



MODERN SLAVERY STATEMENT 2023

Australian Rail Track Corporation
ABN 75 081 455 754
11 Sir Donald Bradman Drive
Keswick Terminal SA 5035

ARTC



ARTC acknowledges the Traditional Custodians of Country throughout Australia and acknowledges their continuing connection to land, waters, and community.

We pay our respects to the people, the cultures, and the Elders past and present.



CONTENTS

ABOUT THIS STATEMENT	1
OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS	1
Our business	1
Our structure	1
Governance	2
Our operations	3
Supply chain	3
RISK MANAGEMENT OF MODERN SLAVERY	4
ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS	5
ASSESSING EFFECTIVENESS	6
CONSULTATION PROCESS	7
FUTURE COMMITMENT	7
APPROVAL	7
APPENDIX	8

ABOUT THIS STATEMENT

The Australian Rail Track Corporation Limited (ARTC) has prepared this Modern Slavery Statement to address the requirements of the Australian Modern Slavery Act 2018 (Cth) (Act). The reporting period covered by this statement is 1 July 2022 to 30 June 2023 (FY23).

This is ARTC's fourth Modern Slavery Statement and showcases our ongoing commitment to ensure that slavery in any form does not occur within our supply chain.

We believe that all people around the world have the right to live free from exploitation. This statement summarises our approach to preventing slavery within our supply chain and outlines the actions we took in FY23 to further assess and address modern slavery risks.

OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

OUR BUSINESS

At ARTC, we exist to keep Australia moving through the management of effective and resilient rail infrastructure.

We are a vital link in the nation's transport supply chain – building, maintaining and operating rail lines across the country to help move freight and passengers safely, reliably, and efficiently.

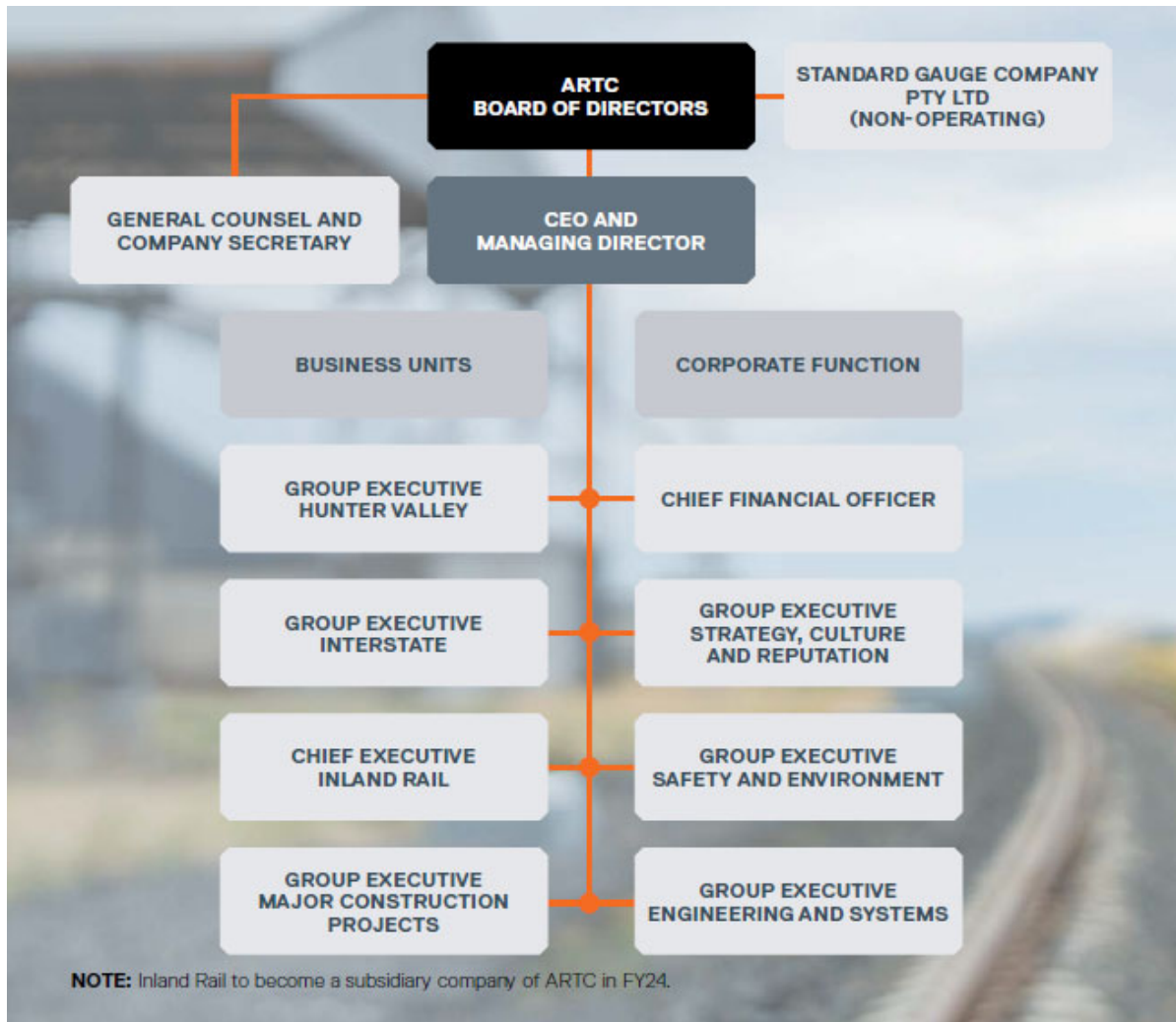
In fact, our people manage the transit of more than 430 freight and passenger trains every day to connect our regions, cities, and ports. This makes us one of the largest rail network managers in Australia, with our 8,500km network spanning five states, 39 worksites and the lands of more than 50 First Nations.

OUR STRUCTURE

ARTC is an unlisted public company limited by shares incorporated under the Corporations Act 2001 and a Commonwealth company for the purposes of the Public Governance, Performance and Accountability Act 2013.

Our shares are owned by the Commonwealth of Australia, represented by the Minister for Infrastructure, Transport, Regional Development and Local Government, and the Minister for Finance.

We are governed by a Board of Directors appointed by the Shareholder Ministers. ARTC has five committees under the Board of Directors, with each Committee governed by its own Charter, detailing the Committee's role, membership requirements and duties. This is reviewed periodically and revised when appropriate.



GOVERNANCE

ARTC’s system of corporate governance reflects the ASX Corporate Governance Principles and Recommendations covering management, Board structure, ethics, reporting, disclosures, risk management and remuneration.

As a Government Business Enterprise (GBE) we are proud to be held to rigorous standards of governance and disclosure. Under Section 98 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act), the Auditor General is responsible for auditing the company’s financial statements. ARTC’s Annual Report is tabled in Parliament and financial accounts are lodged with the Australian Securities and Investments Commission (ASIC).

ARTC’s Sustainable Procurement Policy was updated and approved during FY23 and includes a commitment to *“manage and mitigate modern slavery issues in the procurement of products and / or services.”*

In addition, during FY23 our Shareholder provided ARTC with a Statement of Expectations which includes expectations to implement and maintain high standards of probity and financial controls in connection with procurement.

OUR OPERATIONS

Our major areas of supplier spend are rail infrastructure costs, including ballast, rail, sleepers, turnouts, electrical components, labour, and civil construction works. ARTC's supply chain can be broadly classified across four categories.

- **Capital activities:** Major construction and sustaining capital works.
- **Maintenance activities:** Engineering, maintenance services and major maintenance rail infrastructure works.
- **Corporate support and services:** Purchases for operations including utilities, training, uniforms, IT services and recruitment.
- **Inventory:** Purchase of type approved products that are held as stock items until being issued.

SUPPLY CHAIN

ARTC's supply chain comprises the provision of goods and services that enable us to maintain and improve the national rail infrastructure that we are responsible for.

Our procurement activities take place in Australia and our suppliers are predominantly Australia-based, with some goods and services sourced from the US, Asia, and Europe.

We have assessed our supply chain which determined that 99% of the suppliers we contract with directly are located in Australia, and over 90% of our goods and services are sourced or manufactured in Australia.

Country	2022 Risk Score 0-10	2023 Risk Score 0-10	% of total spend
Australia	2	2	99%
United States	3	3	<1%
United Kingdom	2	3	<1%
Singapore	3	3	<1%

**Geographic risk data provided by third party (human rights).*

RISK MANAGEMENT OF MODERN SLAVERY

The nature of our business means that risk management – especially regarding the safety and wellbeing of our employees and contractors – is extremely important.

We are committed to continually improving and upholding our policies and procedures to make sure we only source from suppliers who meet our pre-qualification requirements. This ensures we only do business with ethical suppliers who look after their employees and sub-contractors. Key related policies and procedures include:

- Our **Code of Conduct** which recognises the importance of integrity and ethical behaviour. It sets out principles of conduct and behaviour required from our employees.
- Our framework for the disclosure of suspected wrongdoing and the protection of whistleblowers, in accordance with the Public Interest Disclosure Act, which applies to disclosures made by ARTC employees.
- All procurement activity must be conducted without prejudice or favour and in accordance with our **Code of Conduct** and **Conflicts of Interest and Gifts Policy**. All participants in any procurement activity must declare any potential, actual or perceived conflicts of interest.
- Our Procurement Framework, which sets out the compulsory principles for the procurement of goods and services for all activities. These principles are:
 - Value for money
 - Open, fair, and equitable competition
 - Effective, efficient, economical, and ethical processes
 - Ethical behaviour and probity
 - Confidentiality
 - Procurement risk management

ARTC also uses a supplier risk assessment tool across the entire supply chain to identify areas of exposure to higher risk of modern slavery based on the following criteria:

- **Inherent risk** – relating to the geographic locations and industries our suppliers operate in
- **Adjusted risk** – relating to factors such as our suppliers' modern slavery initiatives, relevant policies, and their own modern slavery reporting obligations.
- **Weighted risk** – relating to our relative exposure to modern slavery risk weighted by spend for each supplier.

ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

During the FY23 reporting period, we made significant progress with the actions we outlined in our 2022 Modern Slavery Statement to address the modern slavery risks associated with our operations and supply chains. Key outcomes include:

SUPPLIER RISK ASSESSMENTS	
Greater than 95% (2022: 92%) of risk assessments completed of ARTC suppliers	We have been able to achieve greater than 95% completion of assessments during FY23 of our Tier 1 and Tier 2 ¹ supply chain and determined there is a low degree of geographic slavery risk exposure, in large part due to the majority of ARTC's suppliers being Australian based.
TOP 5 SUPPLIER INTERVIEWS	
Further assessment of the top five risk rated suppliers identified in the Independent Report	<p>We completed assessments of the top five risk suppliers during FY23. These suppliers include materials for personal protective equipment, inventory suppliers for rubber and steel products, and labour construction companies. Key outcomes include:</p> <ul style="list-style-type: none"> • Majority of the identified suppliers have policies and procedures in place, which were shared with ARTC. • Recommended that suppliers with such policies and procedures promote their commitment by making their processes public on their company websites. • Influenced one supplier to identify gaps and provided recommendations on policies and training for company awareness. <p>Outcomes were positive in improving awareness and controls for modern slavery governance across ARTC's supply chain.</p>
MODERN SLAVERY TRAINING	
Greater than 90% (2022: 74%) successful completion of Modern Slavery eLearning training by our people	<p>We promoted modern slavery awareness training for all employees via email communications and other group discussions during FY23.</p> <p>We were able to achieve 80% completion of modern slavery training by our people that purchase goods and services on behalf of the company through the ARTC Essentials training program.</p> <p>ARTC will continue to look at improvements for employee training to further increase awareness.</p>

¹ Tier 2 is defined as the source country of goods and services for tier 1.

TECHNOLOGY PLATFORM & QUESTIONNAIRE

Explore whether supplier risk and compliance assessment can be enhanced through group-wide use of technological platform solutions such as Avetta or use of supplier assessment questionnaires for smaller businesses

ARTC manages compliance including modern slavery updates annually for high-risk construction suppliers through a third-party contractor compliance system (Avetta).

For suppliers outside of Avetta, we seek modern slavery information through a targeted questionnaire which includes compliance obligations and source countries of goods and services supplied to ARTC.

During the year, we implemented a Self-Assessment Questionnaire (SAQ) to improve transparency across supply chains and to further support identification of risks for all suppliers. The supplier risk assessment tool has been updated to allow input of SAQ responses directly with a scoring function to work and integrate results.

ASSESSING EFFECTIVENESS

We are monitoring the effectiveness of processes and procedures to address the modern slavery risks that our business causes, contributes to, or is directly linked to, in line with the UN Guiding Principles. We will continually assess the effectiveness of our actions in identifying and managing modern slavery risks by:

- Partnering with suppliers and other external partners
- Periodic auditing of suppliers who provide services considered to be high-risk in relation to modern slavery.
- External desktop due diligence reviews every three years to track progress.
- Non-compliance reporting to senior management with remediation steps applied, including termination of supply with immediate effect as appropriate.
- Ongoing review of training and awareness for our employees
- Ongoing engagement and consultation with stakeholders to prevent slavery within our supply chain.
- Ongoing industry engagement, for example during FY23 ARTC became an inaugural member of the Australian Railway Association's Modern Slavery Network Committee
- Monitor reporting mechanism and promote further communications.

CONSULTATION PROCESS

During the FY23 reporting period, ARTC had one non-operating subsidiary as noted on page 2.

FUTURE COMMITMENT

We remain dedicated to sustaining and further strengthening practices to continuously reduce any exposure to slavery and human trafficking risks.

Our future commitments include:

- Sustain a greater than 95% completion rate for risk assessments of our suppliers, including data collection of compliance obligations and the source countries of goods and services for all ARTC suppliers.
- Complete a further five supplier risk assessments in addition to the assessments conducted from the independent review.
- Achieve 90% successful completion of Modern Slavery eLearning training by ARTC employees engaged in procurement activities.
- Review and refine our policies and procedures to increase the awareness, prevention, detection, and response to modern slavery issues across the organisation.

APPROVAL

This statement is made pursuant to the Australian Modern Slavery Act 2018 (Cth) and has been approved by the ARTC Board.

Signed



Wayne Johnson

Acting Chief Executive Officer

Date:

APPENDIX

How ARTC has addressed the Modern Slavery Act's requirements:

Mandatory Criteria	Reference in this Statement
Identify the reporting entity	Page 1 – About this Statement
Describe the reporting entity's structure, operations, and supply chains	Page 1-3 – Our Structure, Operations and Supply Chains
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Page 4 – Risk Management of Modern Slavery
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	Page 5 – Actions Taken to Assess and Address Modern Slavery Risks
Describe how the reporting entity assesses the effectiveness of these actions	Page 6 – Assessing Effectiveness
Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement),	Page 7 – Consultation Process
Provide any other relevant information	Page 7 - Future Commitment and throughout this statement