

One Rail

JOINT MODERN SLAVERY STATEMENT

Aurizon Bulk Central Holdings LP (formerly One Rail Australia Holdings LP)
Aurizon Bulk Central Holdings Pty Ltd (formerly One Rail Australia Holdings Pty Ltd) (ACN 132 989 998)
Aurizon Bulk Central Finance Pty Ltd (formerly One Rail Australia Finance Pty Ltd) (ACN 615 317 130)
Aurizon Bulk Central (SA Holdings) Pty Ltd (formerly One Rail Australia (SA Holdings) Pty Ltd) (ACN 094 819 806)
Aurizon Bulk Central Network Pty Ltd (formerly One Rail Australia (North) Pty Ltd) (ACN 144 081 774)
Aurizon Bulk Central Pty Ltd (formerly One Rail Australia Pty Ltd) (ACN 079 444 296)
One Rail Australia (NSW) Pty Ltd (ACN 079 546 777)

Reporting Period: 1 July 2021 to 30 June 2022

This statement is the Modern Slavery Statement (**Statement**) pursuant to the *Modern Slavery Act 2018* (Cth) (the **Act**) for the following entities:

- **One Rail Bulk:**
 - Aurizon Bulk Central Holdings LP (formerly One Rail Australia Holdings LP)
 - Aurizon Bulk Central Holdings Pty Ltd (formerly One Rail Australia Holdings Pty Ltd) (ACN 132 989 998)
 - Aurizon Bulk Central Finance Pty Ltd (formerly One Rail Australia Finance Pty Ltd) (ACN 615 317 130)
 - Aurizon Bulk Central (SA Holdings) Pty Ltd (formerly One Rail Australia (SA Holdings) Pty Ltd) (ACN 094 819 806)
 - Aurizon Bulk Central Network Pty Ltd (formerly One Rail Australia (North) Pty Ltd) (ACN 144 081 774)
 - Aurizon Bulk Central Pty Ltd (formerly One Rail Australia Pty Ltd) (ACN 079 444 296)
- **One Rail Australia** (previously referred to as East Coast Rail):
 - One Rail Australia (NSW) Pty Ltd (ACN 079 546 777)

each, a **Reporting Entity**, and together, the **Reporting Entities**.

The Statement has been approved by each of the boards of Aurizon Holdings Limited and One Rail Australia Holdings Limited (**the Boards**), prepared on behalf of the Reporting Entities, and each of the entities that the Reporting Entities collectively wholly own or control as at 30 June 2022 (**Controlled Entity**), as identified in the appendix to this Statement, (collectively, **One Rail**).

Acquisition of One Rail

On 29 July 2022, Aurizon acquired One Rail, with a view to integrating One Rail Bulk into Aurizon's above and below rail businesses, and divesting One Rail Australia in accordance with the terms of an enforceable undertaking given by Aurizon to the Australian Competition and Consumer Commission (**ACCC**), under section 87B of the *Competition and Consumer Act 2010* (Cth) (**Undertaking**). As a result of the Undertaking, Aurizon Holdings Limited is now the principal governing body of the One Rail Bulk Reporting Entities (and associated Controlled Entities), and One Rail Australia Holdings Limited is the principal governing body of the One Rail Australia Reporting Entities (and associated Controlled Entities), with oversight of the One Rail Australia entities provided by an independent manager approved by the ACCC.

Because Aurizon did not acquire One Rail until after the reporting period of this Statement, the Boards did not oversee the actions of One Rail as at 30 June 2022, but are now responsible for the approval of this Statement as the current principal governing bodies. As such, and to the extent practicable, relevant One Rail Bulk and One

Rail Australia officers for the reporting period have been consulted in the preparation of this Statement, which remains a snapshot of One Rail's structure, operations and supply chain as at 30 June 2022 (unless stated otherwise).

As Aurizon's divestment of One Rail Australia will take place during FY2023, the One Rail Bulk Reporting Entities will be included in Aurizon's FY2023 modern slavery statement. The One Rail Australia Reporting Entities will issue a separate modern slavery statement for the FY2023 reporting period.

Purpose of this Statement

The purpose of this Statement is to outline the actions One Rail has taken during the reporting period to assess and address modern slavery (as defined within the Act) risks within its business operations and supply chains, and how the Reporting Entities plan to continue to improve their frameworks and processes to maintain responsible and transparent supply chains within the new ownership framework. During FY2022, One Rail's governance, policies, procedures and systems, including those relating to risk management, procurement, and human resources, covered each of the Reporting Entities and the Controlled Entities in the same manner.

Our structure

Since its inception in 1997, One Rail had grown to become a leading national rail-based freight and logistics company with a team of over 700 people, moving over 62 million tonnes of freight annually across Australia, specialising in intermodal transport, coal haulage services, bulk haulage services, and rail infrastructure and access. The appendix to this Statement contains a chart identifying One Rail's corporate structure as at 30 June 2022, the entities owned or controlled by the Reporting Entities, and the principal location of operations of each entity. The Reporting Entities did not own or control any entities other than those identified in the appendix.

As noted above, One Rail's governance, policies, procedures and systems, including those relating to risk management, procurement, and human resources, cover each of the Reporting Entities and the Controlled Entities in the same manner. One Rail Australia Holdings LP generally controlled the entities, with each individual entity in each state being subject to this central control (with relevant employees sitting in an alternate entity, as identified below). The directors of each of the Reporting Entities and the Controlled Entities below One Rail Australia Holdings LP were on the board of the sole general partner of the partnership, which was the principal governing body responsible for the management of One Rail Australia Holdings LP (now the Aurizon Bulk Central Holdings LP). It is noted that senior management and employees in the Human Resources and Procurement departments of One Rail Australia Pty Ltd or One Rail Australia (North) Pty Ltd were responsible for the oversight (within the parameters of their respective responsibilities) of the entire One Rail business, including One Rail Australia.

Our operations

In FY2022, One Rail's head office was in Adelaide, South Australia, with operations across central, northern and eastern Australia, including in NSW, QLD, SA and the NT. The principal place of operations of each Reporting Entity and the Controlled Entities that have operations, as at 30 June 2022, is identified in the appendix.

One Rail entities managed and operated the standard gauge Tarcoola-Darwin Railway as well as several regional railway lines across SA, providing rail infrastructure access to third parties and rail-based logistics services including:

- an intermodal service along the Adelaide-to-Darwin corridor providing a logistics lifeline to the Northern Territory
- containerised and bulk haulage of export commodities, such as grain and minerals
- haulage of export thermal and metallurgical coal from the NSW Hunter Valley and Central Queensland Coal Networks.

One Rail's Hunter Valley operations represented approximately 46% of One Rail's operational revenue for FY2022. The remaining 54% of One Rail's operational revenue derived from rail infrastructure access and rail

freight haulage of bulk minerals, agricultural produce and general community supplies between South Australia and the Northern Territory, and coal in Queensland.

Our supply chains

To deliver its services, One Rail has relied on the products and services of many different suppliers.

During FY2022, One Rail had approximately 1,200 active suppliers, mainly located in Australia. One Rail also engaged approximately 30 active Tier 2 suppliers, including manufacturers of components and parts of locomotives and wagons, contractors to maintain and upgrade One Rail's network, and engineering consultants. International Tier 1 and Tier 2 suppliers include those located in the USA and China. Tier 1 suppliers comprise approximately less than 10 of One Rail's active suppliers with spend over \$1 million.

The locomotives, wagons and other specialist plant/machinery required to deliver One Rail's services, and the componentry used for repairs, are supplied and assembled through Tier 1 and Tier 2 suppliers primarily based throughout Australia, the USA, and the Sichuan and Heilongjiang provinces of China.

Locally, One Rail has engaged suppliers and subcontractors to provide labour resources throughout its business. The type of services required for offices and depot facilities include general cleaning and maintenance. One Rail has also contracted temporary, short-term labour to assist in other areas of operations, such as repairs, maintenance and upgrades to plant and equipment and track infrastructure. In such instances, each Reporting Entity and Controlled Entity that carries on operations sources suppliers in the geographical location in which that entity operates, as identified in the appendix.

One Rail has not manufactured anything in the delivery and/or development of its services.

Potential risks in operations and supply chains

One Rail's number one priority is the safety of employees, the people we work with and the communities we serve. As a rail freight industry provider, we recognise the risk that we could contribute to, or be directly linked to, modern slavery practices through supply chains. Of the countries in which One Rail's supply chain partners are located, China is scored highest for modern slavery risk, according to the Global Slavery Index. Consequently, One Rail has actively sought to address this supply chain risk as part of its continuing commitments to ongoing surveillance, media monitoring and supplier engagement. We discuss these risks in detail below.

Within One Rail's supply chain, the risks of modern slavery have been predominantly associated with suppliers who operate in countries where there is a high volume of foreign/migrant labour and less legal protection for workers. These situations may render supply chain workers susceptible to debt bondage, forced labour, human trafficking, and other slavery-like practices. Specifically, One Rail had external suppliers based in China who provide rolling stock assets (wagons). These suppliers present the most significant risk of modern slavery, given their geographical location and the industry in which they operate.

Other risks may arise where suppliers source parts or components from sub-component supply chains (Tier 2 suppliers). This prominence of sub-component supply contributes to an increase in uncertainty surrounding the risks of modern slavery that exist within the supply chain, and it poses a significant challenge to assessing and responding to those risks. Another risk is the potential hesitancy of those suppliers to allow customers to investigate their supply chain for that customer to identify its Tier 2 supply chain in greater detail.

Within Australia in FY2022, One Rail had 15 maintenance facilities and four terminals. By owning and operating freight logistics operations, One Rail maintained direct and full control, and has ensured the highest level of safe working conditions by observing all statutory and regulatory obligations for employee rights and entitlements. An additional risk within supply chains in Australia is associated with sourcing suppliers in industries that have a higher degree of potential exposure to Modern Slavery (e.g. cleaning contractors and their subcontractors).

Assessing and addressing the risk of modern slavery practices

In FY2022, One Rail had formal policies and procedures in place to promote ethical, open and transparent business practice for our employees and supply chains. Applicable to One Rail and all its 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.

These policies have guided decisions and practices about workplace standards and labour practices by introducing risk control measures, such as Whistleblower Protection and tools to monitor work by suppliers directly engaged by One Rail. These policies have also guided the way in which One Rail employees engage and work with Tier 1 suppliers and provided processes to address issues that may relate to human rights or related concerns.

In the reporting period 1 July 2021 to 30 June 2022, One Rail developed and implemented initiatives to assess and address the risk of modern slavery practices within its supply chain:

1. A supplier pre-qualification questionnaire

One Rail developed a supplier pre-qualification questionnaire about modern slavery risk for use in the One Rail supplier on-boarding assessment process and distributed that questionnaire to all new suppliers. The pre-qualification questionnaire enables new suppliers to provide certain information about their supply chains and those of their suppliers. This allowed One Rail to assess each supplier's modern slavery maturity, and any potential risks by reference to the content and quality of each supplier's response.

2. Updated purchase order terms and conditions

One Rail produced and published an updated version of its purchase order terms and conditions, which now include a modern slavery clause that suppliers comply with the requirements of the *Modern Slavery Act 2018* and other applicable modern slavery legislation. In standard form, the updated purchase order terms also require the supplier to provide notice to One Rail of any incidents, complaints or allegations that it, or any entity in its supply chain, has engaged in modern slavery in the execution of its services or supply of goods.

3. Media monitoring

One Rail established an internal media monitoring process to maintain awareness of modern slavery occurrences and human rights breaches, in particular, in relation to One Rail's existing and potential suppliers. This monitoring by One Rail's Procurement team guided the overall quality of its modern slavery response.

4. Ongoing surveillance

One Rail assessed its domestic suppliers to identify any modern slavery risks. Throughout this process, no threats of modern slavery were identified in this reporting period.

5. Dialogue with suppliers with higher modern slavery risk

During this reporting period, One Rail identified two suppliers associated with elevated modern slavery risk. Through dialogue with those suppliers, we sought to understand how they identified and monitored modern slavery risk within critical sub-component supply chains. This process helped increase our level of assurance that the risk of modern slavery in those supply chains is being minimised. We also asked how these suppliers measure the effectiveness of procedures designed to mitigate modern slavery risk. Throughout this engagement process, One Rail committed to engage these suppliers each year in a broad discussion about modern slavery risk.

Process of consultation with entities owned or controlled by reporting entity

One Rail senior management and employees in the Human Resources and Procurement departments have been consulted with and are informed about modern slavery obligations. As identified above, these employees have been responsible for oversight in their respective areas of responsibility for all the Reporting Entities and Controlled Entities in the One Rail business. This consultation has been considered in preparing this Statement and has been confirmed with the respective Boards.

As stated above, One Rail's governance, policies, procedures and systems, including those relating to risk management, procurement, and human resources, applied to each of the Reporting Entities and the Controlled Entities in the same manner in FY2022.

Commitments for the next reporting period (1 July 2022 to 30 June 2023)

Modern slavery commitments for the FY2023 reporting period for the One Rail Bulk Reporting Entities and One Rail Australia Reporting Entities have been determined in line with the respective governance structures of those entities described above.

One Rail Bulk

The One Rail Bulk Reporting Entities will be integrated into Aurizon's Modern Slavery Framework and therefore have committed to the following priorities for FY2023, consistent with Aurizon's modern slavery commitments for FY2023:

1. Governance and due diligence

- Assimilate One Rail Bulk entities into Aurizon's Modern Slavery Framework
- Continue to improve Aurizon's governance framework and associated resources
- Assimilate into Aurizon's three-year Modern Slavery Risk Plan (FY2024-FY2026)

2. Our operations

- Increase cross-company engagement
- Adopt Aurizon's refreshed modern slavery maturity SAQ

3. Our supply chain

- Seek formal acknowledgment by One Rail Bulk entities of Aurizon's Supplier Code of Conduct and supplier awareness of modern slavery
- Identify, assess, and start to address (where applicable) risks identified in prioritised FY2023 suppliers
- Develop processes to ensure the integrity of Aurizon's modern slavery technology data.

One Rail Australia

Because the One Rail Australia Reporting Entities are governed separately from, and will be divested by, Aurizon in accordance with the requirements of the Undertaking, the One Rail Australia Reporting Entities will not be integrated into Aurizon's Modern Slavery Framework.

The Board of One Rail Australia Holdings Limited, in consultation with the independent manager, have committed to the following priorities for FY2023, with a view to the anticipated divestment of the One Rail Australia Reporting Entities in FY2023:

1. Governance and due diligence

- Scope out a One Rail modern slavery framework
- Refresh policy, procedures and risk assessment templates for identifying modern slavery risks

2. Our operations

- Provide refresher training and awareness sessions to the new executive team on the requirements and obligations of the Act
- Refresh and provide detailed training and awareness sessions to employees who are involved with, or responsible for, the supply chain function and supporting processes

3. Our supply chain

- Improve and update procurement procedures and conditions within goods and services contracts to address modern slavery risks
- Issue modern slavery questionnaire to selected suppliers.

Measuring effectiveness of actions taken

One Rail has continued to monitor the effectiveness of the measures it has introduced to assess and address its modern slavery risk, including by:

1. Tracking supplier compliance and feedback

During FY2022, One Rail has continued to track and monitor how new suppliers respond to requests to gain assurance and investigate modern slavery risk.

2. Monitoring supply chain risk

At least once a year, One Rail has also asked personnel responsible for purchasing within the organisation whether there are any changes in risk of modern slavery in the operations or supply chains they manage that have not been identified and disclosed in the previous reporting period. For the reporting period ending 30 June 2022, no new instances of modern slavery risk were signalled by key purchasing personnel.

One Rail has otherwise measured its effectiveness through achievement of its objectives for FY2022, namely through the development of supplier pre-qualification questionnaires, continuous media monitoring, and ongoing surveillance. These measures provide One Rail with an informed understanding of the adequacy of its own modern slavery response as well as those of comparative industry reporting entities.

Authority of statement

This joint statement was approved by:

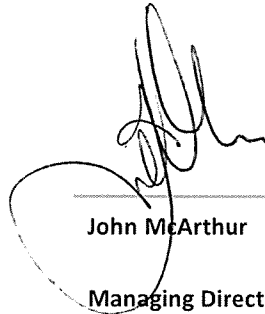
- the Board of Directors of Aurizon Holdings Limited, which is the principal governing body responsible for the management of the One Rail Bulk Reporting Entities and Controlled Entities
- the Board of Directors of One Rail Australia Holdings Limited, which is the principal governing body responsible for the management of the One Rail Australia Reporting Entities and Controlled Entities

December 2022



Andrew Harding

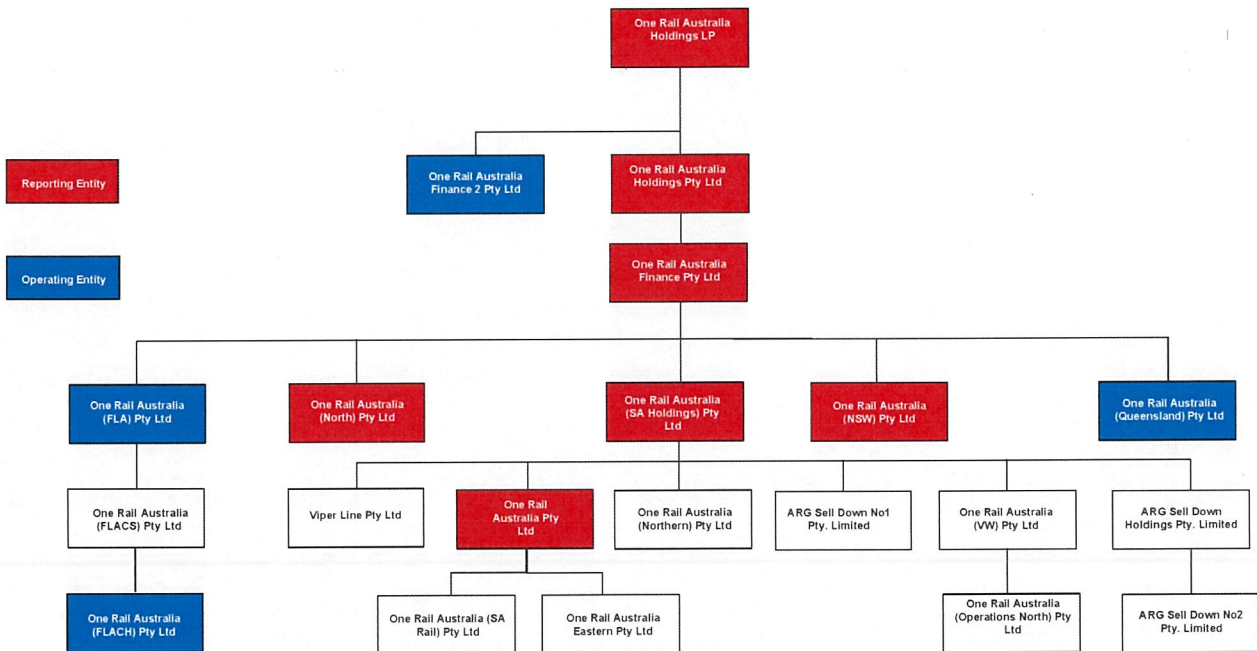
**Managing Director & Chief Executive Officer,
Aurizon**



John McArthur

**Managing Director & Chief Executive Officer,
One Rail Australia**

Appendix
One Rail group structure as at 30 June 2022



Unless stated otherwise, ownership is 100%

Principal Place of Business

One Rail Australia Holdings LP	Principal location of business: SA, NT, NSW, QLD (indirectly)
One Rail Australia Holdings Pty Ltd	Principal location of business: SA, NT, NSW, QLD (indirectly)
One Rail Australia Finance Pty Ltd	Principal location of business: SA, NT, NSW, QLD (indirectly)
One Rail Australia (SA Holdings) Pty Ltd	Principal location of business: SA, NT
One Rail Australia (NSW) Pty Ltd	Principal location of business: NSW
One Rail Australia Pty Ltd	Principal place of business: SA, NT
One Rail Australia (North) Pty Ltd	Principal place of business: SA, NT
One Rail Australia Finance 2 Pty Ltd	Principal place of business: SA
One Rail Australia (Queensland) Pty Ltd	Principal place of business: QLD
One Rail Australia (FL4) Pty Ltd	Principal place of business: NSW
One Rail Australia (FLACH) Pty Ltd	Principal place of business: NSW
One Rail Australia (FLACS) Pty Ltd	Principal place of business: NSW
Viper Line Pty Ltd	Principal place of business: SA
One Rail Australia (SA Rail) Pty Ltd	Principal place of business: SA, NT
One Rail Australia (Northern) Pty Ltd	Principal place of business: SA
ARG Sell Down No1 Pty Limited	Principal place of business: SA
One Rail Australia (VWV) Pty Ltd	Principal place of business: SA
One Rail Australia (Operations North) Pty Ltd	Principal place of business: SA
ARG Sell Down Holdings Pty Limited	Principal place of business: SA
ARG Sell Down No2 Pty Limited	Principal place of business: SA

