



Modern Slavery Statement

Financial Year 2019/2020

“Modern slavery describes situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom.”¹

Modern slavery can take many forms including:

- slavery;
- servitude;
- human trafficking;
- forced labour;
- debt bondage;
- forced marriage;
- the worst forms of child labour; and
- deceptive recruiting for labour or services

(each a form of **Modern Slavery**).

¹ Australian Government, Department of Home Affairs: <https://www.homeaffairs.gov.au/criminal-justice/Pages/modern-slavery.aspx>

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ABOUT METRO TRAINS SYDNEY PTY LIMITED

Metro Trains Sydney Pty Limited ACN 600 820 737 (**MTS**) operates Australia's largest public transport project, the North West Rail Link (**Sydney Metro Northwest**), as its operations and maintenance contractor. The Sydney Metro Northwest is the 36-km Sydney Metro North West Line between Tallawong and Chatswood and is Australia's first fully automated (driverless) rail service.

Operating since July 2014, MTS employs over 200 people. MTS' shareholders are MTR Corporation, John Holland Group and UGL Rail, a division of United Group Limited. MTS is the "reporting entity" required to provide a modern slavery statement under the *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act**).

This modern slavery statement was approved by the Board of Metro Trains Sydney Pty Limited Ltd on the 21st of May 2021


..... (Signed)

Name: Daniel Williams

Position: Director and Chief Executive Officer

MTS' OPERATIONS AND SUPPLY CHAIN

Operations

The Sydney Metro Northwest supports the rail industry by giving participant organisations full visibility of workers moving between projects and employers. It maintains electronic records of 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 the Rail Safety National Law.

MTS 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.

MTS employs over 200 local workers as well as independent contractors who are highly specialised in engineering and railway operational work. MTS supports its employees' rights to collective bargaining and has in place several enterprise bargaining agreements which can be found at <https://www.fwc.gov.au/awards-agreements/agreements>.

MTS is committed to acting ethically and with integrity and transparency in all its business dealings and relationships and to implement and enforce effective systems and controls to ensure Modern Slavery is not taking place in its own business or supply chain.

Supply chain

MTS has engaged a number of key suppliers to help deliver the Sydney Metro Northwest, including Schindler, John Holland, UGL Rail Services Pty Limited and Freyssinet. MTS also engages suppliers for banking, insurance broking, telecommunications and consultancy services.

MTS' supply chain is predominantly drawn from Australia, China, India and Europe. Where MTS sources products and services from overseas, these relate mainly to rolling stock and signalling maintenance spares. As detailed below, due diligence is undertaken in relation to both local and overseas suppliers.

OUR APPROACH

Operational risks

Due to MTS' localised operational structure and the fact that the majority of employees are professionals engaged under enterprise bargaining agreements, modern slavery risks are perceived to be low within our organisation.

Covid-19 impact on MTS' operations

MTS is an essential service provider and has continued to operate the Sydney Metro Northwest 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 government recommendations and restrictions. MTS, as a co-ordinated response by New South Wales transport operators, implemented additional high frequency cleaning of 'touch points' and rollingstock and station deep cleaning measures.

MTS 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.

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, 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.²

MTS' current practice is to gain visibility into suppliers that MTS directly engages through our supplier pre-qualification program as set out in the MTS Procurement Policy . This policy covers both local and overseas sourced suppliers.

Covid-19 impact on MTS' critical suppliers

Maintaining supplier relationships through good communication and robust contract management has been very important during this period.

MTS needs critical suppliers to be able to carry on business to support our continuing operations. MTS has not observed any significant changes in supply chain or increased modern slavery risks within our critical suppliers that can be directly related to the Covid-19 pandemic.

In FY19/20, MTS investigated a potential risk with a secondary subcontractor that had links to factories in China using forced labour. MTS already had in place measures requiring its contractors and supply

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

partners to adhere to health, safety and labour laws in the countries in which they operate, and to ensure that they put in place measures to prevent and address Modern Slavery. MTS requested that the subcontractor confirm it had appropriate measures in place to ensure that no instances of Modern Slavery existed in its supply chain, including with secondary subcontractors. The subcontractor conducted its own site visits and audits of the relevant facility relating to the secondary subcontractor and provided written assurance to MTS that it had not identified any human rights incidents at the relevant facility. MTS is considering what steps to take to monitor the situation going forward.

ACTIONS TAKEN BY MTS

Laying foundations

During FY19/20, MTS 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.

Going forward, MTS also plans to implement audits of our suppliers and subcontractors, which will include a review of relevant documentation. MTS has informed its suppliers of the consequence of a negative audit in respect of Modern Slavery, which will result in a right of termination.

Ongoing practices

MTS has a range of ongoing practices in place relating to anti-Modern Slavery, including:

- As part of the Northwest Rapid Transit (NRT) Consortium, MTS has adopted, and continues to comply with, the NRT Modern Slavery Policy. That policy sets out NRT's zero tolerance approach to modern slavery and sets a benchmark as to how it expects all parties delivering the Sydney Northwest Metro to approach and deal with any issues of Modern Slavery within their businesses and supply chains.
- The MTS CEO - Code of Conduct - Workplace Behaviour Policy, which provides clear guidelines for all MTS employees and MTS' expectation of them. This includes that MTS employees must abide by all of MTS policies and procedures, which extends to anti-Modern Slavery guidelines included in MTS' Procurement Policy, and to the MTS CEO Whistleblower Policy.
- As to consideration for selection of suppliers, MTS' Procurement Policy includes provisions requiring MTS to obtain a warranty from each of its suppliers that there are not any instances of Modern Slavery occurring within the supplier's business or supply chain.
- MTS' standard purchasing contract templates contain restrictions on sub-contracting of works, audit rights and reporting/information requirements relating to labour hours and pay.
- Similarly, MTS' template Maintenance Services Contract has been updated, requiring subcontractors to provide a statutory declaration that they are not involved in any offences involving Modern Slavery and have made reasonable enquiries of their supply chains in relation to the same. MTS also has a right to audit the subcontractor's compliance with the Modern Slavery Act and its compliance with that statutory declaration in respect of any potential use of Modern Slavery in the subcontractor's supply chain. Going forward, suppliers will be required to provide these statutory declarations annually to MTS. Periodic contractor meetings are also held to assess the subcontractor's performance.
- The MTS CEO Whistleblower Policy, which was implemented in 2019, ensures that anyone who has reasonable grounds to suspect an instance of, among other things, Modern Slavery, has a mechanism to report this freely and without fear of reprisal.
- MTS is at a relatively advanced stage of its supply chain mapping as MTS has strong and regular engagement with its suppliers and robust contract management processes. This has enabled MTS to undertake a thorough assessment of its supply chain to identify, prevent, mitigate and take into account Modern Slavery risks. There will be a focus on monitoring as MTS' supply chain mapping continues to mature.

ASSESSING EFFECTIVENESS

Foundations

Activities that MTS has undertaken to lay foundations for progress have helped it to 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.

Improvement across existing practices

- MTS' suppliers are covered by a cyclical audit program and MTS follows up 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 MTS' suppliers. MTS 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. These restrictions include:
 - in the template Maintenance Contracts, contractors:
 - must not subcontract the whole of their work and must not subcontract any work without the prior written approval of the principal's representative, other than to pre-approved subcontractors;
 - will be fully responsible for the works despite subcontracting the carrying out of any part of the works;
 - will be vicariously liable to the principal for all acts, omissions and defaults of its subcontractors (and those of the employees and agents of its subcontractors) relating to, or in any way connected with, the works;
 - in the template Goods and Services Contracts and Purchase Order Contracts:
 - the contractor must notify the principal in writing immediately if it anticipates that any part of the works will need to be subcontracted, and must not subcontract any work without prior written consent of the principal;
 - subcontracting the whole or part of the contractor's obligations under the contract will not relieve the contractor from any of its obligations under the contract;
 - upon request, the contractor must make available to the principal the details of all subcontractors engaged to provide the works under the contract.

New measures introduced

- As stated above, MTS plans to implement annual audits to all subcontractors and suppliers in relation to their modern slavery compliance. This will enable MTS to actively engage with subcontractors and suppliers and work with them to mitigate any potential risks of Modern Slavery.

- Previously, upon engagement subcontractors and suppliers were required to provide a statutory declaration that they are not involved in any offences involving Modern Slavery and have made reasonable enquiries of their supply chains in relation to the same. Going forward, they will be required to annually provide an updated statutory declaration.

LOOKING FORWARD

MTS will begin to implement training across the organisation 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 and mitigate instances of Modern Slavery.

Metro Trains Sydney Pty Limited ACN 600 820 737