

Modern Slavery Statement

Financial Year 2022/2023

An MTR, John Holland and UGL Company



“Modern slavery describes situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom. Practices that constitute modern slavery can include:

- *human trafficking*
- *slavery*
- *servitude*
- *forced labour*
- *debt bondage*
- *forced marriage, and*
- *the worst forms of child labour”*

Australian Government, Department of Home Affairs¹

¹ <https://www.homeaffairs.gov.au/criminal-justice/Pages/modern-slavery.aspx>

Contents

1. About Metro Trains Australia Pty Ltd	4
1.1 Consultation with Metro Trains Melbourne Pty Ltd	4
2. MTA operations and supply chain	5
2.1 Operations	5
2.2 Supply chain.....	6
3. Our approach	7
3.1 Operational risks	7
3.2 Supply chain risks.....	7
4. Actions	8
4.1 New initiatives	8
4.2 Managing risks within MTA's Operations – on-going practices	9
4.3 Managing risks within MTA's Supply Chain – on-going practices.....	9
5. Assessing Effectiveness	11
6. Looking Forward	12

1. About Metro Trains Australia Pty Ltd

Metro Trains Australia Pty Ltd (**MTA**) is a consortium of rail and construction businesses. Our shareholders are MTR Corporation, John Holland Group and UGL Rail.

MTA operates the Rail Industry Worker (**RIW**) Program which is an online national competency management system for Australian rail workers and operators. It ensures rail safety workers working within the rail industry are competent to do so.

The RIW Program is owned and endorsed by the Australasian Railway Association. MTA commenced operating the RIW Program in June 2019.

MTA also provides consultancy services to the rail industry.

1.1 Consultation with Metro Trains Melbourne Pty Ltd

MTA is the holding company of Metro Trains Melbourne Pty Ltd (**Metro**). Metro operates and maintains the metropolitan rail service in Melbourne, with around 450,000 passenger trips each day. Over recent years, the number of passengers has steadily increased to closer to pre-COVID levels depending on the day of the week.

Metro has submitted a separate Modern Slavery Statement for Financial Year 2022/2023.

MTA and Metro have undertaken a collaborative approach to the development of their respective Modern Slavery Statements in order to combat modern slavery. Through this collaborative approach MTA has been able to ensure that appropriate action is being taken by MTA and Metro to identify, assess and address the modern slavery risks relating to each entity.

This consultation has occurred through regular meetings between executives and senior managers of MTA and Metro's procurement and legal teams and briefings to the Board of Directors of each entity.

This Modern Slavery Statement was approved by the Board of Metro Trains Australia Pty Ltd on 13 December 2023.



Name: Raymond O'Flaherty
Position: Director and Chief Executive Officer

2. MTA operations and supply chain

2.1 Operations

The RIW Program supports the rail industry by giving participant organisations full visibility of workers moving between projects and employers. It maintains a single electronic record of a worker’s job roles, competencies, education and fitness for work. This ensures that work is carried out by qualified people, enhancing overall safety on rail networks across Australia to meet the requirements of Rail Safety National Law.

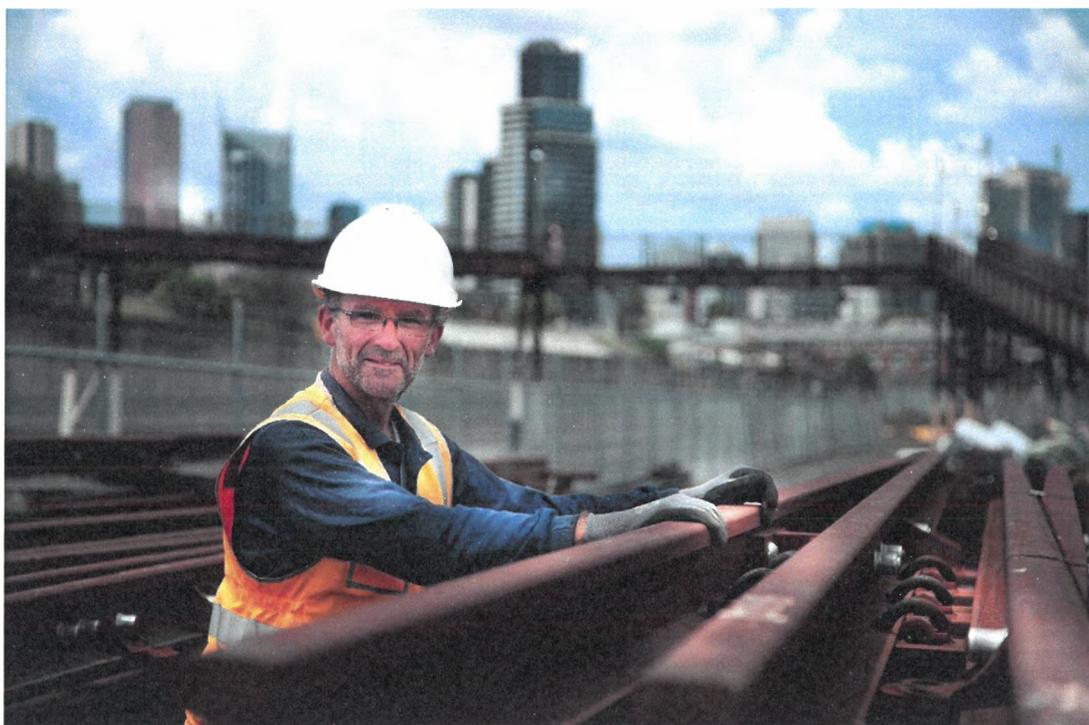
In summary, the RIW Program includes:

- Physical access control to worksites
- Competency management and verification services
- E-Learning
- ID checks
- Job Ready which includes services to assist workers obtain their initial RIW card

MTA also has Fatigue Alert which is a fatigue management and impairment detection testing system.

Consultancy services are also provided by MTA to the rail industry, including health check assessments.

MTA has a core team of employees from diverse backgrounds who have specialist knowledge and experience in areas such as management and delivery of assurance services, competency management, rail safety, learning and development, account management, information technology, cyber security, communications, finance and legal.



2.2 Supply chain

MTA has engaged a number of suppliers to deliver the overall RIW Program and these are shown in Figure 1 below:

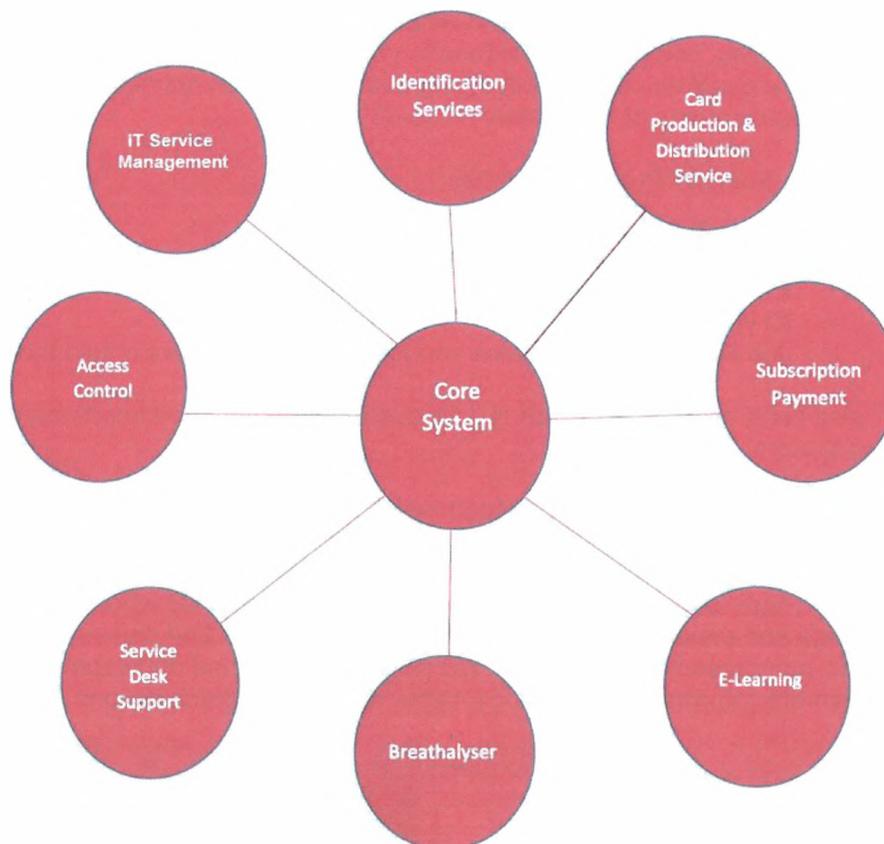


Figure 1: RIW Program – Goods and Services provided by Suppliers

MTA also engages specialist consultants to assist with the provision of consultancy services and suppliers for banking, insurance, travel, telecommunications and legal services.

Our supply chain is predominantly drawn from Australia, the United Kingdom and the United States of America. Where MTA sources products and services from overseas, these are mainly specialised technical products and services such as software development, IT service management and IT equipment.

3. Our approach

3.1 Operational risks

Due to MTA’s localised operational structure and the fact that all employees are professionals engaged under common law contracts providing all legal entitlements and requirements, modern slavery risks are perceived to be low within our organisation.

MTA’s executives oversee all recruitment with assistance from human resource specialists. All salaries are benchmarked annually using industry data to ensure equitable remuneration for employees.

A range of measures continue to be implemented to help support the safety and wellbeing of our employees including:

- Greater flexibility is provided for employees who are required to work outside of standard business hours;
- Employees are encouraged to continue to take annual leave as an important wellbeing measure;
- A weekly meeting occurs via video conference to ensure employees remain connected and supported by peers and managers; and
- A “Staying Connected” wellbeing program is provided by Metro and is available to all employees. We have also consistently encouraged employees to reach out to our Employee Assistance Program (EAP) if they, or family members, feel extra support is needed.

3.2 Supply chain risks

High-risk categories of services identified are typically engaged in manual tasks that do not require qualified professionals. This includes non-technical or skilled labour hire providers such as service desk providers. These personnel are often without union representation or Enterprise Agreements and/or from disadvantaged backgrounds (as defined by the Victorian Government Disadvantaged Workers Strategy). These factors have the potential for unsafe work practices or exploitation.

High-risk categories for goods, materials and spare parts are goods manufactured or sourced from overseas suppliers and categories where imported or manufactured raw materials or components are used. This is particularly for suppliers without strong company policies and procedures or sourced from high risk countries as defined by the Global Slavery Index².

MTA primarily has visibility of its first tier suppliers. Through Avetta, our supplier pre-qualification platform, we have collected data concerning the Modern Slavery Act compliance obligations of our suppliers in order to increase our knowledge of the steps taken by our suppliers to mitigate modern slavery risks.

² <https://www.globalslaveryindex.org/>

4. Actions

4.1 New initiatives

During FY2022/2023, MTA continued to ensure compliance with the Modern Slavery Act and continued the implementation of on-going measures within MTA's operations and supply chain to support anti-modern slavery practices. The following actions have taken place during the past year:

- MTA developed and implemented a Vendor Management Framework to strengthen contract and supplier management in MTA. The Vendor Management Framework outlines the management approach, structure and principles for supervising MTA's suppliers, including business operations service providers and ICT. It also outlines the context of the MTA Vendor Management function, vendors, scope, key activities and alignment with other frameworks and processes.
- Supplier due diligence measures were further strengthened for both tendering processes and contract delivery phases.
- MTA's Modern Slavery Roadmap has been reviewed taking into consideration the Statutory Review Report of the Modern Slavery Act 2018 (Cth) and 2023 Global Slavery Index Report.



4.2 Managing risks within MTA's Operations – on-going practices

On-going risk management practices include:

- MTA continues to submit its annual Modern Slavery Statement to the Government's online register.
- MTA's Executive Director Finance and Legal led conversations and work across the organisation to raise awareness of MTA's obligations under the Modern Slavery Act.
- External compliance audits continued to be conducted for MTA's key suppliers and no material non-conformances were identified.
- MTA's Anti-Fraud Policy and Anti-Corruption Policy are in place to ensure all MTA employees and contractors are engaged to act in MTA's business interests and abide by MTA's policies and procedures.
- MTA's Code of Conduct / Workplace Behaviour Policy and Equity and Diversity in the Workplace Policy are in place to support employees and to provide guidelines for employees to report and address poor behaviours.
- Wellbeing programs and EAP are made available to support employees.
- Whistleblowing and complaint channels are available to both internal and external stakeholders.

4.3 Managing risks within MTA's Supply Chain – on-going practices

On-going risk management practices include:

- MTA's Supplier Management Procedure is in place which sets the standard for procurement and contract management approach and to provide structured support and governance for post-contract activities. It covers the requirements to monitor and mitigate risks including risks associated with people, privacy, security, subcontracting, etc. throughout the contract life cycle.
- Formal monthly review meetings with MTA's suppliers to maintain good communication and be ready to work with suppliers in resolving issues as they arise. These meetings include the review and monitoring of supplier SLA's and KPI's and the provision of MTA's forecasts and requirements to suppliers to provide greater visibility into MTA's business operations.
- Ongoing supplier risk reviews have also been implemented and are conducted each quarter or bi-annually depending on the criticality of the supplier to MTA's business. All risks are recorded, monitored and mitigation actions agreed with the supplier.
- Due diligence guidance notes are in place to support the procurement and sourcing process. Due diligence works can be rather extensive based on the risk profile of the supply and the respective suppliers. It covers considerations to risk assess and detect modern slavery and unethical labour practices prior to contract award. The primary aim is to ensure MTA only engages reliable and capable suppliers of good repute and integrity, hence reducing the risk of modern slavery within MTA's supply chain.
- MTA's supplier on-boarding and ongoing monitoring processes via Avetta assess a supplier's OH&S statistics, offences pending resolution, labour hire licence and subcontractor management where applicable.
- The collection of data about suppliers' Modern Slavery Act compliance obligations and the source countries of goods and services supplied to MTA. New suppliers have their awareness of the Modern Slavery Act raised through this exercise.

- Our sourcing and procurement processes for high-risk categories stipulate restrictions on sub-contracting of works, assess the reasonableness of labour cost/rates, review past and current offences or litigations pending resolution and corporate policies concerning workers as considerations for selection.
- MTA's standard contract templates contain restrictions on sub-contracting of works, audit rights and reporting/information requirements relating to labour hours and pay. MTA is working with existing suppliers to update all contracts to include these contractual provisions where relevant. This will support MTA's compliance with anti-modern slavery efforts.
- Capturing lessons learnt from uncovering and remediating irregularities to take into consideration during future sourcing and contract management activities.



5. Assessing Effectiveness

During this reporting period, MTA has been focusing on the development and implementation of the Vendor Management Framework and reviewing our supply chain risk management approach. MTA's processes to review the effectiveness of measures in place will continue to develop in the coming years.

- We continue to have positive outcomes with suppliers including through the implementation of the Vendor Management Framework and our regular review meetings. Ethical labour and anti-modern slavery clauses continue to be embedded into existing and new contracts. MTA will continue to look to reduce any impact on vulnerable workers in future supplier changeovers which impact major labour related categories.
- Learnings and ideas from other organisations, including MTA's subsidiary Metro, help with confirming and adjusting MTA's approach to managing modern slavery risks. This includes reviewing and updating our own policies, processes and frameworks as we progress.
- The modern slavery question set on the Avetta platform has meant that we have raised awareness of the Modern Slavery Act across the majority of MTA's supplier base and are gathering valuable data on source countries of goods and services procured by MTA.
- MTA's suppliers are covered by a cyclical audit program and follow-ups on any significant findings. Audit findings and lessons learnt from contract management and monitoring will continue to improve compliance and quality of records maintained by MTA's suppliers. No material issues or non-conformances have been identified via audits or contract management processes. MTA has incorporated lessons learnt into its procurement practices and contractual requirements for its suppliers to promote alignment in ethical sourcing and an increased accessibility of records for audit. Improvements have also been observed via the willingness of suppliers to accept ethical labour and anti-modern slavery contract clauses and more transparency and co-operation with audit requests and provision of records, as well as quality and timeliness of records provided.
- Restrictions on sub-contracting of works has reduced risks of sham contracting and improved job security of workers, especially for labour intensive services contracts.

6. Looking Forward

MTA has reviewed its multi-year road map. The review took into consideration the Statutory Review Report of the Modern Slavery Act 2018 (Cth) and 2023 Global Slavery Index Report. The roadmap provides a structured approach on measures and improvements required to meet MTA's modern slavery risks management objective.

MTA will continue reviewing and updating its policies, processes and frameworks for an aligned and consistent approach toward labour and human rights matters in conjunction with its subsidiary, Metro.

It has been identified via the supplier risk review meetings that all of MTA's suppliers practice proactive risk management. These practices will continue to be monitored and audited by MTA. In the event that any issues are identified, a plan for remediation will be put in place and its progress will be tracked by either a MTA contract manager or an independent auditor. Termination of that supplier, while possible, is not the preferred outcome as this can lead to unintended consequences back through that supplier's chain.

MTA will continue to increase the awareness, prevention, detection and response to modern slavery issues across the organisation.

MTA will continue to raise modern slavery obligations with suppliers and encourage suppliers to adopt proactive risk management as appropriate.



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