



MODERN SLAVERY STATEMENT

2024

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A Message from ASC

On behalf of ASC Pty Ltd (ASC), we are pleased to endorse the company's 2024 Modern Slavery Statement. This document charts the progress of ASC's Modern Slavery Three-Year Risk Management Implementation Plan (2023-2025), including this period's focus on continuous improvement.

ASC's Modern Slavery Working Group (MSWG) developed the 2023-2025 plan to support and strengthen ASC's commitment to identify, mitigate and eliminate modern slavery from its operations and supply chain.

Highlights for the 2023-24 financial year (FY) included:

- no confirmed instances of modern slavery in ASC's operations or supply chain;
- updating ASC's Whistleblower Protection Process to include a reference to a new Speak Up Integrity Hotline for reporting suspected modern slavery;
- updating ASC's meeting agenda template with suppliers to include modern slavery as a standard agenda topic; and
- a desktop assessment of ASC suppliers by the MSWG using the company's Supply Chain Intelligence tool, which provides the capability to track external developments within ASC's supply chain through media monitoring.

ASC's actions in relation to modern slavery are informed by its broader mission, vision and core PRIDE values: Protect, Respect, Integrity, Discipline and Excellence.

This statement was approved by the ASC Board on 11 December 2024.




Bruce Carter AO
Chair




Stuart Whiley
**Chief Executive Officer
and Managing Director**

About this Statement

This Modern Slavery Statement (Statement) is made by ASC Pty Ltd (ABN 64 008 605 034) under the *Modern Slavery Act 2018*¹ (the Act), for FY 2023-24. To assist readers, the format of this Statement follows the requirements of the Act. Annexure 1 on page 21 of this Statement maps the sections of the Statement against the requirements of the Act.

Scope

This Statement describes the efforts and measures taken by ASC to identify and remediate modern slavery. These reflect improvements and advances ASC has made since the introduction of the Act and since issuing ASC Modern Slavery statements for FY 2019-20, 2020-21, 2021-22, and 2022-23. It also outlines ASC's plans for continuous improvement across future reporting periods.

ASC's efforts are informed by evidence-based modern slavery risk identification and remediation.

Highlights 2023-24

Strategic Pillars



CORPORATE GOVERNANCE

Continued implementation of ASC's Modern Slavery Three-Year Risk Management Implementation Plan for 2023-25.

Continued use of a Supply Chain Intelligence tool for desktop assessments.



DUE DILIGENCE

Extended the licence to use a Supply Chain Intelligence tool, to further understand current and upstream supplier risk.

Supplier Quality Assurance department conducted regular supplier on-site quality audits with an increased focus on supplier modern slavery practices.



POLICIES AND PROCEDURES

Updated Whistleblower Protection Process.

Introduced ASC's Speak Up Integrity Hotline to increase accessibility of the channels available to employees for making a disclosure through the whistleblower system.



MONITORING AND REPORTING

Met all key performance indicator (KPI) targets.

About ASC

ASC is Australia's submarine company. Established in 1985, the company's depth of design, project management, supply chain, construction and engineering experience and expertise is unparalleled in Australia's defence industry. ASC built the country's Collins Class submarines, sustains them, is delivering their Life of Type Extension, and has been selected by the Australian Government to sustain and jointly build conventionally armed, nuclear-powered submarines (commonly referred to as SSNs - 'submersible ship nuclear') in Australia. ASC also plays a leading role in training Royal Australian Navy (RAN) submariners.

Organisational Structure

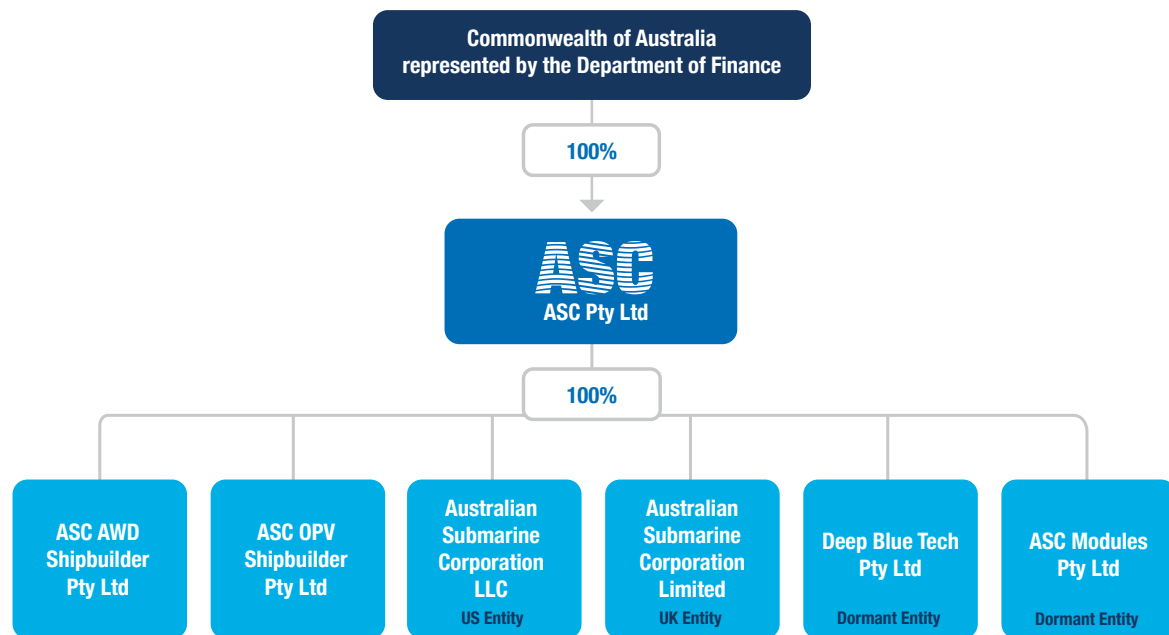


Figure 1: ASC Group structure at 30 June 2024.

ASC is a proprietary company limited by shares registered under the *Corporations Act 2001* and is subject to the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). All ASC share capital is owned by the Commonwealth of Australia (CoA), acting through the Department of Finance. ASC is a Government Business Enterprise pursuant to s. 5(2)(a) of the *Public Governance, Performance and Accountability Rule 2014*.

In FY 2023-24 ASC was selected as the Australian Government's Sovereign Submarine Partner to sustain and jointly build SSNs in Australia.

ASC will be the prime contractor for the sustainment in Western Australia (WA) of visiting US and UK SSNs; Australia's own sovereign Virginia Class SSNs; and the new SSN-AUKUS submarines.

ASC will form an incorporated Joint Venture (IJV) with BAE Systems to build Australia's new SSN-AUKUS SSNs at Osborne, South Australia (SA). ASC will establish a new company entity to facilitate the IJV with BAE Systems.

At 30 June 2024 ASC had four active wholly Australian Government-owned subsidiaries: ASC AWD Shipbuilder Pty Ltd; ASC OPV Shipbuilder Pty Ltd; Australian Submarine Corporation, LLC; and Australian Submarine Corporation Limited.

ASC established Australian Submarine Corporation Limited and Australian Submarine Corporation, LLC in the UK and US respectively during FY 2023-24. Their purpose is to fulfill the company's duty of care to its personnel deployed to those countries and facilitate ASC's AUKUS partner collaborations.

ASC's Executive Team and Board manage and govern ASC, including all subsidiaries.

Consultation

ASC operates and is managed as an integrated group with overarching policies, systems and processes that are designed to be consistently applied across its operated assets and functions. All ASC entities were consulted during this statement's development.

ASC continues to take an interdisciplinary approach to modern slavery reporting. In FY 2023-24, ASC's MSWG included key representatives from the company's Legal, People and Culture, Supply Chain, Security, Operations, and Corporate Communications departments, and introduced representatives from the Supplier Quality Assurance, Australian Industry Capability, and Commercial functions to expand its cross-functional view.

The MSWG, ASC Legal, General Manager Class Services - MCS, General Manager - Supply Chain Strategy and Oversight, Chief Nuclear and Capability Officer, Chief People and Workforce Development Officer, and the Managing Director and Chief Executive Officer reviewed the Statement, representing a broad range of internal stakeholders.

Operations and People



Figure 2: ASC's workforce at 30 June 2024.

The majority of ASC's workforce of 2,151 employees is located at ASC's sites in Osborne and Port Adelaide, SA and Henderson, Bibra Lake and Garden Island, Western Australia (WA). Six employees are located across New South Wales, Victoria and the Australian Capital Territory, and 14 are currently based overseas (full time employees: 2 in France, 1 in Germany, 2 in Sweden, 2 in the UK; graduates: 7 in the UK). At 30 June 2024, approximately 89% of ASC employees were permanently employed¹, around 2% were on fixed-term contracts, and the remainder were casual, with 3.31% of ASC's apprentices under 18 years of age.

During FY 2023-24, ASC continued to be contracted by the CoA to retain, through the Sovereign Shipbuilding Talent Pool (SSTP), 90% of Naval Group Australia and Lockheed Martin Australia workers affected by the CoA's September 2021 cancellation of the Attack Class submarine program.

Since the SSTP's inception in October 2021, ASC has consistently achieved results above this target, maintaining an average of 96.99% retention of affected workers, and 95% retention in FY 2023-24.

¹This number includes full-time and part-time employees as at 30 June 2024.

Supply Chain

ASC manages highly complex supply chain operations to meet the RAN's requirements. ASC is integral to Australia's sovereign naval shipbuilding capability through its partnerships, supply chain excellence and high levels of Australian industry content. Over 93% of its direct, or 'Tier1', suppliers are domestic businesses and the company is committed to maximising Australian industry participation to enhance the nation's sovereign submarine capability.

ASC's supply chain includes a diverse range of suppliers spanning numerous sectors. During 2023-24 ASC's total supplier spend was \$867.78 million across 1,394 suppliers. The majority of its Tier 1 suppliers are located in Australia, Europe and North America.



Modern Slavery Risks

ASC's central role in the Australian naval shipbuilding and sustainment supply chain provides the opportunity to influence and drive action to identify and address modern slavery risks throughout the industry.

Operations

The nature of ASC's work requires a highly skilled workforce. ASC's employees are located predominantly in Australia and perform a wide range of roles, including production, engineering, operations, program management, supply chain and corporate services.

ASC conducted a risk assessment in FY 2019-20 and found these roles to be at low risk of modern slavery, due to the company's mature human resource policies, systems and procedures. In FY 2023-24, ASC's workforce continued to be 98% Australia-based, therefore the 2019-20 assessment remained relevant for this reporting period.

As a result of the company's appointment as the CoA's Sovereign Submarine Partner in Australia's SSN program, ASC migrated to a capability-based operating model in the latter part of 2023-24. ASC's programs now fall into two areas – Multi-Class Sustainment (MCS) and SSN-AUKUS. Each retains accountability to deliver its individual program, with dedicated core resources.

The company has also created a Nuclear and Capability Development function, which is responsible for ASC's strategic capability model and provides the programs with the required capabilities to deliver on their scopes of work.

In light of this restructure, together with its international expansion, the company is currently evaluating how these changes impact ASC's exposure to modern slavery risks and is considering potential changes to its modern slavery risk assessment, procedures, and practices required to align with its new status and strengthen the company's social licence to operate. Social licence refers to the ongoing acceptance, approval and endorsement from the community and stakeholders for an organisation's activities or projects.

Operating Model

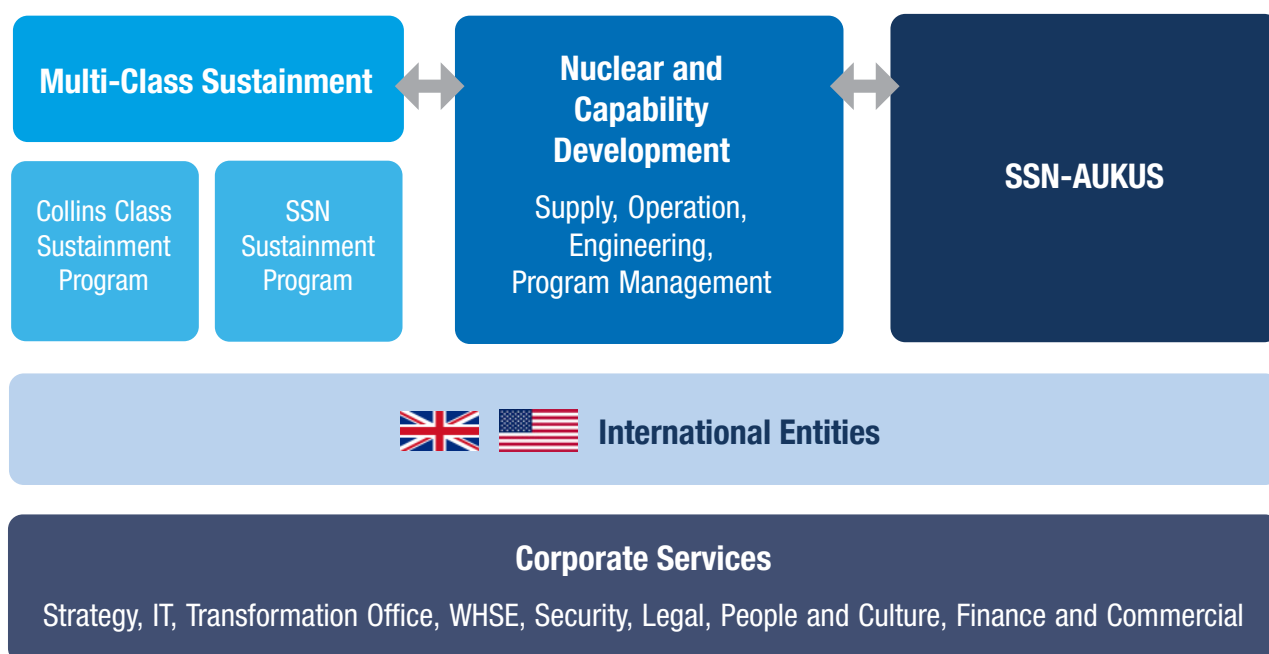


Figure 3: ASC's new operating model.

Supply Chain

The majority of ASC's direct, Tier 1 suppliers, are located in Australia, with the remaining supply relationships located across Europe, North America and Asia. The main supplier categories include professional services, distributors, aerospace and defence, electrical equipment, commercial services and commercial supplies. In FY 2023-24, no significant changes in country or category risk impacted ASC's supply base.

ASC has reflected on its modern slavery risk via a risk assessment of Tier 1 suppliers with which the company had associated spend in the reporting period. This process considered geographic and industry risk factors to identify Tier 1 suppliers' risk profiles, using global country risk standards, and industry risk categories based on the latest Global Industry Classification Standards (GICS). The assessment output generates one of four overall risk profiles: Low Risk, Medium Risk, High Risk and Very High Risk.

In FY 2023-24:

- ASC did not engage any Very High Risk suppliers.
- ASC assessed 1,394 Tier 1 suppliers in 15 countries, with over 93% based in Australia.
- The majority of suppliers (55.6%) have an inherent Medium Risk rating. This reflects the higher risk inherent to their industries, as most suppliers are based in Australia, Europe and North America, which are geographical areas with lower modern slavery risks.
- These Medium Risk suppliers accounted for 67% of ASC's total annual procurement expenditure.
- ASC expanded its supplier risk assessment by including 566 suppliers that were not in the 2022-23 assessment², with 56.6% of newly assessed suppliers having an inherent Low Risk rating. More than 94% (535) of these suppliers were located in Australia, with the remainder spread across Europe (Denmark, France, Germany, the Netherlands, Sweden, Switzerland, UK), the US and Singapore.

Tier 1 Supplier Risk Assessment FY 2023-24: Key Points

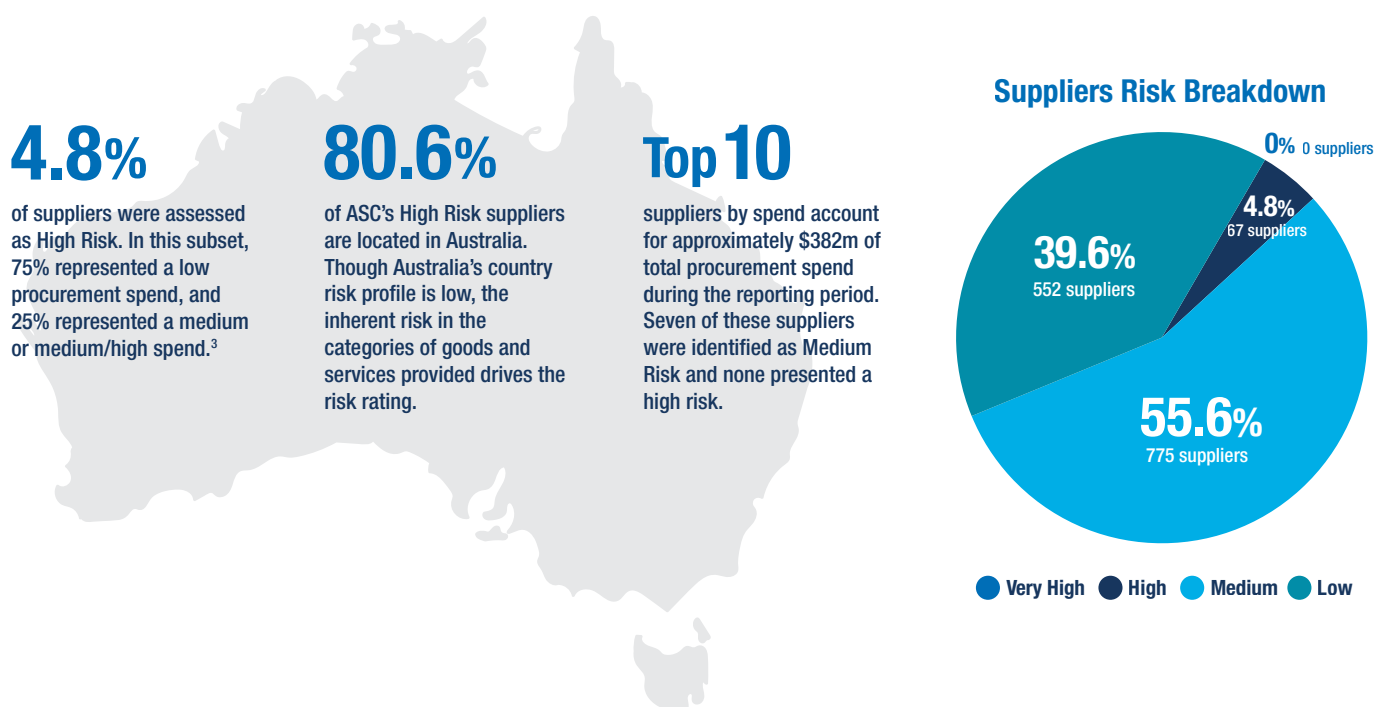


Figure 4: Key points from ASC's FY 2023-24 Tier 1 supplier risk assessment.

The inherent modern slavery risk is medium for the majority of ASC's predominantly Australia-based Tier 1 suppliers but can be high in the categories of goods and services they provide, either due to the industry they operate in, or their supply chains.

²Of which 165 constitute new suppliers. ³For the purposes of the assessment, spend is categorised into four levels based on expenditure amounts: low spend is classified as below \$50,000, medium is \$50,000-\$1m, medium-high \$1-5m and high exceeding \$5m.

Supplier Risk Profile

The latest modern slavery risk assessment increased the scope of suppliers assessed and included revised 2024 GICS categories. The highest inherent modern slavery risks were observed in the following industries:

- Technology Hardware, Storage and Peripherals
- Health Care Equipment and Supplies
- Textiles and Apparel
- Containers and Packaging
- Commercial Cleaning
- Electrical Equipment

It is important to note that the risk assessment allows ASC to understand the base-level risk in its supply chain. The risk of individual suppliers is then adjusted based on additional desktop research and focused engagement.

Table 1 (see following page) sets out high-risk ASC suppliers' procurement categories, the countries ASC sources from and the likely indicators driving their risk rating.



Category	Tier 1 sourcing countries	Indicators of inherent risk
Technology Hardware, Storage and Peripherals	Australia	The Technology Hardware, Storage and Peripherals sector faces significant modern slavery risks due to its complex supply chains and dependence on minerals like cobalt, lithium and gold, often sourced from regions like the Democratic Republic of Congo where forced and child labor are common. Manufacturing is concentrated in countries such as China, Vietnam and Malaysia, where poor working conditions and migrant worker exploitation are documented issues. Additionally, the sector's tiered supply chains make it difficult to monitor labour practices, raising the risk of hidden exploitation. Informal e-waste recycling, especially in countries like India and Ghana, further exposes workers to hazardous conditions and potential exploitation.
Health Care Equipment and Supplies	Australia	<p>The healthcare equipment and supplies industry faces significant modern slavery risks. Materials like rubber, cotton and metals often come from countries with high forced labour risks and poor working conditions, particularly in Southeast Asia.</p> <p>The industry relies on migrant workers who are at risk of exploitation due to debt bondage and limited legal protections.</p> <p>Multiple supplier tiers make it difficult to monitor labour practices, increasing the risk of exploitation further down the chain.</p> <p>This is exacerbated by high-demand surges during crises, such as pandemics, potentially leading to lower labour standards.</p>
Textiles and Apparel	Australia/UK	There are high risks related to the apparel and textile manufacturing industry, including forced and child labour, as well as human trafficking. The sector's supply chain complexity reduces the visibility of issues within it, everywhere from animal and cotton farming to the weaving, dying and manufacturing of apparel. Cotton and leather are typically produced in areas with high modern slavery risks, such as China and Brazil. These countries are associated with a high risk of forced labour. The apparel and textile industry is highly labour intensive, with disproportionate numbers of low-skilled and migrant workers who may not have the knowledge and/or bargaining power to speak up and demand their human rights be upheld. Low-skilled and migrant workers are frequently exposed to excessive working hours, underpayment and poor working conditions.
Containers and Packaging	Australia	The containers and packaging industry is at high risk of labour exploitation. Increasingly, production has shifted to countries with fewer industry regulations, or poor governance and implementation, elevating workers' risk of exposure to hazardous conditions. This is exacerbated by the increasing demand and pressure to produce cheaper goods that drives precarious conditions.
Commercial Cleaning	Australia	There is a high risk of forced labour, human trafficking and labour exploitation in the commercial cleaning sector. This risk is exacerbated due to complex and multilayered subcontracting used in the sector where often providers are from locations with lower labour standards and costs. This may pose challenges in monitoring workforce management and potential higher-risk practices, such as further outsourcing or labour hire.
Electrical Equipment	Australia/ Austria/ Germany/ Norway/ Singapore/ Sweden/ Switzerland	The electrical equipment manufacturing industry has been linked with numerous instances of labour exploitation. These present throughout complex supply chains, making mitigation difficult – everywhere from the mining of raw minerals to the manufacture of finished products. The industry is at higher risk of forced labour and human trafficking throughout its supply chain, including the use of migrant labour, particularly in countries like China and Malaysia where electronics are largely produced. Such factors as hazardous working conditions and weak labour protections further exacerbate this.

Table 1: High-risk ASC suppliers' procurement categories, Tier 1 sourcing countries and inherent-risk indicators.

ASC's Approach

ASC is committed to the eradication of modern slavery in its operations and supply chain. The company's approach is underpinned by its PRIDE values – Protect, Respect, Integrity, Discipline and Excellence – and guided by ASC's Modern Slavery Risk Management strategic pillars, which have been translated into an actionable three-year plan.

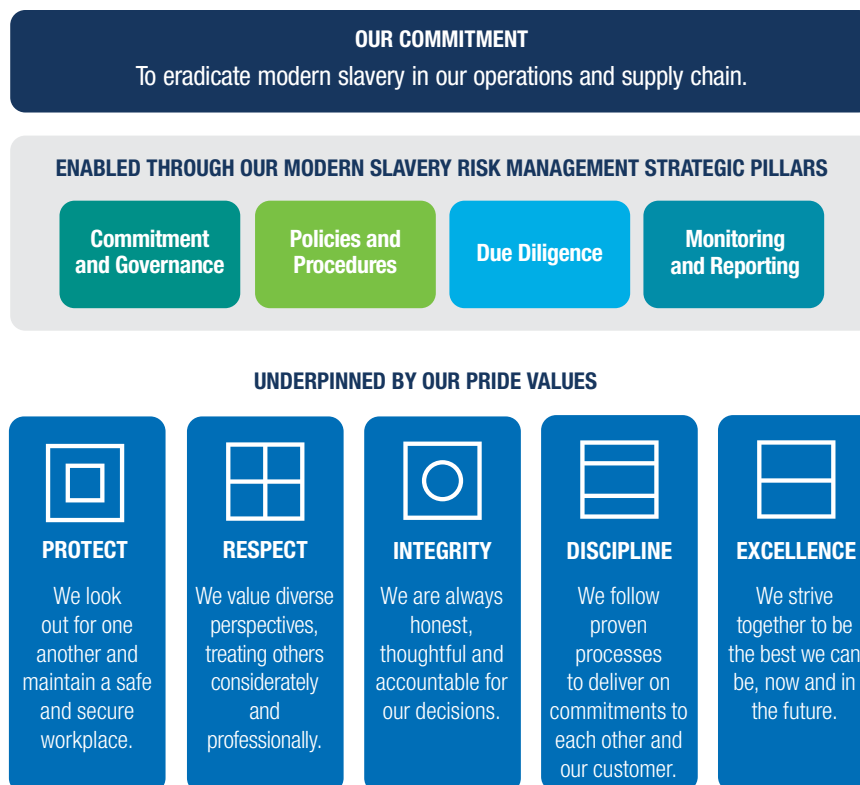


Figure 5: ASC's modern slavery commitment, modern slavery risk management strategic pillars and PRIDE values.

Modern Slavery Risk Management Implementation Plan

The Modern Slavery Three-Year Risk Management Implementation Plan for 2023-2025 aims to work on embedding ASC's commitment into a tangible framework. Below is a list of activities ASC has committed to for the 2023-2025 timeframe with current progress.

Activities	Timeline	Progress
Draft and submit an annual Modern Slavery Statement to the Australian Border Force each year.	31 December annually	On track
Continuously review and enhance policies relating to ASC's modern slavery risk. Annually review and update modern slavery KPIs.	Ongoing	On track
Continuously review and enhance ASC's procedures and processes relating to modern slavery. Continuously review and enhance ASC's contract and purchase order templates with regards to modern slavery obligations.	Ongoing	On track
Complete annual modern slavery risk assessments for ASC operations, including onsite contractors. Develop an action plan to monitor risk mitigation activities following risk assessments. Develop a trend analysis report to track ongoing category/country modern slavery risk.	Annually	On track
Raise ASC employees' awareness of modern slavery risks through an annual training module, with targeted training for supply chain personnel. Investigate potential partnerships with industry groups.	Ongoing	On track

Table 2: ASC's risk management activities committed to for 2023-25 and current progress.



Commitment and Governance

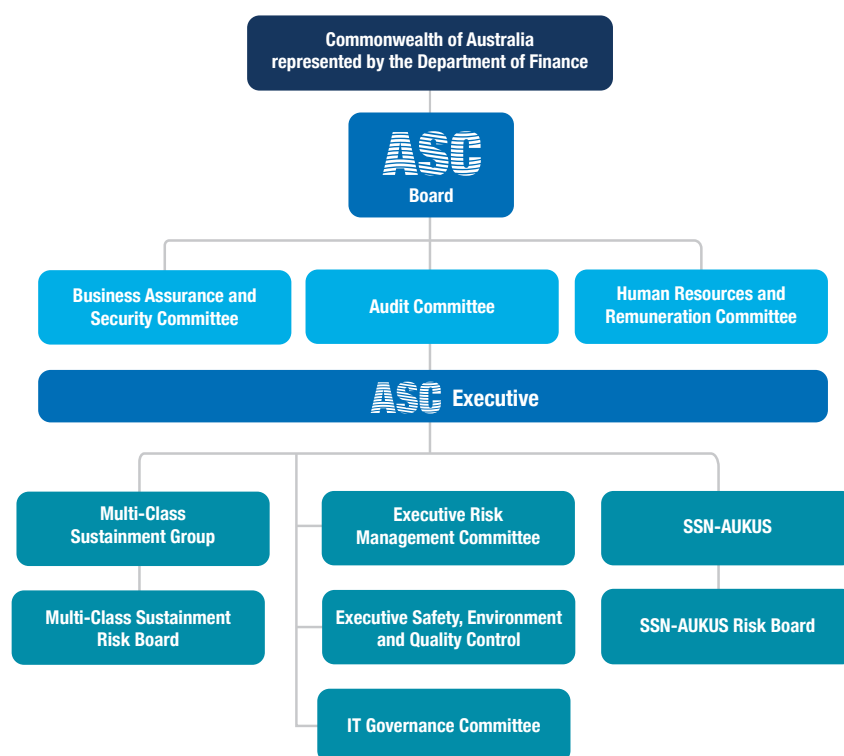


Figure 6: ASC's modern slavery governance structure as at 30 June 2024.

ASC has established a robust governance structure to oversee modern slavery risk management across its operations and supply chain. This structure defines the roles and relationships between: ASC's shareholder, the CoA (represented by Department of Finance); the ASC Board; ASC Executive; employees; and supply partners.

The following ASC committees are responsible for assessing and managing modern slavery risks:

The Business Assurance and Security Committee (BASC)

is responsible for assessing ASC management's approach to minimising and managing exposure to all areas of material business risks, including modern slavery. The committee met four times in the reporting period.

The Human Resources and Remuneration Committee (HRRC)

assists the Board to fulfil its corporate governance and oversight. This includes performance measurements and accountability frameworks; recruitment and retention; talent management and succession planning; and remuneration components. The HRRC met six times in the reporting period.

The Executive Safety and Environment (ESE) Council

is responsible for reviewing ASC's strategies, policies, risk exposure, targets and performance. Where appropriate, it reviews our suppliers' and contractors' work health and safety and environmental sustainability. The ESE Council met twice in the reporting period.

The MSWG operates across departments and is sponsored by ASC's Chief People and Workforce Development Officer, and Chief Nuclear and Capability Officer. The MSWG provides governance and leadership to deliver ASC's modern slavery commitments, including:

- implementing its modern slavery compliance framework to identify, address and remediate modern slavery risk;
- overseeing the development of ASC's annual Modern Slavery Statement;
- tracking implementation of ASC's current Modern Slavery Three-Year Risk Management Implementation Plan;
- planning to improve ASC's systems, processes and controls;
- developing and delivering an ongoing system of education to build awareness of modern slavery across ASC's Board, Executive, staff and suppliers; and
- providing regular progress reports to the ASC Executive and Board.

The MSWG met twice in the reporting period.

Policies and Procedures

ASC has established formal codes of conduct for employees and suppliers. ASC regularly reviews its Modern Slavery Process, Whistleblower Protection Process, Supply Chain Policy and Procurement Manual and Guide to align with regulatory requirements and ASC's values, with updates made when required. As such, in FY 2023-24 the company's Whistleblower Protection Process was aligned with legislative changes and further improved the accessibility of disclosure channels, specifically for employees in production areas.

Policy/process	ASC	Suppliers	Purpose
Modern Slavery Process	✓	✓	Describes ASC's commitments with respect to the Act; what it is doing to manage modern slavery risk; and how it will identify, report, investigate and remediate instances of modern slavery.
ASC Code of Conduct	✓		Articulates the high standards of honesty, integrity, ethical and law-abiding behaviour expected of ASC's directors, employees and contractors.
Supplier Code of Conduct		✓	Outlines expected supplier behavioural standards in relation to ASC's values; labour and human rights, including compliance with the Act; health and safety; environment and community; and confidentiality.
Anti-Fraud Process and Fraud and Corruption Control Framework	✓	✓	Outlines ASC's commitment and approach to complying with laws and regulations addressing fraud, bribery and corruption that can facilitate slavery and other forms of exploitation in the value chain.
Whistleblower Protection Process	✓	✓	Ensures any ASC employee disclosing a contravention of the law, including the Act, can do so without fear of reprisal, and with certainty of fair and confidential treatment.
Risk Management Framework	✓		Includes guidance for the identification and management of modern slavery risks.
Supply Chain Policy	✓	✓	Seeks to deliver a safe, secure, sustainable and value-for-money supply chain through an effective governance framework that enables good-faith dealings and transparent commercial processes. By creating sustainable supply, ASC ensures that the economic and other benefits of our procurement spend flow through more equitably to all workers in our supply chain.
Procurement Manual and Guide	✓		Stipulates all ASC procurement activities should be undertaken in a fair and ethical manner consistent with our Code of Conduct, with particular emphasis given to consideration of modern slavery risks. Outlines key procurement principles: achieve best value for money; apply fair and effective competition; and undertake procurement in an ethical manner.
People and Culture Manual	✓		Provides an overview of ASC's People and Culture-related policies and procedures; details conditions of employment; and outlines how we are complying with our <i>Fair Work Act 2009</i> ⁴ obligations.

Table 3: ASC's modern slavery policies and processes and their purpose.

Requirements for Suppliers

ASC's Procurement Manual and Guide recognises that all procurement should be undertaken in a fair and ethical manner, in order to comply with ASC's Code of Conduct. ASC's contract and purchase order templates set out minimum requirements for suppliers, and include a modern slavery clause within the terms and conditions. While there have been instances where suppliers have asked for the clause to be modified to align with their own code of conduct, most of ASC's suppliers agree with the standard terms and conditions.

⁴Fair Work Act 2009 (legislation.gov.au)

Due Diligence and Risk management

ASC seeks to raise its suppliers' understanding of modern slavery and identify any high-level risks.

The MSWG reviews the actions in ASC's Modern Slavery Three-Year Risk Management Implementation Plan to ensure it enables a deeper understanding and examination of risks within ASC's supply chain, and maintains relevance as the company progresses its commitments.

Supplier Onboarding and Follow-ups

When a new supplier is onboarded, ASC's initial questionnaires include questions about possible modern slavery risks in the company's own supply chain, its understanding of its modern slavery obligations and how it monitors modern slavery risk. This ensures ASC's procurement activities are undertaken with awareness of associated risks, and that appropriate actions are taken to mitigate them.

Depending on the supplier's initial responses, findings from the supplier intelligence tool or outcomes of the yearly reflective risk assessment, some suppliers are sent an additional questionnaire to provide ASC with a deeper understanding of the supplier's capacity, capability and controls to respond to modern slavery risks in its supply chain. This can happen in the onboarding phase or during periodic reviews.

ASC PO and Contract Standard Terms

ASC contract and purchase order terms and conditions contain a clause requiring the company's suppliers to comply with the *Modern Slavery Act 2018* and regulations, and to inform ASC of any risks or findings in respect of modern slavery within the suppliers' supply chain. ASC has the right to terminate a contract or purchase order with any supplier in breach of *Modern Slavery Act 2018* requirements.

Managing Operational Risks

ASC's operational activities in FY 2023-24 were assessed as having an inherently lower risk of modern slavery, within the context of Australia and the company's human resource systems and controls. ASC's overall risk system (PREDICT) includes a modern slavery risk factor to ensure that the risk of modern slavery practices is considered and incorporated into ASC's processes when planning and conducting operations and managing the corresponding operational and supply chain risks.

ASC focused its efforts on implementing the following controls to maintain compliance with labour requirements and understand modern slavery risks:

Enterprise Agreements (EAs)

ASC finalised negotiations for two new EAs in 2023-24. Negotiations also began for two trade-based EAs, one in SA and one in WA, to replace those approaching their expiry dates.

Bargaining for a replacement SA trade agreement was initiated in October 2023, and negotiations were ongoing at 30 June 2024. A number of SA-based ASC employees engaged in protected industrial action (PIA) under the *Fair Work Act 2009* from 6 May 2024. This involved work stoppages and bans on overtime and the performance of higher duties and was ongoing at 30 June 2024. Bargaining for a replacement WA trade agreement was initiated in March 2024 and was ongoing at 30 June 2024.

External Remuneration Review

ASC's HRRC is responsible for undertaking annual reviews of ASC's remuneration policy and strategy, which covers around 67% of ASC's salaried employees, to assess matters including appropriateness of salary bands and gender pay equity. For FY 2023-24 this review was undertaken in June 2024.

Training and Onboarding

ASC proactively undertakes training, engagement and provision of information on appropriate grievance channels as part of the employee onboarding process. The intent is to support employees to feel understood, heard and safe to raise any issues that could indicate the presence of increased vulnerability. In FY 2023-24, members of the MSWG underwent training on the Supply Chain Intelligence Tool to allow for further embedding of the tool's use within the organisation.

Managing Supply Chain Risks

Supply Chain Risk Identification and Assessment

In FY 2023-24, ASC continued to focus on improving its assessment of, and response to, modern slavery risks in its supply chain. The company implemented due diligence and remediation procedures to support high-risk suppliers in taking action to mitigate relevant risks.

ASC extended its licence to use the Supply Chain Intelligence Tool to gain deeper insights into modern slavery risks within its supply chain. The tool allows ASC to map and identify risk levels of Tier 1 and Tier 2 suppliers by country and industry. This is complemented by the yearly reflective modern slavery risk assessment.

In March 2024, ASC also created a separate Supplier Quality Assurance department to enhance and expand its supply chain due diligence practices. The department is responsible for conducting regular quality audits, including on-site visits, to ensure suppliers consistently meet ASC's quality, safety and delivery requirements, including obligations to modern slavery practices. As part of supplier due diligence procedures, the department conducts desktop research on new and existing suppliers' exposure to modern slavery risk using the Supply Chain Intelligence tool, and verifies that suppliers meet their contractual obligations, including those related to modern slavery. In FY 2024-25 ASC will further incorporate modern slavery due diligence into supplier audits.

Supply Chain Risk Mitigation

ASC takes a collaborative and risk-based approach to managing modern slavery risks in its supply chains. The company aims to achieve year-on-year improvements in its processes and systems to identify and respond to modern slavery risks.

Direct Engagement

In FY 2023-24, 30 Tier 1 suppliers were identified as high-risk and follow-up action was taken. The follow-up actions included a deeper dive into their inherent risk rating, assessing if they published a modern slavery statement (and any control mechanisms noted in the statement) followed by media reviews for any adverse articles through the year. There were no sanctions or adverse media reviews published in respect of those suppliers.

In instances where ASC identifies that it needs additional information from the supplier, a questionnaire is sent to the supplier with clarification questions. These questionnaires are to supplement ASC's understanding of the entity in addition to the compulsory screening questionnaires completed by all direct suppliers as part of the onboarding process.

Remediation and Grievance Mechanisms

ASC is committed to investigating all reported instances of actual or suspected modern slavery. Where an investigation confirms the presence of modern slavery in its supply chain or operations, ASC initiates remediation steps, which are detailed in its modern slavery process.

ASC's Speak Up Integrity Hotline is available and communicated to employees, contractors, and suppliers to raise ethical or compliance concerns, including about modern slavery. The Whistleblower Protection Process outlines how to report a business-conduct concern, what happens when a report is made, and how ASC protects the reporter. ASC does not tolerate any form of retaliation against anyone for reporting a business-conduct concern. This process is publicly available on ASC's website.

In FY 2023-24, ASC introduced a renewed and updated Whistleblower Protection Process. This included a new externally managed hotline provided by ASC's integrity partners, Core Integrity, which allows anonymous disclosure through various avenues, such as email, post office box, website, a hotline number, or a QR-code.

Performance Monitoring and Reporting

The MSWG governs the implementation of ASC's modern slavery compliance framework and monitors progress against its Modern Slavery Three-Year Risk Management Implementation Plan. The MSWG is also responsible for providing the ASC Board with progress updates on the company's modern slavery program.

Assessing Effectiveness

Continuous improvement

ASC reviews its modern slavery compliance activities and follows a continuous-improvement approach to increase the breadth and depth of modern slavery compliance activities over time. This includes:

- updating, adding to and reviewing information presented in ASC's annual Modern Slavery Statement;
- continuing the MSWG's work in helping the business prioritise modern slavery compliance activities;
- regularly measuring internal KPIs and capturing any improvement opportunities; and
- reviewing progress against the company's commitments.

As ASC evolves a global footprint, a key challenge and priority for future reporting periods will be embedding modern slavery considerations into operational planning and decision-making in an international context. ASC is currently considering the implications of the continuous improvement approach to modern slavery compliance as a global entity, ensuring that the company's practices grow commensurately robust, adaptable and effective across increasingly diverse supply chains and more complex regulatory landscapes.

Case study

In March 2024, ASC established a new Supplier Quality Assurance department to take over and expand the supplier due diligence activities that were previously handled by the company's internal audit function. For example, during a supplier quality assurance audit, ASC was made aware that a supplier did not have modern slavery considerations incorporated into its policies and procedures. ASC proactively notified the supplier and encouraged it to take appropriate steps to enhance its policies and procedures to address modern slavery risk. In FY 2024-25 ASC will continue to communicate with suppliers to ensure that the risks of modern slavery practices are considered, and assess whether any additional measures are required.

ASC's performance

ASC's Implementation Plan Tracker helps the company assess the effectiveness of its approach to addressing modern slavery risks. This is a self-assessment process through which ASC rates its progress against a range of priority activities and uses the results to identify additional continuous improvement activities.

In FY 2023-24, ASC also assessed itself against quantitative KPIs. ASC's KPI targets and status are noted below.

ASC Modern Slavery KPI	Target	Status
Reporting: Percentage of new supplier qualifications assessed against modern slavery criteria.	100%	100%
Policy and Governance: Percentage of milestones completed in accordance with Modern Slavery Three-Year Risk Management Implementation Plan.	100%	100%
Policy and Governance: Percentage of Supplier Relationship Management Plans that include consideration for modern slavery risk mitigation in supplier operations and supply chains.	100%	100%
Risk: Mitigation plans approved and implemented for suppliers identified as high-risk for modern slavery	100%	100%

Reflections and Looking Ahead: FY 2024-25

Reflections

Since launching its modern slavery program, ASC has been committed to continuous learning and program-design innovation, to mitigate and address the risks of modern slavery in its supply chain. The company is in the process of updating its Modern Slavery Roadmap, applying a careful lens to how it can further undertake continuous improvement.

Modern slavery also continues to be considered in ASC's overall Environmental, Social and Governance (ESG) approach, to ensure the business remains sustainable across all ESG objectives.

Priority noted in previous statement	What was done in this reporting period
Expanding employee awareness through increased in-house training events, and Modern Slavery Roundtable sessions.	ASC conducted training for the MSWG and started utilising the new Supply Chain Intelligence Tool for desktop assessment of high-risk suppliers.
Continuing to implement the Supply Chain Intelligence Tool to expand supply chain risk assessments beyond Tier 1 suppliers.	ASC introduced a separate Supplier Quality Assurance department to enhance and expand its supply chain due diligence practices. The department commenced supplier audit procedures, which included desktop research of suppliers utilising the Supply Chain Intelligence Tool to ensure that modern slavery considerations are included in supplier quality assurance processes.
Assessing opportunities to enhance supplier oversight and engagement by leveraging analytical capabilities in ASC's new contractor management system.	ASC continued incorporating modern slavery considerations into its supplier contract renewal process to make sure that all new contracts with existing suppliers included appropriate modern slavery clauses.
Increasing collaboration and knowledge sharing, internally and externally.	ASC enhanced its internal communications about the reporting channels for its whistleblowing system through information posters in production areas, along with external communications through the company's website.

Looking Ahead

As ASC evolves from a solely Australian entity to one with global presence, ASC is reflecting on how to effectively respond to modern slavery in its new global context. In FY 2024-25, ASC will continue to strengthen its approach to identifying, mitigating and remediating risks. Some opportunities the company is considering are:

- continuing to expand employee awareness on modern slavery risk through internal communication channels, focusing on improved accessibility of, and engagement with, educational content;
- enhancing internal collaboration through increased engagement with other operational working groups and adjusting MSWG membership as appropriate;
- conducting knowledge-building sessions to build modern slavery risk considerations into ASC's future operational planning in the context of expanded international activities; and
- revising and updating modern slavery KPIs.

Annexure

Reference	<i>Australian Modern Slavery Act 2018</i> Mandatory Reporting Requirement	Location of Information
s. 16(1)(a)	Identify the reporting entity.	Page 4 – About this Statement
s. 16(1)(b)	Describe the structure, operations, and supply chains of the reporting entity.	Page 6 – About ASC
s. 16(1)(c)	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls.	Page 9 – Modern Slavery Risks
s. 16(1)(d)	Describe the actions taken by the reporting entity, and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.	Page 13 – Modern Slavery Risk Management Implementation Plan Page 15 – Commitment and Governance Page 16 – Policies and Procedures Page 17 – Due Diligence and Risk Management
s. 16(1)(e)	Describe how the reporting entity assesses the effectiveness of such actions.	Page 19 – Performance Monitoring and Reporting
s. 16(1)(f)	Describe the process of consultation with: i) any entities that the reporting entity owns or controls; and ii) in the case of a reporting entity covered by a statement under section 14 – the entity giving the statement.	Page 4 – About this Statement
s. 16(1)(g)	Include any other information that the reporting entity, or the entity giving the statement, considers relevant.	Page 20 – Looking Ahead

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