



Metro Trains Melbourne

Modern Slavery Statement

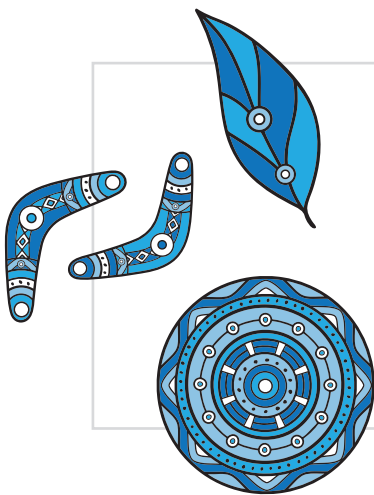
2022/2023

(For financial year 1 July 2022 to 30 June 2023)

“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, Attorney-General’s Department¹



Metro acknowledges the Victorian Traditional Owners of the land on which our rail network operates, the Wurundjeri Woi Wurrung and Bunurong peoples of the Kulin Nation. We pay respect to their Elders, past, present and emerging, and to their cultural and spiritual connections to Country and Waters. We recognise that our trains move people every day through a landscape that holds the footprints and stories of thousands of generations of Aboriginal Victorian communities.

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ABOUT

METRO TRAINS MELBOURNE

Metro Trains Melbourne (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 is a consortium of rail and construction businesses that operates the metropolitan rail service on behalf of the State Government of Victoria. Our shareholders are MTR Corporation, John Holland Group and UGL Rail. We commenced operating the rail network in 2009. The franchise awarded in 2017 has recently been extended to mid-2026.

Operating more than 226 six-carriage trains across 988 kilometres of track, Metro aims to support a liveable Melbourne by providing seamless transport to keep individuals connected.

With 15 lines and 222 stations, Metro delivers thousands of services seven days a week. From train drivers and station employees, to engineers, signallers and network controllers, Metro employs more than 7,200 people from diverse backgrounds and fields of expertise.

As the Accredited Rail Operator, Metro is a key partner in the safe and successful delivery of Victorian Government's transformative rail infrastructure projects. This includes delivering new infrastructure and assets, like new trains and stations, to enhance safety, increase passenger capacity and improve the reliability of services. Metro works with multiple partners to support the delivery of key projects such as the Metro Tunnel and the Level Crossing Removal Project.

Metro does not own or control any other entities.



CEO MESSAGE

Metro moves Melbourne. We have a vision to shape our future to be a world-class railway. With a large operational footprint, an integral role in the Victorian Government's 'Big Build' program, and reach all across our city, we have an important responsibility to the community.

Metro is proud to share our latest Modern Slavery Statement.

In this Statement, we detail further work to strengthen contract management as well as increase the rigour around supplier due diligence. The appointment of an external probity advisor strengthens our processes when we conduct tenders such as for labour hire, cleaning and security.

In light of the recent Statutory Review of the Modern Slavery Act, progress against our own roadmap and benchmarking against peers, we have affirmed our roadmap adding in additional initiatives to further strengthen the roadmap for 2024-2026.

The Metro values of Caring, Zero Harm, Dependable, One Team and Make a Difference guide us in what we do every day.

Metro remains committed to working towards the eradication of modern slavery.

Raymond O'Flaherty
CEO Metro Trains Melbourne
December 2023

METRO OPERATIONS AND SUPPLY CHAIN

Operations

Metro has three primary delivery teams to operate and maintain the metropolitan rail network and be a key partner in significant rail infrastructure projects.

The Operations & Passenger Delivery team is focused on the end-to-end management of network performance, from strategic planning to daily delivery.

Network Assets & Assurance is responsible for the management, assurance and performance of our network assets.

Projects Delivery supports the Victorian Government's 'Big Build' program – working with multiple partners as the Accredited Rail Operator to undertake works such as the removal of dangerous and congested level crossings around Melbourne, building the Metro Tunnel, and ongoing upgrades and improvements to the network.

These delivery teams are supported by Corporate Affairs, Finance & Commercial and Safety & People.



Supply chain

Metro engages directly with over 1,100 suppliers, including 150 critical suppliers who account for around 90 per cent of Metro's spend. These suppliers provide a range of goods and services to help us operate, maintain and upgrade the metropolitan rail network.

Goods and services include:

- Infrastructure construction, maintenance and renewals
- Rolling stock maintenance, renewals and spare parts
- Engineering, professional, scientific and technical services
- Electricity and other utilities
- Manufactured goods, spare parts and materials
- Plant, machinery, security and labour hire
- Buses and taxis to help manage passenger disruptions
- Graffiti removal, vegetation management and facilities management for rolling stock, stations, depots and rail corridor
- Technology, operational control and management systems software, hardware and services
- Office leases and telecommunications
- Banking, insurance, travel, marketing and consultancy services

Metro engages directly with over 1,100 suppliers

Metro's supply chain is predominantly drawn from Australia and New Zealand

Metro's supply chain is predominantly drawn from Australia and New Zealand. This is in line with Local Industry Development Plan commitments, which are part of our agreement with the State Government.

Where Metro sources items from overseas, these are mainly specialised technical equipment such as electronics, signalling equipment, Original Equipment Manufacturer (OEM) and rolling stock spares. For other imported goods, Metro's preference is to source from well-established local distributors or directly from the OEM.



RISKS

Operational risks

Due to Metro's localised operational structure, and a high degree of union membership and common law contracts, modern slavery risks are perceived to be low within our organisation.

Front line employees of our operations are entitled to union representation and remunerated via negotiated enterprise agreements.

These agreements, in turn, are verified by Fair Work Australia. More than 60 per cent of all Metro employees are remunerated under one of these enterprise agreements.

The remaining employees are typically professionals and engaged via common law contracts providing all legal entitlements and requirements.

**Modern slavery risks
are perceived to
be low within our
organisation.**



Supply chain risks

Around 90 per cent of Metro's goods and services expenditure for operations and maintenance of the train network is with local suppliers or distributors located within Australia or New Zealand.

Identified high-risk categories of locally sourced services are typically engaged in manual tasks that do not require qualified professionals. This includes non-specialist cleaning, security services and non-technical or skilled labour hire providers where workers can be replaced easily.

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 goods sourced from high risk countries as defined by the Global Slavery Index.

Metro primarily has visibility of its first-tier suppliers. Through Avetta, our supplier pre-qualification platform, Metro gathers data of source countries for goods and services via directly engaged suppliers. This includes both local and overseas sourced suppliers.

Metro gathers data of source countries for goods and services through its suppliers



Economic conditions

A majority of Metro's suppliers are impacted by higher labour and fuel costs as a result of higher inflation. While the national Government attempts to reduce inflation through monetary policies, Metro continues to work with our critical suppliers to mitigate negative impacts of rising costs and ensure sustainable operations.

ACTIONS

Metro continues with the implementation of on-going measures within Metro's operations and supply chain. The following actions have taken place during the past year:

- A Community of Practice for Contract Management has been set up to strengthen contract and supplier management across all contract management teams. This forum aims to inform the changes and planned works, share learnings and best practices through case studies, and reinforce the requirements of contract management framework.
- Supplier due diligence measures were further strengthened for both tendering processes and contract delivery phases with a focus on contracted labour hire services. This includes requirements to validate integrity of worker payments, time capturing and invoicing practices by the suppliers. MTM implemented site attendance, supplier's site/operation visits to review and assess supplier processes and procedures relating to worker payments and time sheeting. Due diligence measures have also included collection of statutory declarations confirming whether a bidder has been subject to investigations or conviction of unethical and dishonest practices. This will ensure that MTM continues to partner with reputable suppliers.
- In addition, an external probity advisor has been appointed to oversee higher risk tender events, providing further assurance that robust supplier selection processes are completed. Ongoing governance and compliance monitoring is in place for procurement activity and awarded contracts. This is to ensure good supplier selection and contract management processes are in place; rule out unethical suppliers and ensure awarded contracts/suppliers receive appropriate and on-going management.
- Metro's Modern Slavery Roadmap has been reviewed taking into considerations the Statutory Review Report of the Modern Slavery Act 2018 (Cth) and 2023 Global Slavery Index Report.
- Metro has explored technology-based solutions to assess, manage and monitor supply chain risks (including modern slavery risks) in a systematic and sustainable way.



Supplier due diligence measures were further strengthened for both tendering processes and contract delivery phases

On-going risk management practices include:

Within Metro's Operations

- Metro continues to submit its annual Modern Slavery Statement to the Government's online register. We publish the statement on the Metro internal and external websites with communications on LinkedIn, targeted email to Metro Senior Leadership Group and an article in internal newsletter to all employees.
- Metro's Workplace Bullying Discrimination and Harassment Procedure, as well as Employee Wellbeing & Assistance Programs are in place to support employees.
- Whistleblowing and complaint channels are available to both internal and external stakeholders.

Within Metro's Supply Chain

- Supplier onboarding with ongoing monitoring processes via Avetta to assess a supplier's OH&S statistics, offences pending resolution, labour hire licence and subcontractor management where applicable. A majority of Metro's suppliers are monitored on the Avetta platform.
- Collection of data via Avetta platform about suppliers' Modern Slavery Act compliance obligations and the source countries of goods and services supplied to Metro. New suppliers have their awareness of the Modern Slavery Act raised through this exercise.
- Sourcing and tender 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.
- Documented guidance provided for due diligence of sourcing processes covers considerations of risk and detection of modern slavery and unethical labour practices. This is undertaken prior to contract award and aims to ensure Metro only engages reliable and capable suppliers of good repute and integrity.
- Legal contracting template contains restrictions on sub-contracting of works, audit rights and reporting/information requirements relating to labour hours and pay to support Metro's compliance and anti-modern slavery efforts.
- Monitoring compliance with the Labour Hire Licencing Act (LHLA) and promoting adoption of the LHLA scheme as a risk mitigation measure for high-risk categories, with guidance issued to supply chain and business areas.
- Allowing suppliers to remediate any irregularities uncovered from on-going supplier monitoring and/or contract management activities via remedial plans with subsequent follow-up by a Metro representative.
- Capturing lessons learnt from uncovering and remediating irregularities to take into consideration during future sourcing and contract management activities.

Measures are regularly reviewed for effectiveness and improvement

ASSESSING EFFECTIVENESS

During this reporting period, Metro focused on operationalising the contract management framework and reviewing our supply chain risks management approach including the Modern Slavery Roadmap while managing impacts of inflation on our suppliers and employees. Metro's processes to review the effectiveness of measures in place are still in their infancy and will continue to develop in the coming years.

- Metro worked with critical suppliers in a cost review to ensure they had healthy and sustainable operations and were mitigating inflation impacts toward their employees and job security.
- The modern slavery question set on the Avetta platform reaches 1,100+ businesses including 77 per cent of Metro's active suppliers. This raises awareness of the Modern Slavery Act of those suppliers and is gathering valuable data on source countries of goods and services procured by Metro.
- Of the 1,100+ suppliers who responded, 88 per cent responded effectively with quality data about modern slavery, compared to 80 per cent in the previous year.
- Since roll-out of the new contract management framework training in 2022, 550+ employees (95 per cent) with involvement in contract management have completed the training.
- The hyper care approach with select suppliers has mitigated impacts and ensured the continuity of Metro's supplies from critical suppliers and the employment of their workforces without causing disruptions to Metro's operations.
- In FY24, 20 complaints were raised via whistle-blower and supplier complaint channels. Of these, four were invalid and 16 were investigated with remediation put in place and complaints resolved.
- In FY24, Metro received the Victorian Multicultural Commission's Business Award for Multicultural Excellence. The award recognises Metro's role in providing employment for the vulnerable communities such as refugee and asylum seeker. Sixty members of that cohort were employed over the past four years and most have been appointed to permanent roles.



**95 per cent of employees
involved in contract
management completed
training under the new
contract management
framework**

LOOKING FORWARD

Metro has reviewed its multi-year roadmap. 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 Metro's Modern Slavery risks management objective.

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

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

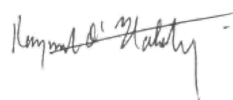
Metro will continue mapping source countries of procured goods and services to gain greater insights of the supply chain and ensure suppliers sourcing from high vulnerability countries are managing risks.

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

Where modern slavery or unethical practices are found, Metro will endeavour to minimise further impact on victims or potential victims in dealing with the supplier. This will be managed through Metro standard terms, procurement policy, sourcing and ongoing contract management processes.

This Statement is made pursuant to the Australian Modern Slavery Act 2018 (Cth) and has been approved by the Board of Metro Trains Melbourne on 25 October 2023.

Signed,



Raymond O'Flaherty
CEO Metro Trains Melbourne
December 2023





Mandatory criteria	Section heading and page number
a. Identify the reporting entity.	Front, About Metro Trains Melbourne – pg 1, Back
b. Describe the reporting entity's structure, operations and supply chains.	Metro operations and supply chain – pg 3-4
c. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	Risk – pg 5-6
d. Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	Actions – pg 7-8
e. Describe how the reporting entity assesses the effectiveness of these actions.	Assessing effectiveness – pg 9
f. Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).	About Metro Trains Melbourne – pg 1
g. Any other information that the reporting entity, or the entity giving the statement, considers relevant.	Looking forward – pg 10

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