



MODERN SLAVERY STATEMENT 2024

Australian Rail Track Corporation
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ARTC



ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Traditional Custodians of the Countries on which we work and live and appreciate the deep connection that is held to Land, Sea, Sky and Community by First Nations People.

We extend this respect to all Elders past and present who have preserved and cared for the Land and Waters for thousands of years.



CONTENTS

ABOUT THIS STATEMENT	1
OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS	1
Our Business	1
Our Structure	2
Governance	3
Industry Collaboration	4
Our Operations	4
Our People	5
Supply Chain	6
RISK MANAGEMENT OF MODERN SLAVERY	7
ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS	8
ASSESSING EFFECTIVENESS	11
CONSULTATION PROCESS	12
FUTURE COMMITMENT	12
APPROVAL	12
APPENDIX	13

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 2023 to 30 June 2024 (FY24).

This is ARTC's fifth 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 FY24 to further assess and address modern slavery risks.

OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

OUR BUSINESS

At ARTC, our purpose is to deliver a safe and effective rail network operation that connects the nation, now and into the future.

We are a vital link in Australia's transport supply chain – maintaining and operating the national rail network to help move freight and passengers safely, reliably and efficiently.

In fact, our people manage the transit of more than 410 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 and the lands of more than 50 First Nations.



OUR STRUCTURE

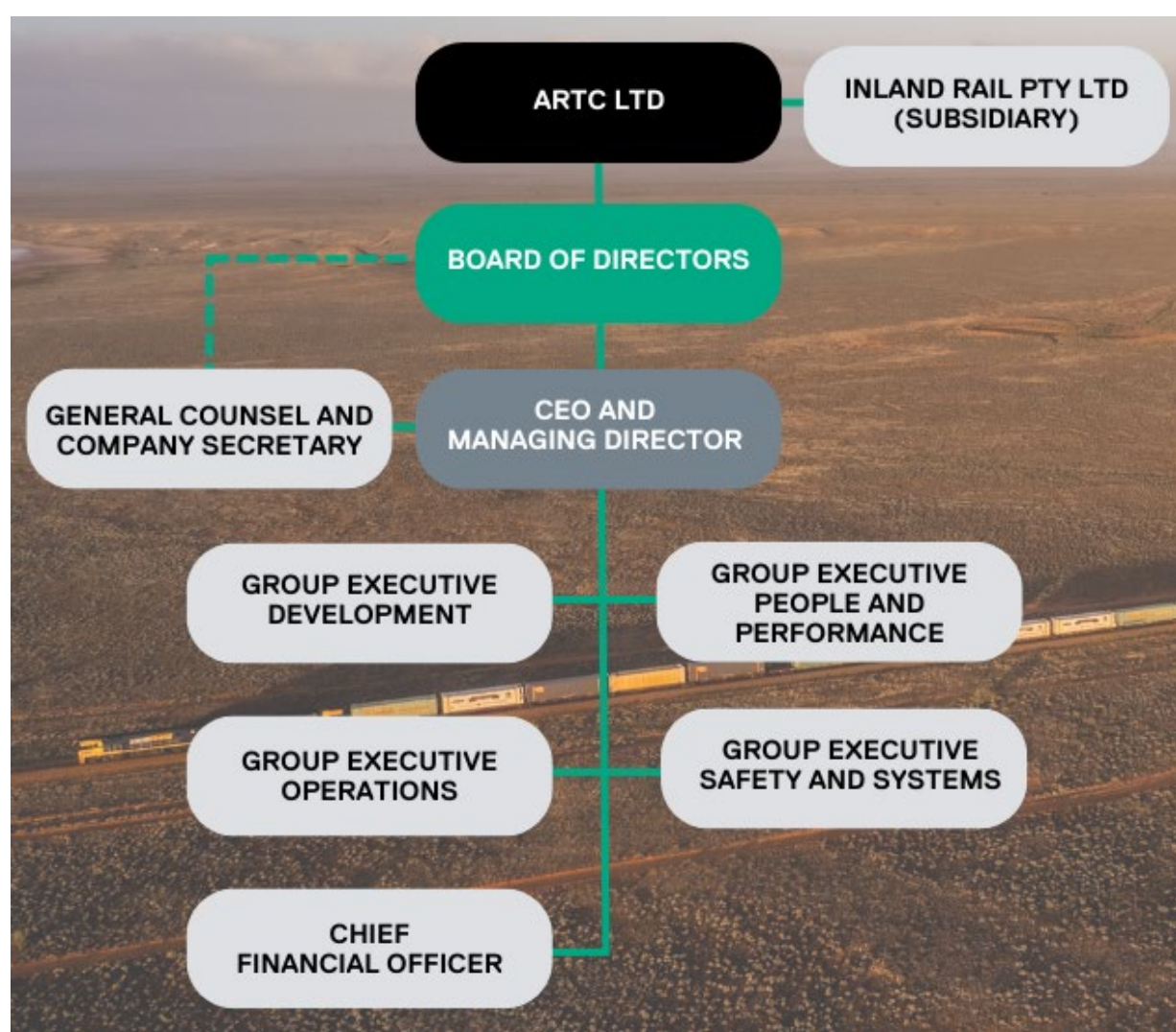
ARTC is an unlisted public company limited by shares incorporated under the *Corporations Act 2001* and a Commonwealth company for the purposes of the *Public Governance, Performance and Accountability Act 2013*.

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 four 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.

As part of the implementation of the Australian Government's response to the Independent Review into Inland Rail, in July 2023 ARTC renamed non-operating subsidiary Standard Gauge Company Pty Ltd to Inland Rail Pty Ltd (IRPL). IRPL is a wholly owned subsidiary to deliver the Inland Rail program. It commenced operation during the year with its own six-member Board, Chief Executive Officer and constitution.



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 continues to implement and maintain high standards of probity and financial controls in connection with procurement as guided by our Shareholder's Statement of Expectations.



INDUSTRY COLLABORATION

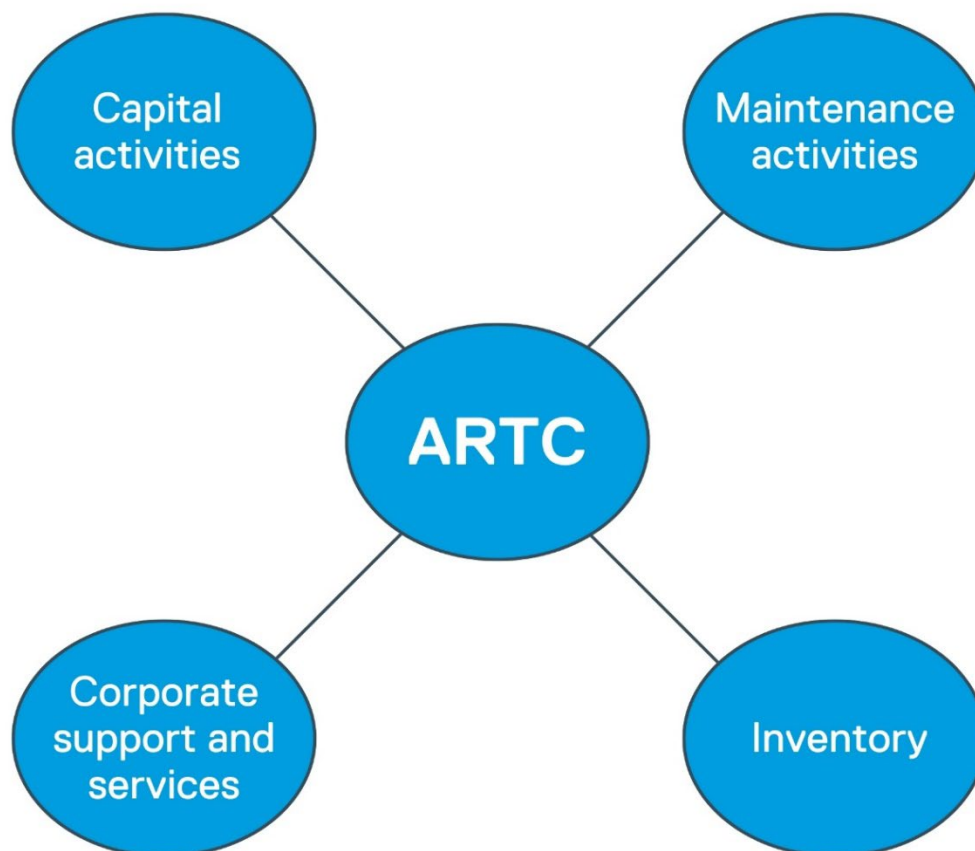
ARTC is committed to continuously improve the modern slavery risk mitigation processes within our supply chain. As a member of the Australasian Railway Association (ARA), we engage with peer organisations to collaborate on modern slavery focus areas and share best practices as part of our membership of the ARA's Modern Slavery network committee.

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:

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



OUR PEOPLE

At ARTC 92.6% of our employees work on full-time permanent arrangements. 3.1% are on temporary arrangements while 4.3% are on part-time arrangements. We operate entirely in Australia with offices located across Australia to operate our 8,500km rail network.

ARTC has introduced various policies and instruments to address the risks of modern slavery in our operations. We have targeted measures for:

Area	Comment
Diversity, Equity & Inclusion	<ul style="list-style-type: none"> Female senior leaders have increased from 29% to 47% during FY24. ARTC has become a member of the Champions of Change Coalition Rail Group and has commenced listen and learn sessions led by the CEO to gain insight into our current gender equality ARTC is creating a Gender Action Plan for Diversity, Equity, and Inclusion that reflects realistic and relevant measures
First Nations participation	Our first nations participation is above target at 5% and reflective of actions taken
Well-being & engagement	<p>ARTC has a comprehensive Employee Assistance Program (EAP) which provides a range of support services to suit individual needs, including:</p> <ul style="list-style-type: none"> <i>Employee Assist/Family Assist:</i> General issues including high stress, relationships, parenting, returning to work after an absence, caring for an elderly parent, grief/loss etc. <i>Career Assist:</i> Promotion, job loss, retirement, maternity leave etc. <i>Money Assist:</i> Practical strategies to deal with financial stress <i>Lifestyle & Nutrition Assist:</i> Gambling, fatigue, weight, and health issues <i>Conflict Assist:</i> Coping strategies if you are dealing with external stress such as conflict with a colleague or manager/employee etc. <i>Legal Assist:</i> Available for two sessions only, providing legal counselling service to assist with legal issues, understanding avenues and options <i>Manager Assist:</i> Professional, impartial advice is available to you if you are responsible for a team of people and have a workplace issue to work through

Enterprise Agreements

Approximately 91% of ARTC's employees are covered by Enterprise Agreements with terms and conditions that are negotiated with employees and their representatives. Our Enterprise Agreements provide fair and equitable remuneration, including penalty and allowance payments for eligible employees and annual remuneration increases. The Agreements also include a dispute settlement procedure, and a procedure on consultation for major workplace changes.

Policies & Procedures

In addition to our Enterprise Agreements, ARTC has a suite of comprehensive policies and procedures providing conditions and employment processes that go beyond legislative entitlements to help us support the human rights of our employees. These include a Leave Policy with various generous provisions, a Talent and Acquisition Procedure to support diverse candidates and remuneration framework which benchmarks against market data. Other policies and procedures include our Code of Conduct, Grievance Procedure, Sexual Harassment and Sex-Based Discrimination Procedure and Whistleblower and Public Interest Disclosure Procedure.

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	*2023 risk score 0-10	*2024 risk score 0-10	% of total spend
Australia	2	2	99%
United States	3	3	<1%
United Kingdom	3	2	<1%
Singapore	3	2	<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 subcontractors.

Key related policies and procedures include:

- ARTC's **Sustainable Procurement Policy** includes a commitment to “manage and mitigate modern slavery issues in the procurement of products and/or services.”
- Our **Code of Conduct** which recognises the importance of integrity and ethical behaviour. It sets out principles of conduct and behaviour required by our employees.
- Our framework for the disclosure of suspected wrongdoing and the protection of whistleblowers, is 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's Pre-Qualification requires our suppliers to demonstrate conformance to contract particulars and to key legislative requirements such as Labour Hire Licensing and Modern Slavery Act.

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 FY24 reporting period, we made significant progress with the actions we outlined in our 2023 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% (2023: >95%) of risk assessments completed of ARTC suppliers

Based on the information provided by our suppliers through questionnaire, the Avetta portal and the risk assessment tool, we have been able to achieve greater than 95% completion of assessments during FY24. It is determined there is a low degree of slavery risk exposure in large part due to the majority of ARTC's suppliers being Australia based. Our assessments were conducted on over 3000 vendors which included: -

- Assessing geographic risk of Tier 1 suppliers which are suppliers ARTC directly engage
- Assessing geographic risk of Tier 2 suppliers which are the sourcing suppliers of our Tier 1 suppliers (if any)
- Assessing industry risk from the Global Industry Classification Standards (GICS)
- Assessing service and product risks by source
- Weighing criticality of vendors by spend
- Adjusting risk by initiatives, estimated size of vendor and complexity of their upstream supply chain

We will continue to send Self-Assessment Questionnaire (SAQ) to all vendors to ensure transparency and consistent outcomes.

TOP 5 SUPPLIER INTERVIEWS

Further assessment of the top five risk rated suppliers identified in the Independent Report

We completed assessments of the top five risk rated suppliers during FY24. These suppliers include rail engineering, rail grinding, electrical, construction and maintenance, and coffee suppliers. Key outcomes include:

- 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.

Outcomes were positive in improving awareness and controls for modern slavery governance across ARTC's supply chain.

MODERN SLAVERY TRAINING

Greater than 90% (2023: 80%) successful completion of Modern Slavery eLearning training by our people

We promoted modern slavery awareness training for all employees via email communications and other group discussions during FY24.

We were able to achieve 88% completion of modern slavery training by our people who purchase goods and services on behalf of the company through our ARTC Essentials training program.

We will continue to look at improvements in employee training to further increase awareness.

POLICIES AND PROCEDURE REVIEW

Review and refine our policies and procedures to increase awareness, prevention, detection, and response to modern slavery issues across the organisation

ARTC has reviewed and updated all contract templates and internal policies and procedures to ensure all our suppliers and employees are aware and committed to their obligations in accordance with modern slavery legislation in Australia.

All suppliers are still required to complete a pre-qualification process that includes questions on modern slavery. They are then requested to complete the SAQ to ensure all information and risks are captured.

Suppliers are asked to share as much information as they currently have on modern slavery and/or human rights for ARTC to update the risk assessment tool.



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 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
- Manage annual modern slavery updates through ARTC's third party contractor compliance system (Avetta)
- Ongoing review of training and awareness for our employees
- Ongoing engagement and consultation with stakeholders to prevent slavery within our supply chain
- Ongoing review of policies and procedures to increase the awareness, prevention, detection and response to modern slavery issues across the organisation
- Ongoing industry engagement, for example becoming an inaugural member of the ARA's Modern Slavery Network Committee
- Monitor reporting mechanism and promote further communications.



CONSULTATION PROCESS

During the reporting period this statement covers, we actively engaged and consulted with all companies we own or control in the development of this statement, including Inland Rail Pty Ltd.

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, with primary objective to ensure that all suppliers, regardless of spend, have awareness of modern slavery
- Complete the three-year independent desktop due diligence review of ARTC suppliers, with recommendations and interviews completed as required
- Achieve 90% successful completion of Modern Slavery eLearning training by ARTC employees engaged in procurement activities.

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

Chief Executive Officer and Managing Director

ARTC

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 1-6 – 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 7 – 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 8-10 – Actions Taken to Assess and Address Modern Slavery Risks
Describe how the reporting entity assesses the effectiveness of these actions	Page 11 – 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 12– Consultation Process
Provide any other relevant information	Page 12 – Future Commitment and throughout this statement