

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**),
- Magnetic Rail Group Pty Ltd (ACN 663 519 962) (**MRG**);
- One Rail Australia Holdings Limited (ACN 004 541 360) (formerly NHK Pty Ltd) (**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). The Statement covers the period of 1 July 2022 to 30 June 2023 (**Reporting Period**).

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.

Acquisition by Magnetic Infrastructure Group

On 29 July 2022, Aurizon Holdings Limited (ACN 146 335 622) (**Aurizon**) acquired the One Rail Australia Holdings Ltd LP business which comprised:

- an intermodal and bulk rail haulage services business in South Australia and the Northern Territory, which operates and is the economic owner of 2,460 kilometres of rail infrastructure, including the 2,245-kilometre Tarcoola-to-Darwin railway line, connecting resources and agricultural commodities regions with Darwin, the closest port to Asia (**One Rail Bulk**); and
- a rail-based logistics business operating in the Hunter Valley in New South Wales and the Goonyella system in the Central Queensland Coal Network, which principally hauls export coal volumes and also a minor amount of domestic coal (**East Coast Rail** or **One Rail**).

The operations of the East Coast Rail business functioned largely as a standalone regionalised operating unit prior to the acquisition by Aurizon, with all operating assets, customers, a majority of contracts and operating locations functioning separately from the One Rail Bulk business also operated by One Rail Australia Holdings Ltd LP.

The ACCC approved the acquisition subject to Aurizon agreeing to divest the East Coast Rail business through either a demerger or a sale to a third party.

On 16 December 2022, Aurizon and MRG entered into a share sale and purchase agreement for MRG to acquire 100% of the shares in One Rail. MRG is a wholly owned subsidiary of MIG, an incorporated joint venture owned by M Infrastructure Group Pty Ltd and PT Asian Bulk Logistics. Completion occurred on 17 February 2023, at which point the ultimate parent entity of One Rail became MIG.

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. These are described in further detail below.

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 within the new ownership framework.

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.

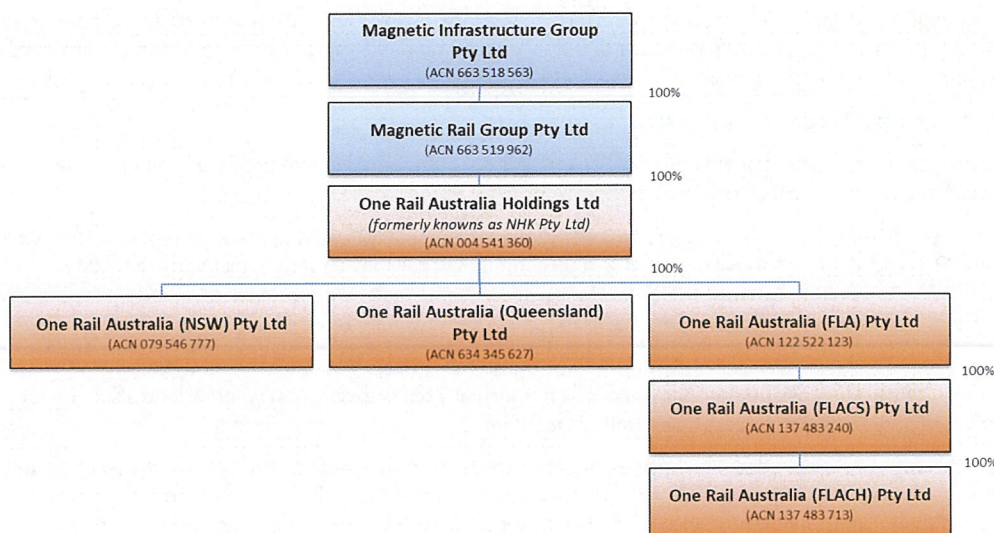
One Rail’s values are:

- SAFETY – We are committed to zero injuries to all people
- ONE TEAM – We work as one to get the best outcomes for our customers
- DELIVER – We focus on delivering on our commitments everyday
- GENUINE – We genuinely care and have the courage to do what’s right
- ASPIRE – We challenge and innovate to be the best that we can be

2. Our structure, operations and supply chain

Our structure

One Rail’s corporate structure as at 30 June 2023 is depicted below:



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 50,000,000 tonnes of bulk commodity annually. During the Reporting Period, One Rail's NSW operations represented the majority of its operational revenue, with the remaining 10% derived from its Queensland operations. One Rail employed 285 personnel during the Reporting Period.

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.

Our supply chains

One Rail relies on the products and services of different suppliers and had approximately 250 active suppliers, mainly 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 provides 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.
- **Security:** One Rail provides 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 undertaken a preliminary analysis of 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. Given the nature of rollingstock and that 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 practice 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 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.

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.

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

1. Developed a modern slavery framework

One Rail developed a modern slavery framework map under the new corporate ownership structure in collaboration with One Rail Human Resources, Legal and Procurement departments.

2. Refresher modern slavery training for responsible staff members

One Rail conducted refresher training in June 2023 for all employees at a corporate level, including the Executive Leadership Team, the senior operational leaders in Newcastle and North Queensland and all of our Commercial and Procurement teams and those in operations who are actively procuring goods and services. The training covered One Rail's modern slavery risks and provided staff with tools to better address these risks, including through conducting due diligence on One Rail's suppliers. The aim of the training was to improve staff awareness of modern slavery, modern slavery reporting and encourage a practical discussion on identifying modern slavery risks within One Rail's supply chain.

3. Conducting due diligence on select suppliers

One Rail issued a modern slavery questionnaire to a select group of its key suppliers. These suppliers were selected following a desk-top assessment of modern slavery risks across One Rail's active supplier base, conducted by the accounts payable and procurement department.

The modern slavery questionnaire asked suppliers to provide certain information regarding their supply chains to assess the risk of modern slavery under the Act, including a description of suppliers' policies and processes to identify, investigate and remedy modern slavery risks, whether suppliers conduct independent audits of their operations and suppliers, relevant certifications and how suppliers would deal with entities within their own supply chain who fail to meet modern slavery policy requirements.

After the responses were assessed by the procurement department, no elevated modern slavery risks were identified.

One Rail will continue to roll-out its modern slavery questionnaire to its existing and new suppliers.

4. Ongoing measures

One Rail continues to assess, and improved where necessary, its policy documents. The policies guide decisions and practices about workplace standards and labour practices. They also provide risk control measures, such as Whistleblower Protection and other tools used to monitor services provided by suppliers that directly engaged by One Rail. These policies also guide the way in which One Rail employees engage and work with suppliers and provide processes to address issues that may relate to human rights or related concerns.

Commitments for the next reporting period (1 July 2023 to 30 June 2024)

During the Reporting Period, One Rail underwent operational and structural changes as part of the acquisition by Aurizon and subsequent demerger and sale to MRG. As a result, One Rail is still in the process of developing a comprehensive modern slavery program. One Rail is committed to the following actions over the coming Reporting Period to continue to establish its modern slavery program and address the modern slavery risks it has identified above.

1. Procurement workshops and collaboration

One Rail is aiming to establish an annual collaboration workshop between its procurement department and all employees who are actively procuring goods and services to promote and encourage modern slavery awareness, develop practical tools to identify modern slavery risk in supply chains and propose solutions on how to address these risks.

2. Due diligence through technological solutions

One Rail's procurement department will assess and, if appropriate make a recommendation to implement a new technology solution that can automate parts of One Rail's modern slavery compliance, including digitising One Rail's modern slavery questionnaire and collation of responses to the questionnaire. The objective of this solution will be to streamline the process for issuing One Rail's self-assessment questionnaire to new and existing suppliers and improve the procurement department's ability to assess supplier compliance with One Rail's Modern Slavery Policy and expectations.

5. Effectiveness of actions to address modern slavery risks

During the Reporting Period, One Rail underwent operational and structural changes as a result of the acquisition by Aurizon and subsequent demerger and sale to MRG. For this reason, One Rail's focus was on reaffirming the continuity of its approach to modern slavery risk, and understanding its priority risk areas as a result of the corporate restructuring process.

At this early stage of adapting and implementing One Rail's modern slavery frameworks, we are not yet able to assess the effectiveness of the measures we have undertaken. One Rail is committed to developing measures to ensure we can review the effectiveness of actions we have undertaken to identify, assess and address the modern slavery risks arising from our operations and supply chains. We will be developing this over the next reporting period and will address them in our next statement.

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

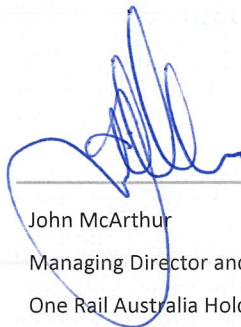
During the Reporting Period, we actively engaged and consulted with the One Rail Group entities covered by this statement (and the entities which those Reporting Entities own and control), discussed the requirements of the mandatory reporting criteria under the Act and the actions One Rail intends to 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.

7. 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 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: 22 December 2023



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