

METRO TRAINS MELBOURNE MODERN SLAVERY STATEMENT 2023/2024

(For financial year 1 July 2023 to 30 June 2024)



“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.

CONTENTS

| | |
|--|-----------|
| About Metro Trains Melbourne | 03 |
| CEO Foreword | 04 |
| Metro Operations and Supply chain | 05 |
| Risks | 06 |
| Actions | 08 |
| Assessing effectiveness | 10 |
| Looking forward | 11 |

<https://modernslaveryregister.gov.au/about/>

ABOUT MELBOURNE TRAINS MELBOURNE

Metro Trains Melbourne (Metro) operates and maintains the metropolitan rail service in Melbourne.

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 three years to 2027.

Operating more than 269 trains across nearly 1,000 kilometres of track, Metro works as one team to deliver safe, reliable train services, and an exceptional passenger experience for all Victorians and visitors to Melbourne.

With 16 lines and 222 stations, Metro delivers thousands of services seven days a week and moves hundreds of

thousands of passengers every day. From train drivers and station employees, to engineers, signallers and network controllers, Metro employs more than 7,000 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 FOREWORD

Metro moves Melbourne. We work as one team to deliver safe, reliable train services, and an exceptional passenger experience for all Victorians and visitors to Melbourne. Metro maintains and renews the railway network, ensuring assets operate safely and reliably. We partner with the Victorian State Government to deliver city-shaping projects and build Melbourne's railway of the future.

With a large operational footprint and reach across our city, Metro has an important responsibility to the community.

This is our latest Modern Slavery Statement and details Metro's actions over the past year. Some of the actions include conducting a procurement assurance sweep and putting in place a supplier annual due diligence checklist for contracted strategic suppliers. We have also adapted

a set of guiding principles as foundational considerations in progressing Metro's modern slavery roadmap and implementation of anti-slavery measures.

We continue to progress our work, guided by our 2024-2026 roadmap. 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 2024



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 900 suppliers where 100 of them account for around 80 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'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 two-thirds of 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.



NEW ENTERPRISE AGREEMENTS

During the year, the Rail Operations, Rolling Stock, and Infrastructure 2023 Enterprise Agreements were voted in by front line employees, formally approved by Fair Work Australia and successfully implemented.

Metro worked with our employees through negotiation for fair and equitable agreements and avoided industrial action that could have caused disruption to operations and passengers.



Supply chain risks

Vast majority 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 prequalification platform, Metro gathers data of source countries for goods and services via directly engaged suppliers. This includes both local and overseas sourced suppliers.



IMPACTS OF THE REGIONAL CONFLICTS

Some of Metro's critical suppliers rely on overseas supply chains that are impacted by regional conflicts (for example in Middle East and Ukraine) through disruption to raw material supply and/or shipping routes in the area of conflict.

While Metro has little leverage in logistical issues, Metro continues to support our critical suppliers in mitigating the potential impacts of unexpected delays with longer forecasts and increase in stock holdings where practicable.



ACTIONS

Metro continues to progress with our modern slavery roadmap initiatives alongside the implementation of on-going measures within Metro's operations and supply chain. The following actions have taken place during the past year:

- To drive consistency in dealing with human and labour rights matters arising from Metro's supply chain, Metro has adapted a set of guiding principles as foundational considerations in progressing Metro's modern slavery roadmap and implementation of anti-slavery measures. These guiding principles are based on United Nations Guiding Principles on Business and Human Rights, Commonwealth Modern Slavery Act 2018 Guidance for Reporting Entities and in line with Metro's corporate values.
- Additional Avetta modules (Environmental Social & Governance and Business Risks) have been implemented and data collection commenced during the year. These modules and data will be further explored to support Metro in monitoring and addressing supply chain risks including modern slavery risks within its supplier base and supply chain.
- A procurement assurance sweep was conducted on labour hire providers to ensure adequate solutions are implemented for proper time attendance records and correct pay rates. The sweep also reviewed entitlements paid to workers are in accordance with applicable Enterprise Agreements, and to ensure customers are accurately invoiced.
- The supplier annual due diligence checklist has been put in place for our contracted strategic suppliers. This checklist ensures ongoing monitoring of their financial stability and subcontractor arrangements. For those providing labour hire services, it also includes verifying validity of labour hire licenses and confirming that proper processes are in place to ensure that labour hire workers receive correct pay rates.

- The Risk-Value Contract Classification Tool and Risk Register was reviewed and updated to better support contract managers in allocating appropriate contract management and risk management effort including management of people related risks.



ASSURANCE SWEEP ON LABOUR HIRE PROVIDERS

During the year, Metro conducted site visits to our key labour hire providers involved in rail network maintenance works. The exercise looked at supplier's processes and systems in time records of work, payment to workers and invoicing to Metro.

After completing the sweep, contract notices were issued to eight suppliers to clarify Metro's requirements for time records. All suppliers agreed to comply with these requirements. Additionally, internal stakeholders were informed to align and establish standards for verifying time records.

Through the combined efforts of Metro and its suppliers, there have been significant improvements in the quality and compliance of time records.



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.
- Whistleblower and complaint channels are available to both internal and external stakeholders.



WHISTLEBLOWER AWARENESS

To increase awareness and visibility of Metro's Whistleblower Hotline, a poster campaign took place during the year across Metro offices, stations, and depots. A communication was sent to majority of Metro's suppliers via the Avetta platform to remind suppliers about requirements of being a Metro supplier together with information on the Whistleblower Hotline.

The Whistleblower Hotline is published on Metro's external website and included in the publicly available Metro Procurement Standard.

- Documented guidance provided for due diligence of sourcing processes covers considerations of risk and detection of modern slavery. This is undertaken prior to contract award and aims to ensure Metro only engages reliable and capable suppliers of good repute and integrity.
- Community of Practice for Contract Management continues to be the forum to inform the changes and planned works, share learnings and best practices through case studies. It reinforces the requirements of contract management framework and aims to strengthen contract and supplier management across all contract management teams.
- Legal contracting template contains restrictions on subcontracting 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.

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 subcontracting 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. Probity advisor is appointed to oversee higher risk tender events to assure robust supplier selection processes are deployed and followed.



ASSESSING EFFECTIVENESS

During this reporting period, Metro has been focusing on agreeing principles to manage modern slavery risks within supply chain, embedding due diligence measures into onboarding and monitoring of strategic suppliers of high-risk categories. 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 as part of our Modern Slavery Roadmap.

- 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 80 per cent of Metro's active suppliers. Of these active Metro's suppliers, 87 per cent responded effectively with quality data about modern slavery. This raises awareness of the Modern Slavery Act and the obligations of those suppliers. It is also gathering valuable data on source countries of goods and services procured by Metro.
- The Environmental Social & Governance data collection and Business Risks modules reach 1,100+ businesses, with a response rate of 80 per cent on ESG questions and more than 90 per cent with available Business Risk scores. This provides information for Metro to explore relevance and monitoring requirements in relation to modern slavery risks.
- Since roll-out of the new contract management framework training in 2022, 650+ employees with involvement in contract management have completed the training. This training covers value-risk assessment that includes people risks, subcontractor planning and on-going management.
- During the year, 21 complaints were raised via whistleblower and supplier complaint channels. All were investigated. Of these, 10 were related to a couple of labour issues with investigation in progress. For complaints that concluded its investigation, remediations were put in place and complaints resolved.
- Metro's inventory planning and management approach has supported suppliers to mitigate impacts of global logistics disruptions on supplier's production and workforces without causing disruption to Metro's operations.



LOOKING FORWARD

Metro will progress its endorsed multi-year roadmap with best endeavours, guided by the adapted principles for a structured approach to meet Metro's Modern Slavery risks management objectives.

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 including development and cascade of necessary toolkit to equip Metro's employees.

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 23 October 2024.

Signed

Raymond O'Flaherty
CEO Metro Trains Melbourne
December 2024



Mandatory criteria

Section heading and page number

| | |
|---|--|
| a. Identify the reporting entity. | Front, About Metro Trains Melbourne – pg 3, Back |
| b. Describe the reporting entity’s structure, operations, and supply chains. | Metro Operations and Supply chain – pg 5 |
| 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. | Risks – pg 6-7 |
| 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 8-9 |
| e. Describe how the reporting entity assesses the effectiveness of these actions. | Assessing effectiveness – pg 10 |
| 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 3 |
| g. Any other information that the reporting entity, or the entity giving the statement, considers relevant. | Looking forward – pg 11 |



www.metrotrains.com.au

Metro Trains Melbourne Pty Ltd (ABN 43 136 429 948)

© Metro Trains Melbourne Pty Ltd 2024