

MODERN SLAVERY STATEMENT

One Rail Australia Holdings Limited (ACN 004 541 360)

One Rail Australia (NSW) Pty Ltd (ACN 079 546 777)

Magnetic Rail Group Pty Ltd (ACN 663 519 962)

Magnetic Infrastructure Group Pty Ltd (ACN 663 518 563)

1. Introduction

This is a joint Modern Slavery Statement (**Statement**) prepared in accordance with the *Modern Slavery Act 2018* (Cth) (the **Act**) for the following entities:

- Magnetic Infrastructure Group Pty Ltd (ACN 663 518 563) (**MIG or Magnetic Entity**),
- Magnetic Rail Group Pty Ltd (ACN 663 519 962) (**MRG or Magnetic Entity**);
- One Rail Australia Holdings Limited (ACN 004 541 360) (**One Rail Holdings**); and
- One Rail Australia (NSW) Pty Ltd (ACN 079 546 777) (**One Rail NSW**),

each, a **Reporting Entity** and together the **Reporting Entities**.¹ In this Statement, we report on the actions taken to identify, assess and address the risks of modern slavery in our supply chains and operations (including those entities which we own and control).

One Rail opposes slavery in all its forms. Our efforts to identify, address and minimise the risk of modern slavery in our operations and supply chains are part of a yearly evaluation and improvement cycle and are linked to our governance and operating frameworks.

Change in Reporting Period

Following the acquisition of the One Rail business by MRG from Aurizon which completed on 17 February 2023, the One Rail Entities aligned their accounting periods to the Magnetic Entities' accounting period, being calendar year (ie, from 1 January to 31 December). As a result of this alignment process, the current accounting period for the One Rail Entities is now from 1 July 2023 to 31 December 2024 (a period of 18 months).

Consistent with the purpose of the Act to align the modern slavery reporting obligation to other reporting obligations, the Reporting Entities submit a modern slavery statement in accordance with the Act that covers an 18 month period from 1 July 2023 to 31 December 2024 (**Reporting Period**). Subsequent Reporting Periods will be of 12 months' duration and conclude on 31 December.

This modern slavery statement will cover the Reporting Period from 1 July 2023 to 31 December 2024.

Purpose of this Statement

The purpose of this Statement is to outline the actions One Rail has taken during the Reporting Period to identify, assess and address the modern slavery risks within its business operations and supply chains, and how the Reporting Entities plan to continue improving their frameworks and processes to maintain responsible and transparent supply chains.

One Rail's values drive us to focus on how we can play a role in reducing the risks of modern slavery in Australia and its broader supply chains.

One Rail's corporate values were refreshed during the Reporting Period. One Rail's corporate values are now:

- **SAFETY & SUSTAINABILITY** – We are dedicated to prioritising the health, safety and well-being of our people while incorporating sustainable business practices into our operations.

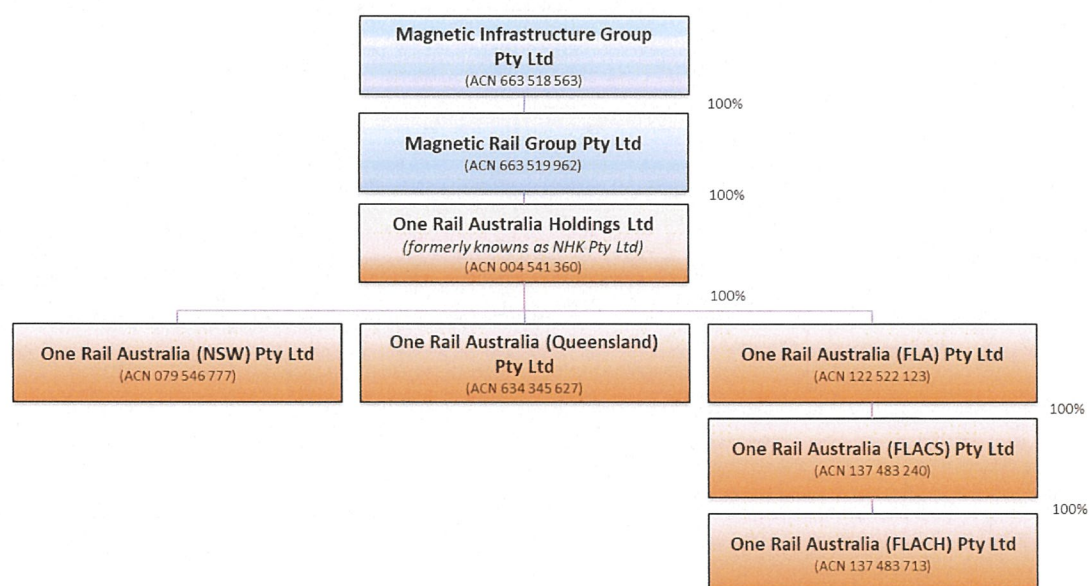
¹ In this Statement, the collective expressions "we", "us", "our", "ourselves", "the company", "the Group", and "One Rail" are used where reference is made, in general, to the Reporting Entities and any entities which they own or control. Save where explicitly identified below, One Rail operates using group-wide policies and procedures to assess and address modern slavery risk. The use of those terms is for convenience only and are not intended to convey how One Rail is structured, managed or controlled. Neither MRG nor MIG have any operations outside of the One Rail business, therefore their operations, supply chain, and actions taken to identify, address and assess modern slavery are the same as those for One Rail.

- **ONE TEAM** – We work as One Team to get the best outcomes for our customers.
- **DELIVER** – We are passionate about our business, and relentlessly deliver on our commitments everyday.
- **GENUINE** – We genuinely care about our people and our communities, and have the courage to do what is right.
- **INNOVATE** – We challenge the status quo and strive to continuously innovate and improve.

2. Our structure, operations and supply chain

Our structure

One Rail's corporate structure as at 31 December 2024 is depicted below²:



During the Reporting Period, One Rail's governance, policies, procedures and systems, including those relating to risk management, procurement, and human resources, applied to all entities in the One Rail group.

Our operations

One Rail is a leading rail haulage provider involved in the haulage of commodities operating in the Hunter Valley Coal Chain Network in New South Wales and the Central Queensland Coal Network in Queensland.

One Rail has a number of train sets (which are made up of locomotives and adjoining wagons) servicing mines in Queensland and the Hunter Valley. It has a number of train crew depots and maintenance facilities across Queensland and the Hunter Valley supporting its coal haulage operations.

On average, One Rail transports over 52,000,000 tonnes of bulk commodity annually. During the Reporting Period, One Rail's NSW operations represented the majority of its operational revenue, with the remaining 13% derived from its Queensland operations.

One Rail employed 313 personnel during the Reporting Period. Employment conditions of the operations workforce in the entities One Rail Australia (FLACH) Pty Ltd, One Rail Australia (NSW) Pty Ltd and One Rail Australia (Queensland) Pty Ltd are regulated by enterprise agreements.

One Rail's head office is located in North Sydney, NSW and provides administrative, commercial, human resources, procurement, legal, IT and other ancillary services to One Rail's operations across all of its business.

One Rail does not undertake any manufacturing activity in the delivery of its services.

² Blue shaded boxes depict corporate holding entities MIG and MRG that acquired One Rail Holdings and its subsidiaries in February 2023. Orange shaded boxes depict the One Rail group being One Rail Australia Holdings and its subsidiaries, including the Reporting Entity, One Rail Australia (NSW) Pty Ltd.

Our supply chains

One Rail relies on the products and services of different suppliers and had approximately 300 operationally active suppliers, of which approximately 95% are located in Australia, during the Reporting Period.

The main categories of goods and services which One Rail procures are as follows:

- **Locomotives, rollingstock and spare parts:** One Rail procures its locomotives from a company in the United States and its rollingstock and related parts from China.
- **Rotable components and equipment:** Overhaul/refurbishment of locomotive, wagon and other specialist plant and machinery components and wheel maintenance services. These services are outsourced to third party providers in Australia in the areas where One Rail operates.
- **Labour:** One Rail uses labour-hire providers periodically to deal with shortfalls in the supply of labour and for the maintenance of wagons and locomotives. All labour hire personnel are highly skilled in the driving and maintaining of wagons and locomotives. All labour-hire providers are located in Australia in the areas in which One Rail operates. One Rail also expects that they have a compliant Enterprise Agreement or industrial agreements that comply with the provisions of the *Fair Work Act 2009* (Cth) and other relevant legislative instruments. One Rail Enterprise Agreements require labour hire to be engaged at the same classifications as contained within the respective One Rail classification structures to ensure compliance with the relevant Modern Award.
- **Cleaning and facility management:** One Rail engages various contractors to provide cleaning and maintenance services to its offices and depot facilities in NSW and in Queensland.
- **Accommodation:** One Rail procures overnight accommodation for train crew in accordance with the specific provisions contained within the respective One Rail Australia Enterprise Bargaining Agreements.
- **Maintenance:** One Rail engages third party providers for some of its locomotive and wagon maintenance. These providers are located in Australia in the areas in which One Rail operates.
- **IT equipment / services:** Licenses and support for core systems are placed through domestic providers.
- **Fuel:** Supply arrangements are in place with fuel providers in NSW and QLD. Approximately 50% of One Rail's operating expenditure is placed with two fuel suppliers.
- **Security:** One Rail procures nightly patrols at some locations whilst others are covered by surveillance cameras.

Where possible, each One Rail group entity sources its suppliers locally according to where it is located in Australia (see corporate structure diagram above), with oversight from One Rail's procurement department and in compliance with procurement policy, procedures and processes.

3. Assessing modern slavery risks in One Rail's operations and supply chains

One Rail's number one priority is the safety of its employees, the people with whom we work and the communities we serve. As a rail freight industry provider, we recognise the risk that we could contribute, or be directly linked, to modern slavery practices through our operations and supply chains.

One Rail has confirmed its operations and supply chains to identify its connection with jurisdictions and industries which may be at higher risk of modern slavery. Within the following categories of high-risk jurisdictions and high-risk industries, we have identified where there may be areas of modern slavery risk which may arise in One Rail's business.

High risk jurisdictions

One Rail acknowledges that risks of modern slavery are predominantly associated with suppliers who operate in countries where there is a high volume of foreign/migrant labour and fewer legal protections for workers. These situations may render workers within the supply chain susceptible to debt bondage, forced labour, human trafficking, and other modern slavery conditions. Through discussions with overseas suppliers, One Rail aims to improve modern slavery awareness and reiterate contractual compliance obligations regarding modern slavery risk.

Although the majority of One Rail's suppliers are located in Australia, it has suppliers based in China who provide rollingstock assets (wagons) and spare wagon components. These suppliers present the most significant risk of

modern slavery in One Rail's supply chain, given the public allegations of modern slavery violations by Chinese suppliers that manufacture and supply rolling stock and associated components to the Australian market. One Rail does not procure on a regular or rolling basis, assets from its Chinese suppliers. Nonetheless, One Rail has engaged with its Chinese suppliers on their modern slavery risk management practices and compliance with modern slavery laws. These providers have communicated their corporate policies, including on modern slavery, when requested.

High risk industries

As noted above, a key category of procurement for One Rail is cleaning and facility services for its workshop and maintenance facilities in North Queensland and Newcastle, as well as its corporate office in North Sydney. One Rail understands that cleaning contractors and their subcontractors have inherent risks of modern slavery due to the high-risk nature of the industry and its predominate workforce (i.e., majority foreign or low-skilled workers).

However, One Rail considers that its modern slavery risk exposure in respect of this factor is lowered through the following risk mitigation measures:

- Other than at its corporate office, One Rail directly manages all facility and cleaning services provided at its other premises. This allows One Rail to have complete control over contractor engagement and visibility, ensuring the highest level of safe working conditions by observing all statutory and regulatory obligations for employee rights and entitlements.
- One Rail requires that its suppliers, particularly those engaged to perform cleaning and workshop tasks, follow its purchase order terms and conditions which impose terms and conditions and/or completion of modern slavery questionnaires periodically.

4. Addressing One Rail's modern slavery risks

One Rail completed the following actions to address its modern slavery risks during the Reporting Period.

1. Policies and procedures

One Rail has formal policies and procedures in place to promote ethical, open and transparent business practices for our employees and supply chains. Applicable to all One Rail employees, these policies contributed towards our commitment to the prevention of human rights violations, including, but not limited to, forms of modern slavery. These policies include Modern Slavery, Whistleblower, Code of Conduct and Workplace Health and Safety Policies, all of which were in place during the whole of the Reporting Period.

One Rail's Modern Slavery Policy seeks to address the modern slavery risks present in One Rail's operations and supply chain by establishing One Rail's approach and planned actions in respect of modern slavery, including the requirement that One Rail employees and contractors engage with One Rail's Modern Slavery Procedure. The Modern Slavery Procedure provides context on the impact of modern slavery and unethical behaviour. Employees are trained in accordance with the Modern Slavery Procedure to be vigilant to the signs and dangers of modern slavery, and to speak up through One Rail's Whistleblower procedure.

2. Standard supplier terms

One Rail also has a modern slavery clause in its standard supplier Terms and Conditions which can be found on its website. The clause requires that each supplier agrees:

- not to engage in modern slavery practice and to comply with all applicable legislation relating to modern slavery;
- to take reasonable steps to satisfy itself that its operations and supply chains do not involve modern slavery practices; and
- to notify One Rail in the event that it becomes aware of any incident, complaint or allegation that it, or any entity in its supply chain, has engaged in modern slavery.

3. Supplier questionnaire

One Rail issues modern slavery questionnaires to all new suppliers. New suppliers are asked to voluntarily provide information about what they are doing to address modern slavery risks. The questionnaire asks, amongst other things, the supplier to provide information on the origin of goods and services sold to One Rail and any policies/procedures in place by the supplier to identify and address modern slavery risk in their own supply

chains. The questionnaire is reviewed by the procurement department and suppliers are contacted if there are follow up questions or clarifications.

4. Due diligence through technological solutions

During the Reporting Period, One Rail explored technology providers and their technological solutions to help assess social risks (labour protection, gender inequality, vulnerability, etc) and governance risks (business rights, democratic life, security, etc) across its active operational supplier base. Following an assessment of proposals, a supplier was selected and contracted to work collaboratively with One Rail using a proprietary risk assessment methodology tool to undertake a desktop analysis of all active suppliers. The proprietary methodology takes into consideration the supplier's geographic location, its activity/industry sector and other human rights risk factors.

5. Procurement workshops and collaboration

One Rail sought to conduct a collaboration workshop between One Rail's procurement team and employees actively procuring goods and services to reinforce modern slavery awareness. The workshop was subsequently paused (and will be revisited in future reporting periods) and the focus shifting to exploring technological solutions to undertake a desktop analysis of One Rail's active supplier base as described in point above. These One Rail employees were still required to undertake the modern slavery training discussed under heading "Policies and procedures" above.

5. Commitments for the next reporting period (1 January 2025 to 31 December 2025)

One Rail is committed to continuing to progress with exploring an assessment of its active supplier base using the proprietary risk assessment tool as selected in the Reporting Period. Takeaways from the exercise aim to analyse, understand and assess the overall level of modern slavery risk in One Rail's operations along with flagging and understanding suppliers with elevated risk and what safeguards or additional actions One Rail has in place to mitigate supplier specific risks.

6. Effectiveness of actions to address modern slavery risks

One Rail will continue to track and monitor the effectiveness of the measures it has introduced to assess and address its modern slavery risk on a continual assessment based on:

1. Monitoring

One Rail will continue to track and monitor the effectiveness of how new suppliers respond to its attempts to gain assurance and investigate modern slavery risks. For the Reporting Period, One Rail undertook an in depth review to measure the effectiveness of the modern slavery questionnaire issued to new suppliers. For the 18 months Reporting Period to 31 December 2024, 90% of new suppliers complied and completed One Rail's modern slavery questionnaire. For the remaining 10% of new suppliers, the modern slavery questionnaire was either partially completed, not completed at all or replaced with the supplier's own modern slavery material instead. For all new suppliers during the Reporting Period, the content and quality of each supplier's response was assessed by the procurement department and no threats identified. Overall, the questionnaire is effective, and One Rail will continue to update the format for best practice and continue using it as a tool for assessing the risk of modern slavery in its supply chains.

2. Working with suppliers

One Rail will continue to engage in verbal dialogue with a selection of suppliers as potentially having higher risk on an annual basis around modern slavery to gain a better understanding of how modern slavery risk may be present in their operations and supply chains. For example, during the Reporting Period the procurement team interviewed a parts distributor it sources railway components from and learned that the vast majority of components it distributes to One Rail are sourced from the USA and not from China and it possessed processes to assess modern slavery risk in its own supply chains. Overall, the increased engagement with suppliers on an annual basis has proved to be positive and informative in understanding secondary supply chains and no instances of modern slavery were identified.

As part of this process, One Rail will continue to develop, mature and add additional criteria to measure effectiveness of actions it has taken in future reporting periods.

7. Process of consultation with entities owned or controlled by reporting entity

During the Reporting Period, we actively engaged and consulted with the One Rail Group entities covered by this statement (and the entities which those Reporting Entities own and control), discussed the requirements of the mandatory reporting criteria under the Act and the actions One Rail intends to take to improve its modern slavery governance during the next reporting period. Senior management and employees in the human resources and procurement departments of One Rail Holdings are responsible for the oversight of the modern slavery governance program applicable to the entire One Rail business provided inputs relevant to each of the mandatory reporting criteria under the Act. These inputs were reviewed by the common directors of the One Rail Holdings, One Rail NSW and the entities which they own and control, in consultation with the directors of MIG and MRG, and incorporated into this statement.

8. Approval of statement

This statement was approved by the Board of Directors as the principal governing body of One Rail Australia Holdings Limited (as one of the Reporting Entities covered by the statement for the purposes of section 14(2)(d)(iii) of the Act).

As noted above, MRG and MIG do not have any outward facing operations or undertake any significant external procurement beyond the One Rail business and One Rail Australia (NSW) Pty Ltd is a wholly owned subsidiary of One Rail Australia Holdings Limited with a number of common directors.

Date: 28 MARCH 2025.



John McArthur
Managing Director and Chief Executive Officer
One Rail Australia Holdings Limited