table: Internationally Recognised Human Rights and Examples Of How Business Might Impact Them”.

The Human Rights risk mapping was last updated in 2022 to cover all Alstom geographies and activities. This exercise involved the extensive consultation of corporate as well as operational functions, to identify existing and emerging risks and assess and prioritise all Human Rights risks, in relation to Alstom’s activities and supply chain.

This assessment led to the identification and prioritisation of the Human Rights risks for Alstom and its business partners in projects where Alstom is involved. Impacts were measured according to scale, reach, probability and potential to mitigate in accordance with the UN Guiding Principles on Business and Human Rights. The Human Rights risk assessment is also informed by country risk data, which identify the main risk areas in a country for Human Rights and labour right violations.

The scope of the global human rights risk mapping covers Alstom’s activity, supply chain and partnerships and the following stakeholders were considered during the analysis.

**POTENTIALLY AFFECTED RIGHT-HOLDERS**



Two risk matrices were produced, focusing on gross risks (criticality based on impact and probability) and net risks (prioritisation based on potential to mitigate).

Taking into account the potential to mitigate, namely the ability to restore the damages potentially caused, the most salient Human Rights risks that have been identified include:

- inadequate H&S conditions in the production sites of Alstom or throughout the supply chain;

- harassment or discrimination in the workplace;
- non-responsible sourcing of raw materials (conflict minerals, mica & cobalt);
- bounded/forced labour in the supply chain;
- child labour in the supply chain;
- human trafficking by logistical subcontractors;
- indirect contribution or link to controversial projects.

Our procurement policies and contracts refer to the Alstom Charter for Ethics & Sustainable Development and every supplier is required to sign this. As of 31 March 2024, 97% of purchase amount were covered by key suppliers who have signed the Ethics and Sustainable Development Charter.

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 first published during the 2017/18 fiscal year as part of the French law on Duty of Vigilance. It is updated every year to report on the measures implemented and assess the efficiency of the Group's actions regarding human rights, health, safety and environmental issues:

- 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.

## 5. KEY PERFORMANCE INDICATORS

Alstom Group is regularly assessed by EcoVadis and its Sustainable Procurement was rated 90/100 in 2024 and awarded with the Platinum Medal of EcoVadis (99<sup>th</sup> percentile), that positions the Group in the top 1% of all companies on this axis.

Indicators	2021/22	2022/23	2023/24
Part of the purchase amount covered by the key suppliers having signed the Ethics and Sustainable Development Charter (in %)	96	98	97
Part of suppliers sites monitored or assessed on CSR and E&C standards as per their level of risk (in %)	-	-	91
Part of procurement community members trained in Sustainable Procurement	39%	62%	69%
Number of suppliers enrolled in Alstom Sustainable Procurement training programme	>100	202	182

	2021/22	2022/23	2023/24
Number of internal on-site social audits of subcontractors and suppliers	9	4	2
Number of external on-site social audits of subcontractors and suppliers	21	54	15
Number of alerts in the area of non-respect of human-rights, child exploitation, forced labour, freedom of association from alert procedure and social survey leading to internal investigation <sup>(1)</sup>	3	1	4

(1) Events covered by several notifications are only counted once.

## 6. TRAINING ON MODERN SLAVERY AND TRAFFICKING

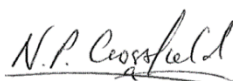
The efficient deployment of Alstom's Human Rights programme also relies on raising employee awareness on this issue. An e-learning module is available for all staff, but particularly targeted at the Tender, Project Management, and Sustainability & CSR teams, and aims to introduce key concepts around human rights. At the end of March 2024, more than 2,400 employees had completed the module globally. In February 2024, a new e-learning 'Conflict Minerals in the supply chain' was released for Alstom suppliers as well as internal teams. In addition, specific awareness sessions on the Alstom Human Rights Programme were rolled out to site teams in the context of the launch of the external audit programme.

Alstom UK and Ireland continues its partnership with the Supply Chain Sustainability School, who delivered a CPD accredited Modern Slavery Awareness brief to over 500 staff members in February 2022 to build awareness around modern slavery risks and signs. 175 employees have retrospectively attended the recorded briefing in Alstom University.

## 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 1<sup>st</sup> April 2023 ending 31<sup>st</sup> March 2024.

This Statement has been approved by the board of **ALSTOM Transport UK Limited** on 27 September 2024.



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**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](http://www.alstom.com)) or on request.