

One Rail Australia

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JOINT MODERN SLAVERY STATEMENT

One Rail Australia Holdings LP

One Rail Australia Holdings Pty Ltd (ACN 132 989 998)

One Rail Australia Finance Pty Ltd (ACN 615 317 130)

One Rail Australia (SA Holdings) Pty Ltd (ACN 094 819 806)

One Rail Australia (North) Pty Ltd (ACN 144 081 774)

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

One Rail Australia Pty Ltd (ACN 079 444 296)

Reporting Period: 1 July 2020 to 30 June 2021

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

- One Rail Australia Holdings LP;
- One Rail Australia Holdings Pty Ltd (ACN 132 989 998);
- One Rail Australia Finance Pty Ltd (ACN 615 317 130);
- One Rail Australia (SA Holdings) Pty Ltd (ACN 094 819 806);
- One Rail Australia (North) Pty Ltd (ACN 144 081 774);
- One Rail Australia (NSW) Pty Ltd (ACN 079 546 777); and
- One Rail Australia Pty Ltd (ACN 079 444 296),

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

The Statement has been prepared on behalf of the Reporting Entities and each of the entities that the Reporting Entities collectively wholly own or control (**Controlled Entity**), also as identified in the Appendix to this Statement, (collectively, **One Rail Australia**).

The purpose of this Statement is to outline the actions that One Rail Australia 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 we plan to continue to improve our frameworks and processes into the future to maintain responsible and transparent supply chains. One Rail Australia'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.

Our structure

Since inception in 1997, One Rail Australia has grown to become a leading national rail-based freight and logistics company with a team of over 700 people, moving over sixty-two million tonnes of freight annually across Australia. One Rail Australia specialises in intermodal transport, coal haulage services, bulk haulage services and rail infrastructure and access. In the Appendix to this Statement is a chart identifying the One Rail Australia's corporate structure, the entities owned or controlled by the Reporting Entities and the principal location of operations of each entity. The Reporting Entities do not own or control any other entity other than that identified in this Appendix.

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As noted above, One Rail Australia'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 controls 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 are on the board of the sole General Partner of the partnership, which is the principal governing body responsible for the management of the One Rail Australia Holdings LP. It is noted that senior management and employees working in the Human Resources and procurement departments employed by One Rail Australia Pty Ltd or One Rail Australia (North) Pty Ltd are responsible for the oversight (within the parameters of their respective responsibilities) of the entire One Rail Australia business.

Our operations

One Rail Australia's head office is based in Adelaide, South Australia. We have operations across central, northern, and eastern Australia, including NSW, QLD, SA and the NT. The principal place of operations of each Reporting Entity and the Controlled Entities that have operations are identified in the Appendix.

One Rail Australia manages and operates the standard gauge Tarcoola-Darwin Railway as well as several regional railway lines across SA, in respect of which third parties are provided access to such rail infrastructure. Our rail-based logistics services for customers include:

- 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; and
- haulage of export thermal and metallurgical coal from the NSW Hunter Valley and Central Queensland Coal Networks.

One Rail Australia's Hunter Valley operations represents approximately forty seven percent of One Rail Australia's operational revenue. The remaining fifty three percent of One Rail Australia's operational revenue is derived from rail freight haulage of bulk minerals, coal, agricultural produce and general community supplies between South Australia and the Northern Territory and in Queensland.

Our supply chains

In order to deliver our services, One Rail Australia relies on the products and services of many different suppliers.

One Rail Australia has approximately 1,200 active suppliers that are predominantly located in Australia. Locations of One Rail Australia's overseas Tier 1 and Tier 2 suppliers include the USA and China.

The locomotives, wagons and other specialist plant/machinery required to deliver our services are supplied and assembled through Tier 1 and Tier 2 suppliers primarily based throughout the majority of Australian states, the USA, Sichuan and Heilongjiang provinces, China.

Locally, One Rail Australia engages suppliers and subcontractors to provide labour resources throughout our business. The type of services required for our offices and depot facilities include general cleaning and maintenance. One Rail Australia also contracts temporary labour to assist in other areas of the operations such as conduct repairs, maintenance and upgrades to our plant and equipment and track infrastructure. In such instances, each Reporting Entity and Controlled Entity that carries on operations will source suppliers in the geographical location in which that entity operates as identified in the Appendix.

One Rail Australia does not undertake any manufacturing activity in the delivery and/or development of its services.

Potential risks in operations and supply chains

One Rail Australia's number one priority is the safety of our 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 our supply chains. Of the countries in which One Rail Australia's supply chain partners operate, China is scored highest for Modern Slavery risk according to the Global Slavery Index. Consequently, One Rail Australia is actively addressing this supply chain risk as detailed below.

Within One Rail Australia's supply chain, the risks of Modern Slavery are predominantly associated with our 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 Australia has external suppliers based in China who provide Rollingstock assets (wagons). These suppliers present the most significant risk of Modern Slavery given their geographical location and the industry in which they operate.

Further 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 our supply chain and poses a significant challenge when attempting to assess and respond to those risks. A further risk is the unwillingness of those suppliers to allow its customers to investigate its supply chain in order for that customer to identify its Tier 2 supply chain in greater detail. One Rail Australia will take reasonable steps to continue to monitor, follow up and work with our suppliers in countries with higher Modern Slavery risk to increase our level of assurance that the risk of Modern Slavery in our supplier's sub-component supply chains are minimised.

Within Australia, One Rail Australia has nine maintenance facilities and five terminals. As we maintain direct and full control of our owned and operating freight logistics operations, we ensure the highest level of safe working conditions by observing all statutory and regulatory obligations with respect to employee rights and entitlements. One additional risk within our supply chains in Australia is associated with sourcing suppliers in industries that have a higher degree of potential exposure to Modern Slavery (eg. cleaning contractors and their subcontractors).

Assessing and addressing the risk of Modern Slavery practices

One Rail Australia has formal policies and procedures in place to promote ethical, open and transparent business practice for our employees and supply chains. These policies apply to One Rail Australia and all its employees, contributing towards our commitment to the prevention of human rights violations, including, but not limited to forms of Modern Slavery. Our policies include Modern Slavery, Whistleblower, Code of Conduct and Workplace Health and Safety Policies.

These policies guide the decisions and practices of our employees with respect to workplace standards and labour practices by introducing risk control measures such as Whistleblower Protection and tools to monitor work undertaken by suppliers directly engaged by One Rail Australia. These policies also guide the way in which One Rail Australia employees engage and work with direct suppliers and provide processes to address issues that may relate to human rights or related concerns. As part of One Rail Australia's ongoing commitment to safety and the wellbeing of the community, it continues to review its policies at the frequency set for each individual policy to ensure they remain up to date with legislation, regulation, and community values and expectations.

In the reporting period 1 July 2020 to 30 June 2021, One Rail Australia developed and implemented several initiatives to address the risk of Modern Slavery practices.

These include:

1. Updated procurement Policies and Procedures

During the reporting period our procurement policies and procedures were updated to highlight awareness of Modern Slavery risk and provided avenues for purchasers within the organisation to escalate or raise concerns regarding parts of a supply chain at risk of Modern Slavery. Regardless of estimated spend size or duration, our purchasers are required to escalate if, to the best of their knowledge, there is a risk that any of the suppliers or

their supply chains planned to engage with are involved, or potentially involved, in Modern Slavery. Our process for higher value and complex procurement activity was also strengthened by updating our procurement Questionnaire and Risk Assessment document with a section on Modern Slavery. The addition of a section on Modern Slavery has created a mechanism to flag and escalate any Modern Slavery risk however minor and help key stakeholders monitor Modern Slavery considerations during the procurement process. In addition, no responses in the risk assessment questionnaire had instances of Modern Slavery in the reporting period.

2. Updated Contract Template Terms and Conditions

Our contract template terms and conditions were updated to incorporate Modern Slavery provisions to align with the Act. These template clauses, amongst other things, commit our supplier to sustainable business practices that comply with the Act and to develop and maintain policies to avoid engaging in modern slavery risk. The introduction of these template clauses assist our suppliers to respond to modern slavery risks and support our efforts to address modern slavery risk in our own supply chains.

3. Improved Knowledge and Awareness

We implemented training to employees responsible for purchasing goods and services in Modern Slavery facilitated by third party instructors with expertise in Modern Slavery. The training focussed on increasing the awareness of our employees on the importance of Modern Slavery, and promoted a dialogue regarding how best to identify and mitigate risks of Modern Slavery.

Process of consultation with entities owned or controlled by reporting entity

One Rail Australia senior management and those employees in the Human Resources and procurement departments have been consulted with and are informed with respect to Modern Slavery obligations. As identified above, these employees are responsible for the oversight in their respective areas of responsibility for all of the Reporting Entities and Controlled Entities in the One Rail Australia business. These consultations have been taken into account in preparing this Statement.

As stated above, One Rail Australia'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.

Commitments for the next reporting period (1 July 2021 to 30 June 2022)

Our priority and expectation for the next reporting period is to:

1. Develop a Supplier Pre-Qualification Questionnaire

Our aim is to develop a Supplier Pre-Qualification Questionnaire about Modern Slavery risk into the existing One Rail Australia supplier on-boarding assessment process. The pre-qualification questionnaire will allow new suppliers the opportunity to provide certain information regarding their supply chains and those of their suppliers in order for us to assess any risks of Modern Slavery.

2. Update Purchase Order Terms and Conditions

Our aim is to update and publish on our website an updated version of our Purchase Order Terms and Conditions containing a Modern Slavery clause to require that suppliers comply with the requirements of the Modern Slavery Act and other applicable Modern Slavery legislation.

3. Media Monitoring

Establish a media monitoring service to maintain awareness via media channels of any occurrence of Modern Slavery with any of our existing or potential suppliers. Responsibility for monitoring media will vest with our procurement team.

4. On-going Surveillance

Assess existing domestic suppliers via desktop research for Modern Slavery risks and respond appropriately to such risks. A further step we will take is setting this exercise up as a recurring commitment. Responsibility for on-going surveillance will vest with our procurement team.

5. Attempt to engage in dialogue with Suppliers with elevated modern slavery risk

We plan to identify suppliers associated with elevated modern slavery. Once these suppliers are identified, we aim to increase our level of knowledge in some of those suppliers of their sub-component supply chains and countries of origin. Through dialogue and conversation, we will seek to understand how they identify and monitor modern slavery risk within those critical sub-component supply chains to help us increase our level of assurance that the risk of Modern Slavery in those supplier sub-component supply chains are minimised. We will also make enquiries as to how they measure the effectiveness of procedures designed to mitigate Modern Slavery risk and finally, establish a commitment to co-operate at least annually on a broad discussion about Modern Slavery risk.

Measuring effectiveness of actions taken

One Rail Australia will continue to monitor the effectiveness of the measures it has introduced to assess and address its Modern Slavery risk, including by:

Tracking supplier compliance and feedback

One Rail will continue to track and monitor how our new suppliers respond to our attempts to gain assurance and investigate Modern Slavery Risk. For example, the effectiveness of our implementation of a Supplier Pre-Qualification Questionnaire in the next reporting period will be measured through calculating the percentage of suppliers who have agreed to comply with the questionnaire and any comments or queries they may have.

Monitoring supply chain risk

We will continue to ask purchasers within our organisation at least annually if there are any changes in risk of Modern Slavery in the operations or supply chain they manage that has not already been identified and disclosed in the previous reporting period. For the reporting period ending 30 June 2021 no additional instances of Modern Slavery risk were signalled by key purchasers.

We will continue to train and socialise our updated procurement policies and procedures with our procurement team. We will measure the effectiveness of these policies by recording any new Modern Slavery risks raised by purchasers and tracking how these risks are escalated and managed.

To the extent that additional Modern Slavery risks are identified, these will be escalated to Senior Leadership Team to consider whether further action is necessary.

One Rail Australia realises that identifying and addressing Modern Slavery risks in its operations and supply chain is an ongoing process. One Rail Australia will continue to explore additional measures to reduce the risk that we may cause, contribute to or be directly linked to Modern Slavery through our operations or Supply chain, in order to improve the effectiveness of our actions.

Authority of statement

This joint statement was approved by:

- the Board of Directors of the sole General Partner, which is the principal governing body responsible for the management of the One Rail Australia Holdings LP; and
- the Board of Directors of One Rail Australia Holdings Pty Ltd as the holding company of all other Reporting Entities and Controlled Entities other than One Rail Australia Holdings LP,

on 13th December 2021.



Luke Anderson
Chief Executive Officer, One Rail Australia
& Director of One Rail Australia Holdings Pty Ltd

Appendix to 2021 Modern Slavery Statement

