



MODERN SLAVERY STATEMENT 2022

Australian Rail Track Corporation

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Keswick Terminal, SA 5035

ARTC



We acknowledge Aboriginal and Torres Strait Islander Peoples as the Traditional Custodians of the land and waters on which we operate and honour their spiritual relationship and enduring connection to Country.

We pay our respects to Elders past and present and recognise the hundreds of cultures, languages, and kinship structures that have existed for more than 65,000 years.

We celebrate the diverse traditions, customs, and storytelling, and recognise the importance of truth telling to create a positive future of belonging.



INTRODUCTION

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

We strongly 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, provides an update on the actions we committed to in 2021 and how we have continued to build on those foundations in 2022.

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MESSAGE FROM THE CEO

When we published our first Modern Slavery Statement in 2020, we set out to bring to life our commitment to No Harm and ensure that modern slavery forms no part of our supply chain.

To that end, I'm pleased to report that during the 2022 reporting period, we completed risk assessments for 90% of our Tier 2 supply chain, which identified no instances of modern slavery. We also conducted further investigation and engagement with any suppliers previously identified as high-risk.

In addition, we continued to raise awareness about modern slavery risk, with 74% of our people having now successfully completed modern slavery awareness training.

In 2022, we launched our Environmental, Social and Governance (ESG) strategy, which is aligned with our commitment to conducting business with ethical, environmental, and socially responsible suppliers. Importantly, this recognises our responsibility to eliminate modern slavery practices from within our supply chains and operations.

In the coming 12 months, our focus will be on completing risk assessments for more than 95% of our suppliers, and further assessing and engaging with higher risk suppliers. We'll also be focussing on increasing employee uptake of our Modern Slavery eLearning training, with a goal of greater than 90% uptake and will be exploring technological platform solutions to enhance supplier risk and compliance assessment.

The nature of modern slavery means that our work in this area is ongoing. We are committed to assessing our operations to identify risk and reduce any exposure to slavery and human trafficking risks and address any gaps in policies and processes.

I am pleased to present and sign our 2022 Statement on Modern Slavery as ARTC continues to work towards a future where all people are free from modern slavery.



Mark Campbell
CEO and Managing Director

OUR BUSINESS

Since 1998, we have been building Australia’s largest rail network. Now more than 8,500 kilometres long, our railway spans five states – New South Wales, Victoria, Queensland, Western Australia, and South Australia, 39 worksites and the lands of more than 50 First Nations.

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

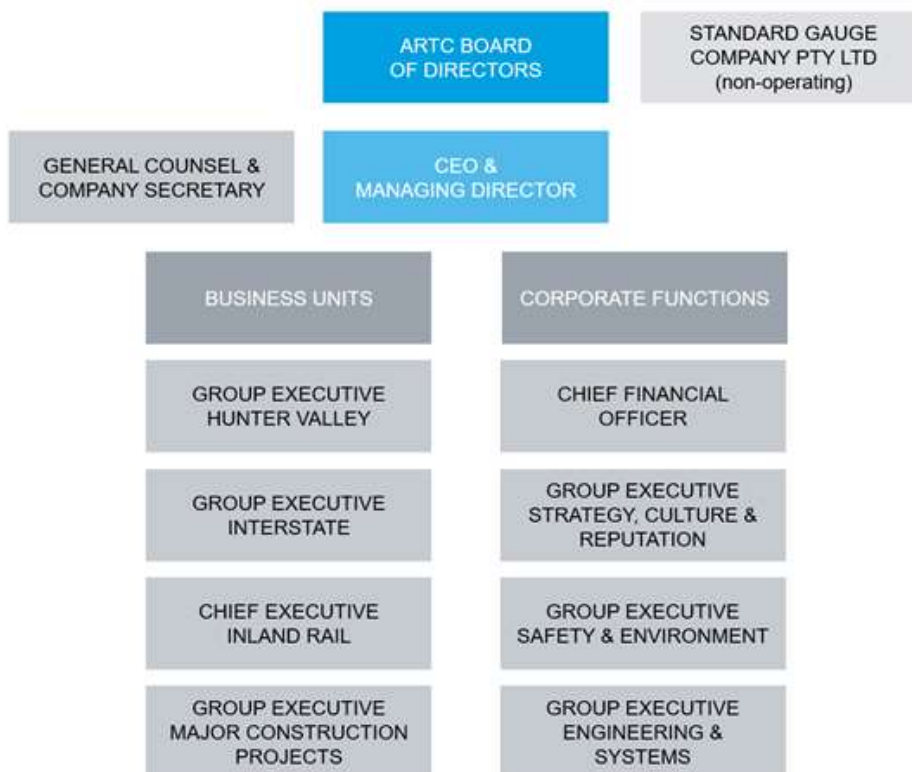
Today, we employ more than 2,000 people who help manage the transit of more than 420 passenger and freight trains every day. And as we further develop our network to be increasingly resilient, responsive, and digitally enabled, we will continue to enhance the connections between our regions, cities, and ports for the good of our economy and the Australian public.

OUR STRUCTURE

We are a company incorporated under the Corporations Act 2001.

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.



SUPPLY CHAIN

ARTC’s supply chain comprises of 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 also sourced from the US, Asia and Europe.

We have conducted an assessment of 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	Risk 0-10	% of total spend
Australia	1.7	99%
United States	2.8	<1%
United Kingdom	2.3	<1%
Singapore	3.2	<1%

* geographic risk data provided by ndevr (human rights)

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 five categories.

- **Capital Activities:** Major construction and sustaining capital works
- **Maintenance Activities:** Engineering, maintenance services and major maintenance rail infrastructure works
- **General Goods and Services:** Purchases for operations including utilities, training, uniforms, IT services and other items
- **Inventory:** Purchase of type approved products that are held as stock items until being issued
- **Contract Staff:** Recruitment services and engagement of apprentices, trainees, and temporary staff

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're 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.

ARTC uses a supplier risk assessment 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.

Importantly, all activities undertaken by ARTC are governed by our Statement of Business Ethics and our Code of Conduct.

ARTC completed an assessment of 100% of its Tier 1 supply chain in 2021 and determined there is a low degree of geographic slavery risk exposure, in large part because most suppliers are retailers and distributors in Australia. In addition, we have assessed over 90% of our Tier 2 supply chain which captures the suppliers that our suppliers' contract with.

ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

Over the past year, we progressed the three commitments outlined in our 2021 Modern Slavery Statement. Key findings include:

Actions	Details
Complete risk assessment for 80% of our Tier 2 suppliers	We completed and assessed 92% (2021: 50%) of our Tier 2 supply chain and determined there is a low degree geographical risk exposure. However, the majority of supply chain risk in Australia is imported from overseas where in some instances there is little known or disclosed about the source of the services or products provided.
All employees to have completed modern slavery training	Modern slavery awareness training has been implemented and completed by ARTC employees. Training is mandatory through ARTC Essentials eLearning module for existing and new employees. 74% of our people have successfully completed the training which increases ARTC awareness of modern slavery risks.
Top 50 suppliers identified as high risk following our review in 2020 will be subject to further investigation and engagement strategies designed to limit the risk of modern slavery in ARTC's supply chain	<p>We engaged an Independent Human Rights organisation to complete a Human Rights Due Diligence of our top 50 suppliers during 2022, using a methodology based on the United Nations Guiding Principles on Business and Human Rights (UNGPs).</p> <p>The top 50 suppliers were identified across the three risk criteria/dimensions. Priority was given to:</p> <ul style="list-style-type: none"> • suppliers that appeared across more than one risk criteria • high risk suppliers likely to trigger the Modern Slavery Act's reporting threshold yet did not have a modern slavery statement on the registry • suppliers with higher geographic risks, particularly at the Tier 2 level. <p>The Independent Report identified five suppliers for additional engagement and support, but no overt instances of human rights or modern slavery violations were detected. We have commenced engagements with these five suppliers to assess the effectiveness of their modern slavery governance and controls.</p> <p>Other findings include that the majority of suppliers were small businesses without any regulatory or shareholder requirements to report on human rights risks.</p> <p>The Independent Report confirmed that there were no direct or immediate red flags identified for immediate corrective or escalatory action.</p>

ASSESSING EFFECTIVENESS

To ensure our activities are effective, we also commit to:

- Periodic auditing of suppliers who provide services considered to be high risk in relation to modern slavery
- 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.

FUTURE COMMITMENT

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

Our focus for 2023:

- Greater than 95% (2022: 92%) of risk assessments completed of ARTC suppliers
- Further assessment of the top five risk rated suppliers identified in the Independent Report
- Greater than 90% (2022: 74%) successful completion of Modern Slavery eLearning training by our people
- 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.

APPROVAL

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

Signed

A handwritten signature in black ink, appearing to read 'Mark Campbell', written in a cursive style.

Mark Campbell

Chief Executive Officer and Managing Director

Date: 20 October 2022