

# Modern Slavery Statement

Financial Year 2019/2020

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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 Affairs<sup>1</sup>

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

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## 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.

### 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, transporting up to 800,000 passengers each day. Metro has submitted a separate Modern Slavery Statement for Financial Year 2019/2020.

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 26 March 2021.



(Signed)

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.

MTA has a core team of employees 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, 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:

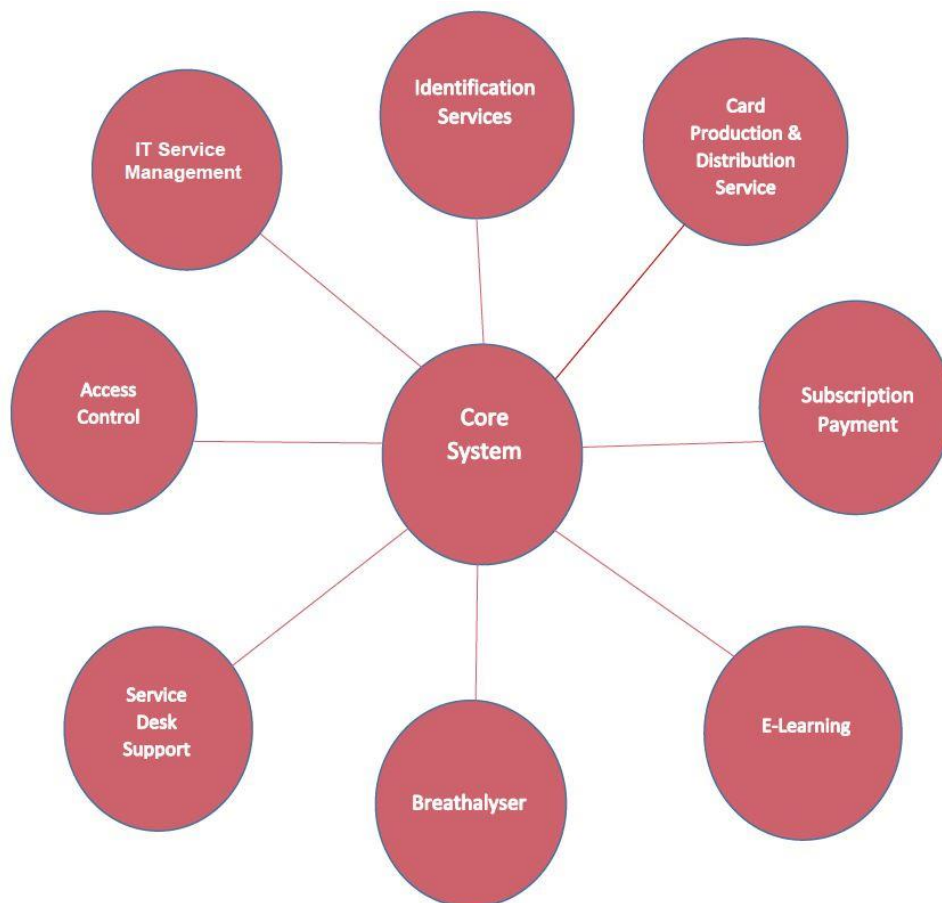


Figure 1: RIW Program – Goods and Services provided by Suppliers

MTA also engages supplies for banking, insurance, travel, telecommunications and consultancy 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, modern slavery risks are perceived to be low within our organisation.

### 3.2 Covid-19 impact on MTA’s operations

MTA is an essential service provider and has continued to operate the RIW Program amidst the Covid-19 pandemic. A significant effort has occurred to create a safe working environment within the new constraints of physical distancing and other protocols. Measures have been put in place to ensure the health and safety of employees as we observe the State’s recommendations and restrictions. These measures are assessed as having effectively curbed the chance of modern slavery risks within our operations during the Covid-19 pandemic.

MTA has mobilised sufficient ICT hardware and cloud-based software applications to support working from home for all employees. Regular contact is maintained to ensure employees remain connected and supported by peers and managers.

Regular, interactive communications have also been provided to keep employees informed.

### 3.3 Supply chain risks

High-risk categories of services identified are typically engaged in low-skill manual tasks and non-technical or skilled labour hire providers such as service desk providers. Often without union representation or Enterprise Agreements and/or from disadvantaged backgrounds (as defined by the Victorian Government Disadvantaged Workers Strategy), this is an example of 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 Index<sup>2</sup>.

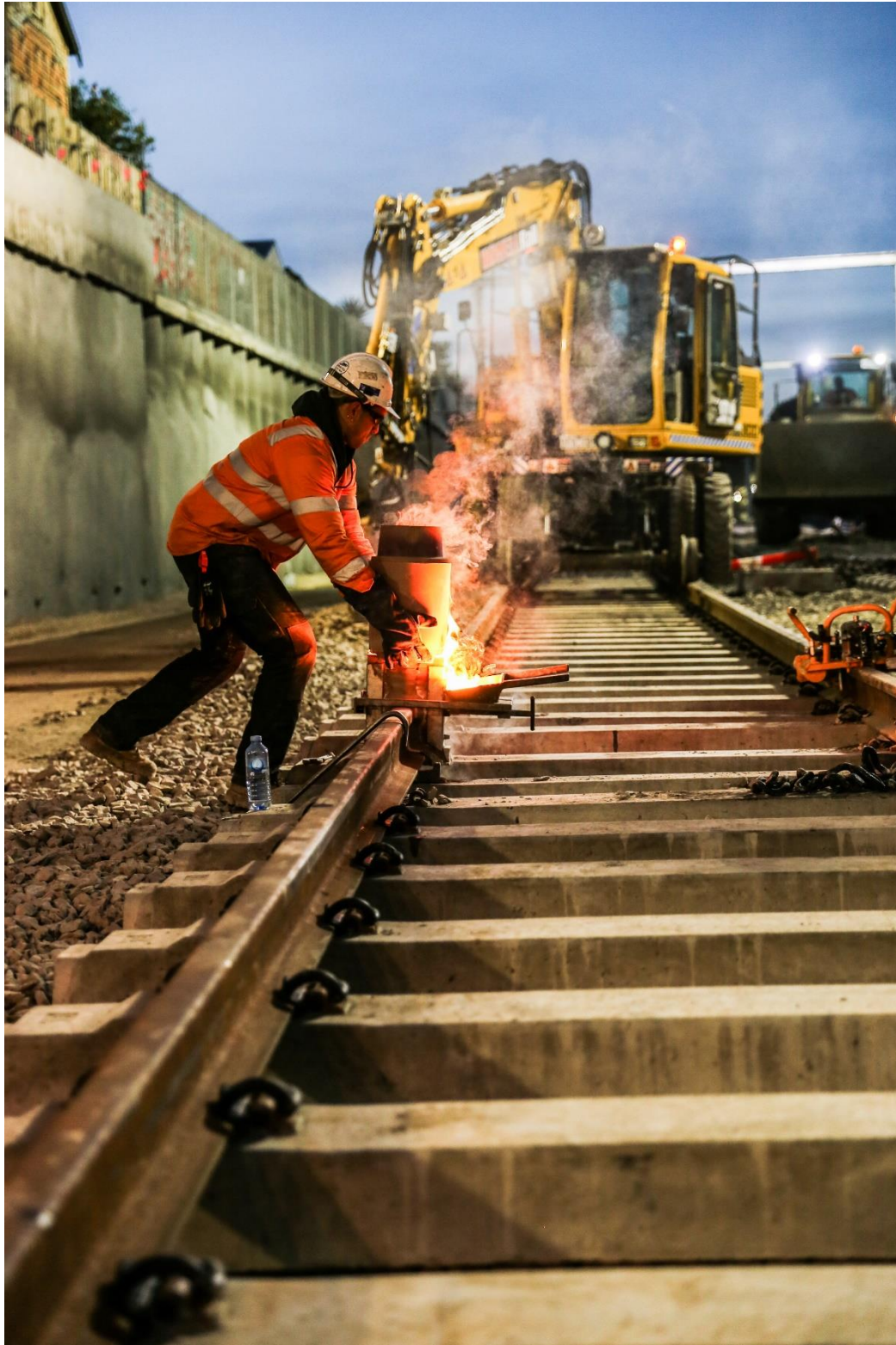
MTA’s current practice is to gain visibility into suppliers that MTA directly engages through our supplier pre-qualification program. This includes both local and overseas sourced suppliers.

### 3.4 Covid-19 impact on MTA’s critical suppliers

Maintaining supplier relationships through good communication and robust contract management has been very important during this period. MTA needs critical suppliers to be able to carry on business to support our continuing operations. MTA has not observed any

<sup>2</sup> <https://www.globallslaveryindex.org/>

significant changes in supply chain or increased modern slavery risks within our critical suppliers that can be directly related to Covid-19 pandemic.





## 4. Actions

### 4.1 Laying foundations

During FY19/20, MTA has laid foundations within the organisation to ensure we comply with the Modern Slavery Act and that our practices are supportive of driving anti-modern slavery behaviours.

- We have undertaken a comparison of MTA's current practice of managing the supply chain against the United Kingdom's best practice model for sustainable and ethical supply chain. This included liaising with rail operators in the UK, such as MTR Elizabeth Line, to understand their practices.
- A Preliminary Impact Assessment and Considerations of Adoption were undertaken through the frame of the UN Guiding Principles on Business and Human Rights so that we better understand and know how to prevent and remedy human rights breaches.
- We have engaged company leadership about modern slavery and requirements under the Modern Slavery Act. We have participated in information sessions and workshops and gathered information concerning modern slavery risks, supply chain mapping and Modern Slavery Act requirements.
- MTA's subsidiary (Metro Trains Melbourne Pty Ltd) chaired a working group with MTA's supplier pre-qualification partner, Avetta, and others of Avetta's clients, to design a modern slavery pre-qualification question set. These questions will collect data concerning Modern Slavery Act compliance obligations of the supplier, their policies and procedures on human rights as well as information about non-local produced parts or materials. These questions are now being used on the Avetta platform and suppliers will be required to update them annually.

### 4.2 Ongoing practices

MTA has a range of ongoing practices in place relating to anti-modern slavery.

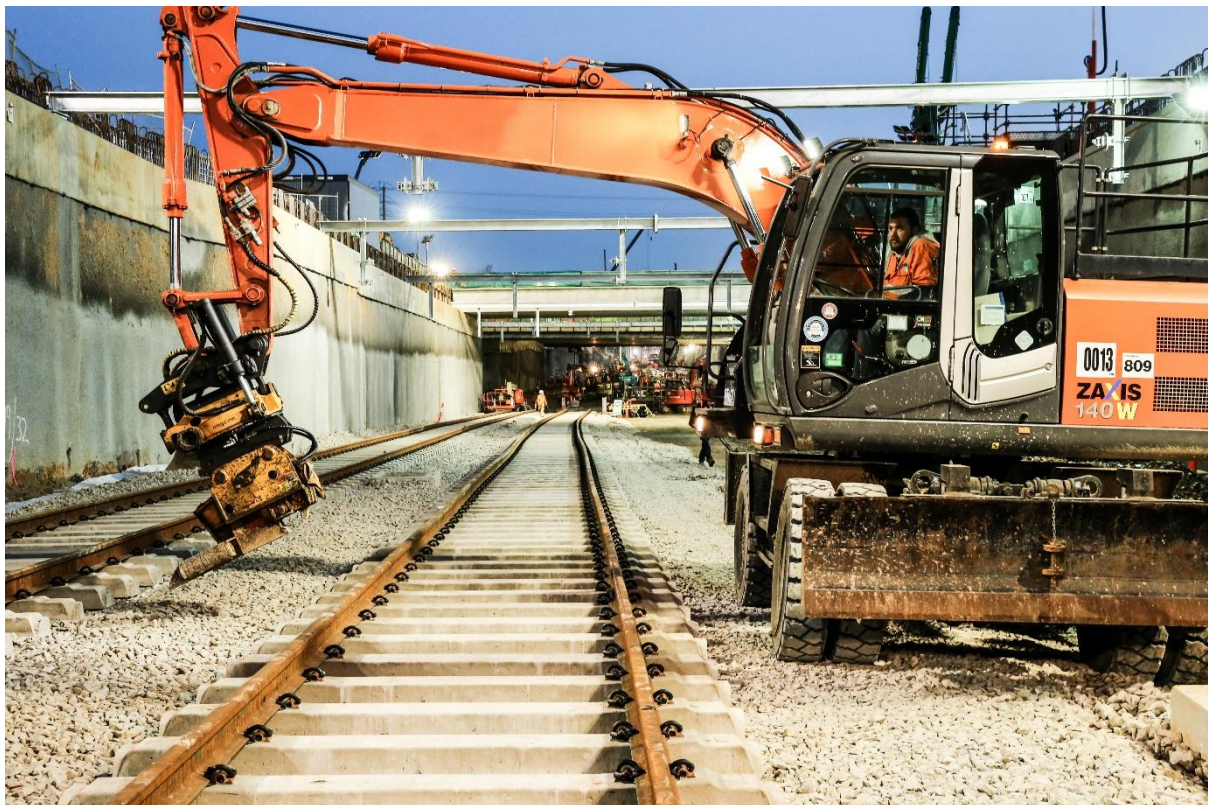
- MTA's Code of Conduct / Workplace Behaviour Policy provides guidelines for employees to report and address poor behaviours.
- Our supplier on-boarding process via Avetta generally assesses the supplier's OH&S statistics, citations over the past three years and, where applicable, ensures the collection of labour hire licence details and/or appropriate sub-contractor management documentation are in place. MTA is well advanced with the on-boarding process for all of its suppliers in the Avetta pre-qualification program.
- As consideration for selection of suppliers, the sourcing and procurement process for high-risk categories stipulates restrictions on sub-contracting of works, assesses the reasonableness of labour cost/rates, reviews past and current offences or litigations pending resolution and reviews corporate policies concerning workers. Our yearly audit program monitors suppliers in high risks categories (high spend, low skill, labour intensive) and industries which may be open to exploitation such as those that

generally attract workers who may have lower English skills, different cultural norms and lower awareness of locals laws.

- MTA’s standard purchasing contract templates contain restrictions on sub-contracting of works, audit rights and reporting/information requirements relating to labour hours and pay.
- MTA is at a relatively advanced stage of its supply chain mapping as MTA has strong and regular engagement with its suppliers and robust contract management processes. This has enabled MTA to undertake a thorough assessment of its supply chain to identify, prevent, mitigate and take account of modern slavery risks. There will be a focus on monitoring as MTA’s supply chain mapping continues to mature.

### 4.3 Covid-19 impacts on actions to address modern slavery risks

**Awareness raising:** MTA managers were briefed and asked to be alert for potential impacts of Covid-19 on modern slavery risks in the supply chain. A channel for feedback or further enquiries was established.



## 5. Assessing Effectiveness

### 5.1 Foundations

Activities that MTA has undertaken to lay foundations for progress have helped gain a much better understanding of the Modern Slavery Act compliance requirements and started to build capacity across the organisation for the future.

This includes the work to look at how other organisations have approached this problem and measures they have put in place to manage modern slavery risks.

The completion of the on-boarding process for all of MTA’s suppliers in the Avetta pre-qualification program is a vital step to manage MTA’s modern slavery risks. We will continue to monitor this piece of work to make sure we are asking questions designed to collect the most useful data.

### 5.2 Improvement across existing practices

- 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. 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 related 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.

### 5.3 New measures introduced

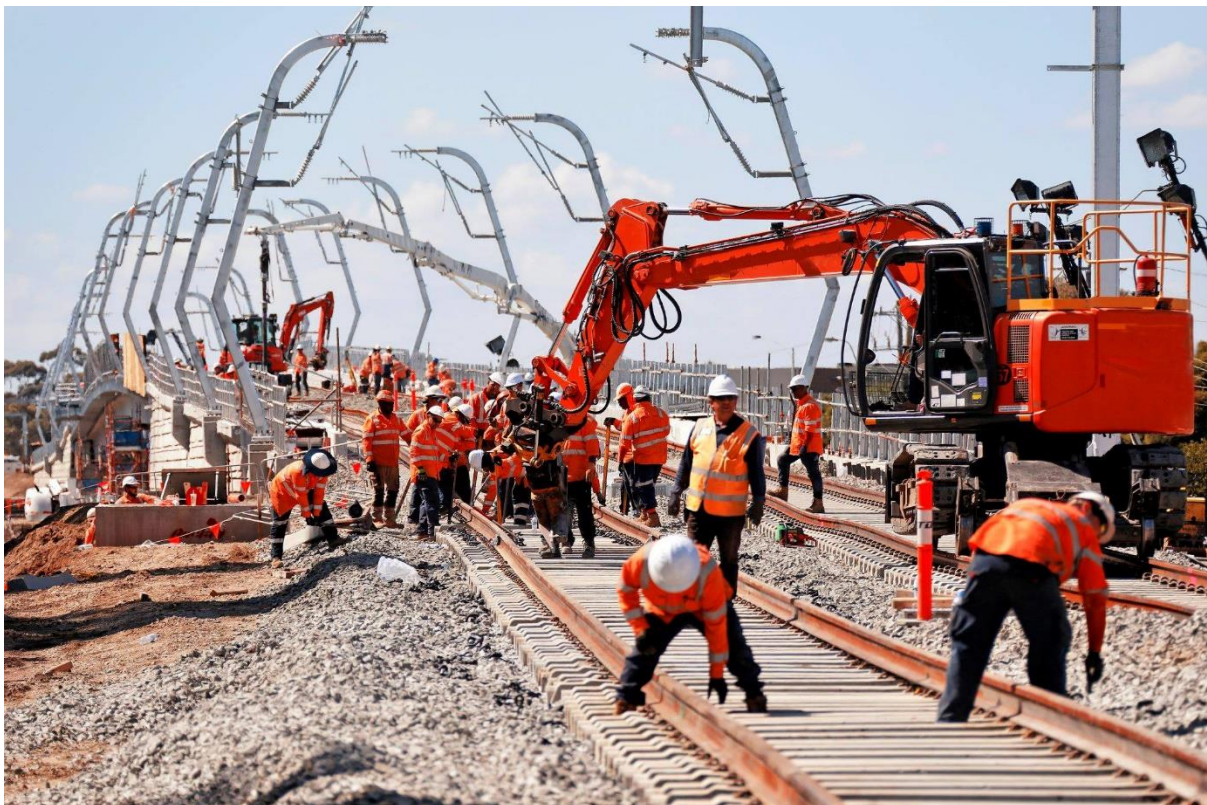
- It is anticipated the modern slavery questions now in use on the Avetta platform will reach all of MTA’s direct suppliers. This will raise awareness and improve visibility of MTA’s supply chain.

## 5.4 Looking forward

MTA has also endorsed a multi-year post Covid-19 road map to reduce the risk of Modern Slavery in its supply chain.

We will use our best endeavours to progress the road map that includes the completion of the on-boarding process for all of our suppliers in the Avetta pre-qualification program and the continued monitoring of our suppliers.

We will begin to implement training to ensure awareness, prevention, detection and response to modern slavery issues across the organisation. We will put in place a channel to report concerns or make further enquiries about modern slavery risks and embed those into business practices. Finally, we will examine our policies and procedures with a human rights lens to ensure they continue to be supportive of our actions to prevent modern slavery.



**Metro Trains Australia Pty Ltd ABN: 88 614 061 960**