



ONE RAIL
Australia

**ONE RAIL
AUSTRALIA
ESG STRATEGY
2025-2027**

ACKNOWLEDGEMENT OF COUNTRY

One Rail Australia currently operates along the east coast of Australia, with a presence in the Hunter region and central Queensland. Our connection to the land is inspired by the culture and respect for country formed by the traditional custodians. Their centuries-old commitment to people and planet plays an important part in who we are as a business today.

One Rail Australia acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander people.

This graphical element is part of the Mudth-Niyleta Aboriginal and Torres Strait Islander community group's logo. They are a community service group based in Sarina, QLD, and are an important community partner of One Rail Australia.

CEO FOREWORD

Welcome to One Rail Australia's Environmental, Social and Governance (ESG) Strategy 2025-27. In this document we describe our key material topics, commitments and the targets and actions we intend to deliver over the next three years. This ESG Strategy aligns with our overall strategic pillars of Deliver, Grow and Sustain.

Although we have operated since 2009, in February 2023 One Rail Australia came under new ownership as the result of a joint venture between PT Asian Bulk Logistics (ABL) and M Infrastructure. The evolution of our company stands as a testament to the concerted effort and ambition invested over the years to partner with our customers to provide a reliable and efficient rail logistics service. We continue to build on this history and shape Australia's rail freight sector, which is of significant national importance.

One Rail Australia's ESG journey continues to evolve as we strive to align with the dynamic nature of energy and commodity markets. We regularly review our strategies, embracing a mindset of flexibility and continuous improvement and strive to be innovative across all aspects of our business. As the pace of technological advancement shifts within our sector, we are encouraged to explore new thinking, to challenge traditional models of operation and to be part of our sector's inevitable transformation.

We acknowledge there is further work ahead, particularly in relation to the transition to a low carbon economy and building a climate resilient business. We also recognise the need for industry-wide, systemic, and structural transformation. This includes advancements in locomotive technology, the development and availability of alternative fuels and the resilience of the rail freight network to mitigate the impacts of extreme weather events like severe flooding. Achieving these objectives underpins our commitment to applying sustainable practices and supporting broader industry advancements.

I invite you to explore our ESG Strategy and look forward to continued collaboration with our customers, people and community to create a more sustainable and prosperous future for Australia.



John McArthur
Chief Executive Officer
February 2025

ONE RAIL AUSTRALIA AT A GLANCE

Our business



Our employees



Our Executive Leadership Team



Data is as at 1 January 2025.

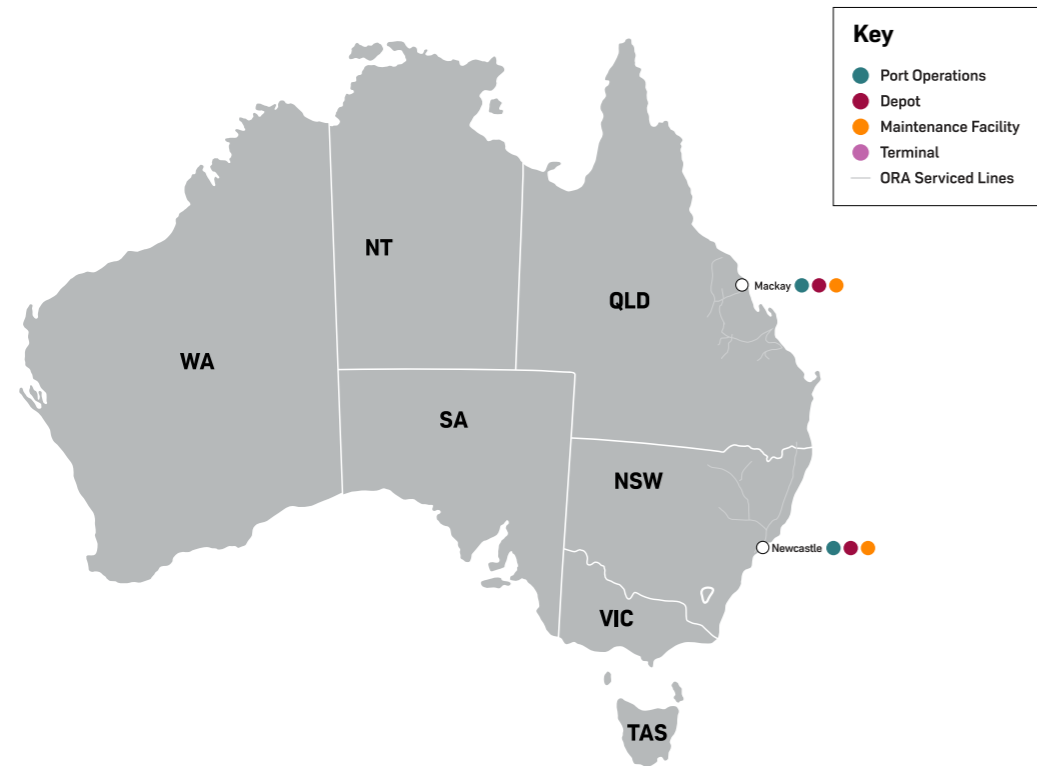
OUR HISTORY

2007	Freightliner Australia established.
2009	Freightliner Australia runs first commercial service from north-west NSW to Port Botany. Freightliner Australia and Xstrata Coal agree to establish X-Rail.
2010	Freightliner Australia operates the first Hunter Valley service as X-Rail.
2015	Genesee & Wyoming Australia acquires majority share in Freightliner Australia (as part of Genesee & Wyoming's global acquisition of the Freightliner Group).
2016	Genesee & Wyoming Australia acquires X-Rail (which is now called G-Rail) from Glencore and forms a limited partnership with MIRA and PGGM.
2017	Freightliner rebranded as Genesee & Wyoming Australia.
2020	Genesee & Wyoming exits Australian limited partnership, and the business is rebranded One Rail Australia. One Rail Australia commences rail freight operations in Queensland.
2022	One Rail Australia is acquired by Aurizon with an agreed undertaking by the ACCC to divest East Coast Rail (now One Rail Australia) by either a trade sale or demerger.
2023	One Rail Australia acquired by Magnetic Rail Group via joint venture partners. Long-term corporate investors commit to ensuring operational continuity by maintaining the existing management team, allowing the business to operate with internal autonomy.

ABOUT ONE RAIL AUSTRALIA



One Rail Australia Holdings Ltd (One Rail Australia) is a leading Australian rail freight and logistics business that operates in New South Wales (NSW) and central Queensland (QLD) and has accreditation to operate in all mainland states in Australia. The company currently operates six operational depots, four in NSW at Mayfield West, Carrington, Muswellbrook, and Mudgee, and two in QLD at Sarina and Mackay. One Rail Australia entered a new chapter in February 2023 as a joint venture between PT Asian Bulk Logistics (ABL) and M Infrastructure.



With 330 employees and assets including 51 locomotives and 1486 wagons, One Rail Australia primarily services the resources sector. With operational accreditation in all mainland states of Australia and an ambition to broaden our offering beyond the resources sector, we plan to diversify into other export sectors such as energy, manufacturing, and agriculture. As a values-driven business, we take a disciplined approach to capital allocation that focuses on maximising shareholder returns.

One Rail Australia is one of the largest and most reliable rail freight service providers in Australia. We place a strong emphasis on cultivating a safe and inclusive workplace culture. This commitment extends to creating environments where employees are actively engaged. We nurture a safe and inclusive culture that enhances employee satisfaction and well-being, and maintain close connections with the communities in which we operate to create positive community impact.

Our mission

We aim to be Australia's leading rail-based logistics partner of choice delivering value through exemplary customer service, operational excellence and continuous innovation and improvement.

Our values

One Rail Australia's values are at the core of all decisions and play a pivotal role in shaping our culture by guiding our actions and positively influencing our ongoing success. Our values are:

<p>SAFETY & SUSTAINABILITY</p> <p>We are dedicated to prioritising the health, safety, and well-being of our people while incorporating sustainable business practices into our operations</p>	<p>ONE TEAM</p> <p>We work as One Team to get the best outcomes for our customers</p>	<p>DELIVER</p> <p>We are passionate about our business, and relentlessly deliver on our commitments every day</p>	<p>GENUINE</p> <p>We genuinely care about our people and our communities, and have the courage to do what is right</p>	<p>INNOVATE</p> <p>We challenge the status quo and strive to continuously innovate and improve</p>
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Our strategic pillars

Partnering with our customers to meet their expectations and needs is core to our strategic approach. With a long-term perspective, we aim to grow in a sustainable manner that meets customer needs, while also meeting our own organisational expectations and legal requirements.

<p>DELIVER</p> <p><i>Always maintain safe, reliable, operations while positioning the business for the long term</i></p> <ul style="list-style-type: none"> Demonstrate a consistent record of superior operational performance. Maintain industry leadership in safety, reliability, and agility in delivering customer value. Cultivate a team of skilled individuals and foster a "One Team" culture that sets us apart as the preferred provider. 	<p>GROW</p> <p><i>Secure volumes to secure the long-term sustainability of the business</i></p> <ul style="list-style-type: none"> Actively pursue growth opportunities in bulk transportation. Transform short-term agreements into enduring partnerships. Extend existing tenures and secure contestable volumes with both new and existing customers. Pursue targeted expansion through informed, strategic, and well-considered opportunities. 	<p>SUSTAIN</p> <p><i>Position the business for the long term</i></p> <ul style="list-style-type: none"> Diversify the business in terms of commodities hauled, geography and customer base. Leverage our existing strong performance foundation and asset strength for long-term sustainability of the business. Continue to champion the sustainable advantages of rail efficiency over alternative transportation methods.
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We deliver safe, reliable operations while positioning ourselves for long-term success. Our strategic pillars (Deliver, Grow, and Sustain) revolve around meeting our customers' needs, and ensuring business continuity, proactively adapting to energy policy changes, exploring new market opportunities, and fostering a workplace culture rooted in safety, inclusivity, and community engagement. These three drivers collectively shape One Rail Australia's strategic approach to sustainability and long-term success in a rapidly evolving business landscape.

We have chosen to direct our efforts towards business objectives that:

- enhance logistics efficiency to reduce environmental impact;
- promote safety measures to protect our employees and the communities we serve; and
- foster equal opportunities and inclusivity within our workforce.

Our service model

Our service model is designed around the specific operating and delivery needs of each of our customers. It enables our flexible approach to business mobilisation and fosters a culture of incremental improvement and innovation. As a 24-hour business operating 365 days per year, our freight operations are dynamic and continuous, which means we are available around the clock, every day of the week, ensuring a seamless and uninterrupted movement of product.

Our Operations Team actively monitors in real-time and works with customers and network operators to manage changes to ensure optimal efficiency. Our rolling stock maintenance activities are also crucial, and our maintenance planning and life cycle activities established in advance drive a schedule that ensures our equipment and systems are regularly inspected, serviced, and upgraded - minimising downtime and enhancing the reliability and safety of our services.

Our ESG commitments

In our ongoing commitment to sustainability, we acknowledge our responsibility in addressing key environmental, social and governance (ESG) risks and opportunities within our organisation. Our focus remains on translating our commitments into meaningful and measurable actions.

Our ESG commitments are interconnected with our strategic business pillars and create an integrated management and reporting approach. This way of working facilitates decision making and supports transparent performance reporting.

Our ESG framework

We understand the paramount importance of sustainability and managing our environmental, social and governance (ESG) risks and that managing them is not only environmentally and socially responsible, but also crucial for our long-term success.

In 2024 we continued the development of our ESG Strategy by conducting a materiality assessment to identify the environmental, social and governance topics that hold the most significance for our business and for our stakeholders. We conducted research and analysis to frame the context of the strategy development. This included taking into account the global perspective including megatrends, and an industry benchmark, as well as applying stakeholder input from employees, customers, suppliers, industry partners, regulators and financiers. Based on the results determined and the key issues and trends identified, we established goals and priority topics for each ESG pillar. We have also set targets and identified initiatives that are connected to our strategic pillars.

Our ESG Framework



Our material topics

ENVIRONMENTAL	SOCIAL	GOVERNANCE
<p>Emissions & decarbonisation</p> <p>We actively manage our climate-related risks and seize opportunities, especially in the context of the global energy transition and resource utilisation.</p> <p>Pollution prevention</p> <p>Our pollution control measures meet or exceed our legal and regulatory obligations.</p>	<p>Health & safety</p> <p>Our zero-harm mindset fosters a proactive health & safety culture.</p> <p>Workforce culture</p> <p>We cultivate an inclusive culture of excellence and continuous improvement.</p> <p>Stakeholder engagement</p> <p>We engage with our stakeholders with a sense of accountability and foster positive relationships with our local communities.</p>	<p>Risk management</p> <p>We continuously identify, evaluate, mitigate and manage our business and operational risks through robust policies, systems and procedures.</p> <p>Business resilience</p> <p>We are committed to proactively pursuing new opportunities across both operational and strategic aspects of our business.</p> <p>Customer experience</p> <p>We provide operational reliability and efficiency for the success of our customers.</p>

Our contribution to the SDGs


The UN Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. In 2024, One Rail Australia conducted a high-level mapping exercise of our commitments, targets, and current activities and planned initiatives against the SDG targets. We determined that in the context of our business activities and our operational environments, we directly and indirectly contribute to the achievement of 13 of 17 SDGs.


ENVIRONMENTAL


Emissions & decarbonisation 

Pollution prevention 

SOCIAL

Health & safety 

Workforce culture 

Stakeholder engagement 

GOVERNANCE

Risk management 

Business resilience 

Customer experience 

Our 2025-27 ESG goals and targets

Material Topic	Objective	2025-2027 Goal/Targets
ENVIRONMENTAL		
We actively manage our impact on the environment		
Emissions & Decarbonisation	To actively manage climate-related risks and seize opportunities, especially in the context of the global energy transition and resource utilisation	<ul style="list-style-type: none"> Develop an Emissions Reduction Strategy in 2025, which includes establishing a quantifiable intensity-based target
Pollution control	Our pollution control measures meet or exceed our legal and regulatory obligations	<ul style="list-style-type: none"> <5 reportable environmental incidents annually 100% compliance with environmental reporting requirements Further understand resource usage baselines (water, waste, electricity) with a view to setting reduction targets by 2026

Material Topic	Objective	2025-2027 Goal/Targets
SOCIAL		
We maintain uncompromising safety standards and invest in the communities where we operate		
Health & Safety	Our zero-harm mindset fosters a proactive health & safety culture	<ul style="list-style-type: none"> • 10% year-on-year reduction in Total Recordable Injury Frequency rate (TRIFR) • <5 serious incidents, accidents, or near misses • <2 Category A Rail Safety breaches annually • 100% of operational employees receive fatigue management training • 100% of employees offered mental health training • 10% of employees receive specialised mental health first aid training
Workforce culture	We cultivate an inclusive culture of excellence and continuous improvement	<ul style="list-style-type: none"> • 20% employees comprised of women by 2027 • Reconciliation Action Plan in place by 2026 • 100% of salaried employees have personal development plans in place by June 2025 • One Rail Leadership Training delivered
Stakeholder engagement	We engage with our stakeholders with a sense of accountability and foster positive relationships with our local communities	<ul style="list-style-type: none"> • Community Support Program implemented in 2025 to support local community groups • Local Procurement Strategy developed and implemented by end of 2025 • Attend at least five industry events/forums annually • Work experience programs in partnerships with local high schools by March 2026

Material Topic	Objective	2025-2027 Goal/Targets
GOVERNANCE		
We optimise our systems and processes to support operational excellence		
Risk management	We continuously identify, evaluate, mitigate and manage our business and operational risks through robust policies, systems and procedures	<ul style="list-style-type: none"> • 100% completion of enterprise management system review by December 2025 • Full review and update of all ESG related policies, systems and procedures by December 2025 • Reporting for FY25 meets Australian Sustainability Reporting Standards requirements • Emissions Reductions linked to Executive Performance Outcomes
Business resilience	We are committed to proactively pursuing new opportunities across both operational and strategic aspects of our business	<ul style="list-style-type: none"> • Formalise our Growth and Diversification Strategy by 2026 • Implement the ESG Strategy across the business, including internal monitoring systems and reporting • Develop a Business Continuity Plan
Customer experience	We provide operational reliability and efficiency for the success of our customers	<ul style="list-style-type: none"> • Superior performance measured by the contract performance metrics excluding third party loss • Meet forecasted haulage levels • 24/7 response capability to minimise impacts from responding to breakdowns



ENVIRONMENTAL



WE ACTIVELY MANAGE OUR IMPACT ON THE ENVIRONMENT.

We are committed to building resilience in our business from impacts that are related to climate change. We are seeking ways to contribute to a lower carbon world for future generations and act responsibly in protecting and preserving our natural environment.

Environmental management

One Rail Australia is committed to identifying all potential situations and business activities that could cause harm to the environment.

Our systems and procedures that manage our impact on the environment include identifying, evaluating, controlling and reviewing environmental risks and incidents and emergency situations. They also include notification, reporting and investigation of any incidents.

Environmental risk management

Our comprehensive risk identification process identifies the potential risks and incident situations that could arise while conducting our business activities. These risks are documented in our Environmental Plans.

Climate risk assessment

In addition, as part of our biannual Operational Risk Review, in 2024 we conducted a Climate Risk Assessment, which identified the risks related to sustained climate change on our operating and business systems and incorporated both physical and transition risks. Physical hazards assessed included increased rainfall intensity and frequency, increased temperatures, increased frequency of bushfires and flooding, and increased frequency of East Coast Low events (NSW specific) or cyclones (QLD). Transition risks assessed included changes to government policy and technology.



Reduced coal spillage

We collaborate with customers through weekly reports to their loadpoints, facilitating communication about any issues, and regularly assess coal spillage risk with each mine. This ongoing dialogue provides valuable feedback on any coal hang-up issues. The continued automation of loading and unloading processes, and the implementation of advanced detection systems by customers and terminals have further improved the identification of coal hang-ups, allowing them to be addressed before departure and minimising spill incidents across the rail network.

Emissions & Decarbonisation

OUR OBJECTIVE



To actively manage climate-related risks and seize opportunities, especially in the context of the global energy transition and resource utilisation.

OUR TARGETS



- Develop an Emissions Reduction Strategy by 2025, which includes establishing a quantifiable intensity-based target.

MEASURES OF SUCCESS



- Emissions Reduction Strategy developed
- Baseline emissions profile established
- Intensity-based target established
- Analysis of alternative fuel technology
- Assess energy saving opportunities at facilities
- Climate risk assessment and scenario analysis

Reduction of emissions in the rail industry has an important role to play in the decarbonisation of the freight transport sector. Although electric road vehicles are often seen as the key opportunity for the transport sector's emissions reduction, increased use of rail is key to achieving net zero.

One Rail Australia's greenhouse gas emissions are mainly generated through the combustion of diesel fuel in our locomotives, which accounts for more than 99% of our Scope 1 emissions. This presents an important case for change to accelerate our exploration of alternative fuel technology.

Emissions reduction

One of our key environmental targets is to develop a formal Emissions Reduction Strategy in 2025 and establishing a quantifiable intensity-based target. This will involve defining our emissions boundaries and quantifying our climate-related risks based on our Scenario Analysis. It will also require identifying the primary opportunities that could help us reduce our emissions footprint.

At this stage, we anticipate there being four key aspects to our Emissions Reduction Strategy:

1. Introduction of technology to enable measurement, monitoring and future intensity reductions
2. Alternative fuel options
3. Locomotive technology upgrades
4. Carbon offsetting opportunities

Our strategy will also include collaboration with industry partners and working on strengthening our relationships with locomotive manufacturers, fuel suppliers, network operators and energy providers. We are also working with industry on alternative fuel opportunities and will be taking on a greater role with the Australasian Railway Association (ARA) Sustainability Committee.

Pollution Control

OUR OBJECTIVE



Our pollution control measures meet or exceed our legal and regulatory obligations.

OUR TARGETS



- <5 reportable environmental incidents annually.
- 100% compliance with environmental reporting requirements.
- Further understand resource usage baselines (water, waste, electricity) with a view to setting reduction targets by 2026.

MEASURES OF SUCCESS



- <5 environmental incidents reported annually.
- Environmental compliance process reviewed annually, including internal audits.
- Waste management processes (especially waste oil and remnant coal) revised.

One Rail Australia plays an important role in the transport of bulk commodities over long distances, and there are some pollution-related control issues that we constantly strive to prevent, manage and mitigate to minimise our environmental impacts.

Our pollution management includes the following approaches:

- **Air** – Diesel-powered locomotives emit particulate matter (PM), nitrogen oxides (NOx), sulfur oxides (SOx), and carbon dioxide (CO2). As part of achieving any intensity-based emissions reduction target we establish, we will explore issues such as the use of alternative fuels that have the potential to lower air pollutants as well as greenhouse gas emissions. We will also investigate the available advances in battery technology.
- **Noise** – Freight trains produce noise from engines, braking systems, and track interactions. Most of our operations run on tracks that are in non-urban areas and therefore our impact on communities near rail lines is considered minor. We will also continue to monitor and report on noise emissions in our Engine Overhaul Program.
- **Water & Soil** – Accidental spills of hazardous materials during transportation can lead to water contamination. Rainwater runoff from rail yards can also carry pollutants into nearby water bodies. Leaks or spills of fuel, lubricants, or transported hazardous materials can lead to soil contamination. This is particularly an issue in rail yards or along heavily used routes. We will continue to prevent, manage and mitigate the impact of leaks and accidental spills.
- **Awareness training** – Delivering continual driver education and environmental awareness training to inform our drivers of behaviours and impacts on the community from the operation of heavy haulage machinery.

Regulatory compliance reporting

We are regulated by the NSW Environmental Protection Authority (EPA) through our environment protection licence conditions. We report annually in accordance with the requirements of our licence.



SOCIAL

We maintain uncompromising safety standards and invest in the communities where we operate.

Health & Safety

OUR OBJECTIVE



Our zero-harm mindset fosters a proactive health & safety culture.

OUR TARGETS



- 10% year-on-year reduction in Total Recordable Injury Frequency rate (TRIFR).
- <5 serious incidents, accidents, or near misses.
- <2 Category A Rail Safety breaches annually.
- 100% of operational employees receive fatigue management training.
- 100% of employees offered specialised mental health training.
- 10% of employees receive specialised mental health first aid training.

MEASURES OF SUCCESS



- Operational risk register reviewed biannually.
- Positive safety interactions reviewed and reported monthly.
- Fatigue management training for all new starters.
- Mental health training provided.
- Critical Risk Controls identified, and a program of review, implementation, education and assurance implemented.

A safe workplace is a working environment where people can thrive and as such, safety is our cornerstone value and is woven into the fabric of our culture. We are dedicated to prioritising the health, safety and wellbeing of our people while incorporating sustainable business practices into our operations.

As a business that operates 24/7 and one that requires many of our people to work with heavy machinery, adherence to our high safety standards is imperative. We are committed to zero-harm outcomes for all people including employees, contractors, customers, suppliers and communities. All of our practices are supported by a robust Safety Management System. Our safety programs cover social, psychological, and physical initiatives, such as Safe Act Observations, defensive driver training, and health initiatives such as R U OK Day participation. By genuinely caring and having each other's wellbeing at the forefront of our minds, it creates a culture where everyone feels supported and can thrive personally and professionally.

We apply the knowledge of human capabilities and limitations to the design operations and maintenance of tasks, equipment, and technology. Our overarching long-term objective is to embed human factors deeply within our Safety Management System. This entails considering the interconnected dynamics of people, tasks, technologies, and work environments that collectively shape behaviours impacting health and safety.

Safety Management Systems

It is important that we maintain, and where necessary, improve our rail safety through a consistent and risk-based approach that achieves best practice management and performance and engages our people.

Our national Rail and WHS Safety Management Systems accreditations underpin our approach to safety management. These systems continuously undergo rigorous internal and external auditing, as well as periodic risk assessments and incident reviews, which are subsequently supported by comprehensive reporting. Our Safety Management Approach is also guided by the Rail Industry Safety and Standards Board's Rail Emergency Management Planning Guidelines.

We currently report positive safety leadership behaviours through the recording of Safe Act Observations (in-field crucial controls), and effective assessments of the Critical Control Observations (critical controls). This information is presented to the One Rail Australia Executive Leadership Team on a monthly basis. This program is currently being reviewed and will be enhanced in 2025.

Mental health training

One Rail Australia has cultivated a supportive workplace environment that involves always looking out for our colleagues. A number of our employees across our Hunter Valley operations have completed a Mental Health First Aider course, gaining valuable skills in active listening techniques, enabling open communications and creating a safe space for discussing mental health concerns. Additionally, Mental Health First Aiders are equipped to contribute to destigmatising mental health in the workplace, promoting self-care practices, and encouraging colleagues to seek help when needed. These skills empower individuals to play a pivotal role in fostering a mentally healthy workplace, where colleagues feel supported and resilient in the face of challenges.



Rail R U OK? Day

On 18 April 2024 we recognised Rail R U OK? Day, an annual railway industry-wide suicide prevention event in partnership with TrackSafe. We came together to create a safe, supportive environment and encouraged our staff to be aware of their mental health and to support each other.

Driver awareness and training

Light vehicle travel is one of One Rail Australia's highest operational risks, given the distances we travel in rural settings and the condition of roads and access tracks used. Our Defensive Driver training program teaches basic 4WD vehicle dynamics, safe driving techniques for controlling the vehicle in emergencies, as well as procedures for handling fatigue, emotional stress, and road rage, ensuring that our highest-risk drivers are well-equipped to navigate challenging situations on the road. Our In-Vehicle Monitoring Systems (IVMS) and Journey Management processes further reduce risks associated with light vehicle driving.

Healthy habits encouraged

We know that the influence of biological, psychological, technological and organisational factors on an individual at work can reduce the potential for human error, limit consequences of human error, increase the margin for safety, and increase efficiency and effectiveness. Therefore we offer our people various opportunities that encourage them to embrace healthy habits.



Healthy snacks initiative

Our healthy snacks initiative promotes healthy lifestyle awareness and provides our train drivers with nutritious snacks to promote sustained energy levels and better concentration. A package of healthy snack options is placed on trains for drivers to select.

Workforce Culture

OUR OBJECTIVE



We cultivate an inclusive culture of excellence and continuous improvement.

OUR TARGETS



- 20% employees comprised of women by 2027.
- Reconciliation Action Plan in place by 2026.
- 100% of salaried employees have personal development plans in place by June 2025.
- One Rail Leadership training delivered.

MEASURES OF SUCCESS



- All employees surveyed for feedback on One Rail Australia's approach to diversity, focusing on increasing female participation.
- Engagement with Aboriginal and Torres Strait Islander employees and their communities.
- Six-monthly talent and succession review.

We are committed to building a workplace culture that is inclusive, collaborative and respectful, where our employees feel connected to our One Team value, and aspire to be the best that they can be.

Diversity, Equity & Inclusion

Our workplace is one where diversity of thought is encouraged so everyone feels valued and heard. Our Diversity Policy and management approach emphasise equality and equal opportunity. We recognise our talented and diverse workforce as a key competitive advantage, and we prioritise diversity, equity and inclusion (DEI) as a core business strategy. We believe that promoting DEI can lead to higher morale, lower absenteeism, better talent attraction and retention, and increased productivity. It can also enhance problem-solving and drive innovation.

We aim to ensure that every individual feels valued, respected, and has equal access to opportunities, and that they feel empowered to share their diverse skills and perspectives. Our workplace embraces and promotes DEI, and we appreciate the positive impact this has on our culture and business performance. We recognise that each employee brings their own unique capabilities, experiences and characteristics to their work, and we value this diversity at all levels and in all that we do.

As an industry, rail logistics is not traditionally recognised as having high participation rates of women in the workforce. Therefore, as an organisation committed to closing the gender gap and inspiring inclusion, we look forward to delivering on our commitment to increase the representation of women in our workforce. Of our 330 employees, currently 16.6% are women. Our goal to increase women in our workforce to 20% aims to address gender inequality within engineering, rail operations and trade-based roles.



Women at One Rail

In March 2024, we established a 'Women at One Rail' program. In collaboration with the Australasian Railways Association's Women in Rail program, Women at One Rail will provide opportunities to share, learn and discuss issues, case studies and initiatives. It is designed to foster collaboration, tackle challenges together, eliminate barriers and biases, and enhance our culture.

Reconciliation

One Rail Australia is committed to a relationships-based approach to reconciliation with local indigenous communities. We actively create opportunities for Aboriginal and Torres Strait Islander trainee drivers and apprentices. Our commitment is also evident through the development of school-based traineeships and charitable donations. Our target is to have a formal Reconciliation Action Plan in place by 2026.



Celebrating National Reconciliation Week

In May 2024, our NSW team recognised National Reconciliation Week by holding a smoking ceremony at our Mayfield HQ. We welcomed Matt Syron from the Awabakal Local Aboriginal Land Council, who conducted a smoking ceremony and Welcome to Country, emphasising the importance of building trust and understanding to advance reconciliation.

Investing in training

Training can empower our employees to achieve their full potential and foster a culture of excellence and continuous improvement. It is also important to maintain our operational excellence, ensure safety and compliance, deliver exceptional customer service, foster innovation, and sustain long-term success in our competitive industry. Investment in training is therefore a cornerstone of our success.

Leadership training

Strong leaders can motivate, inspire and support their teams. They can also ignite employee engagement and create operational efficiencies. Through leadership skills training we aim to empower our leaders by building their management skills so that they can unlock their full potential and that of their team. We implement two key levels of leadership training; Leadership at One Rail and a Senior Leadership Program.

Leadership at One Rail

An expectation of being a One Rail Australia leader is that all Supervisors and first level Managers complete Leadership Development Training. This classroom-based training includes the delivery of leadership concepts that will be applied in practice by the participants through projects delivered in their role as leaders.

Senior Leadership Program

The Senior Leadership Program is intended for employees identified as successors to Executive Leadership Team (ELT) positions or in other critical roles. This training is collaborative, and the participants work on projects that reflect our Strategic Pillars. Regular updates are provided to the ELT, including a final presentation from each participant in this program.

Stakeholder Engagement

OUR OBJECTIVE



We engage with our stakeholders with a sense of accountability and foster positive relationships with our local communities.

OUR TARGETS



- Community Support Program implemented in 2025 to support local community groups.
- Local Procurement Strategy developed and implemented by end of 2025.
- Attend at least five industry events/forums annually.
- Work experience programs in partnership with local high schools by March 2026.

MEASURES OF SUCCESS



- Community Support Program developed and implemented.
- Local suppliers identified and potential commercial relationships investigated.
- Two new apprentices hosted in 2025.
- 20% of new drivers recruited in 2025 are trainees.
- Active participation in industry networks and forums.

Engagement and transparency

We believe in open and transparent communication with our employees, communities and other stakeholders. By sharing our strategic goals, progress and challenges, we invite collaboration and feedback that help us refine our initiatives for greater impact. The feedback loop we establish becomes a vital mechanism for continuous improvement.

There is an increasing awareness of climate change and negative sentiment towards traditional energies. Therefore, engaging with our stakeholders with a sense of accountability helps to build trust and foster positive relationships. Transparency in communication enhances credibility and demonstrates a commitment to openness and accountability. This is particularly important for our (potential) financiers, insurers and investors.

In 2024, we refreshed our communication and engagement approach based on qualitative data received from employees and by adopting a best practice approach so that we can keep our people, the community and other stakeholders informed of our operations and successes.

Social media

The core of our community engagement philosophy is a recognition of the interconnectedness of various aspects between One Rail Australia's operations and local communities.

We actively use social media (LinkedIn) as a way of communicating with our external stakeholders, and see it as a vital tool in our communications efforts to increase engagement with the community, our customers and the rail logistics industry.

Community investment

We are committed to the development of and investment in communities where our people live and work. Community investment can help foster positive relationships with our community stakeholders, enhance our reputation, address any concerns, and support their long-term environmental and social prosperity.

Our focus on the communities where we live and work is driven by an holistic approach that reflects our dedication to making a genuine difference through traineeships, employment, education programs and local supplier engagement.

Community Support Program



Sponsorship Women's Rugby League Team, Mackay

In March 2024, we confirmed our sponsorship of the Sarina Crocs Women's Rugby League team. This partnership will see the Sarina Crocs receive the funding needed so their women's team can receive match day payments. This partnership will be extended in 2025 – Go Crocs!



Supporting Mudth-Nyleta

One Rail Australia is proud to support Mudth-Nyleta, an Aboriginal and Torres Strait Islander Corporation that exists to contribute to the wellness of the Sarina Indigenous community. Mudth-Nyleta is a non-government organisation run by Indigenous locals who aim to achieve a comparable standard of living for Aboriginal and Torres Strait Islanders equivalent to that of mainstream Australia. We provide donations and funding to help Mudth-Nyleta deliver their mission. For example, our Sarina team regularly hires Mudth-Nyleta's Boardroom to host offsite informal meetings, thereby contributing towards their services. In 2023, our Mackay team were thrilled to gift Christmas hampers to the Mudth-Nyleta team so that they had treats on hand to give to their clients' children during the festive season.

Local sourcing

One Rail Australia seeks to contribute to local economic prosperity and sustainable development in the communities where we operate. We are currently developing a Local Procurement Strategy, which will be implemented in the coming years. The strategy aims to identify local suppliers of relevant goods and services with a view of increasing local sourcing and thereby also supporting local employment opportunities.

Apprenticeships

We are proud to support future trade-based talent in the areas where we operate. When we can, we provide opportunities for those interested in a career in mechanical and electrical trades. We work with industry partners and are excited to place an apprentice into our Newcastle and Mackay workshops, as we look to grow and sustain our internal capability to maintain our fleet of locomotives and wagons.



GOVERNANCE

We optimise our systems and processes to support operational excellence.

Risk Management

OUR OBJECTIVE



We continuously identify, evaluate, mitigate and manage our business and operational risks through robust policies, systems and procedures.

OUR TARGETS



- 100% completion of enterprise management system review by December 2025.
- Full review and update of all ESG related policies, systems and procedures by December 2025.
- Reporting for FY25 meets Australian Sustainability Reporting Standards requirements.
- Emissions Reductions linked to Executive Performance Outcomes.

We continuously evaluate and mitigate ESG risks within One Rail Australia's risk management framework to maintain a competitive advantage.

Our risk management framework is aligned to ISO31000, and our Corporate and Operational Risk Registers help us track and manage risk consistently and transparently.

Effective governance and risk management plays a critical role in positioning us to prepare for, and respond to, threats and opportunities in our operating environment. Our Board understands the importance of identifying, managing and responding to ESG trends and risks to support the long-term success and viability of One Rail Australia's business.

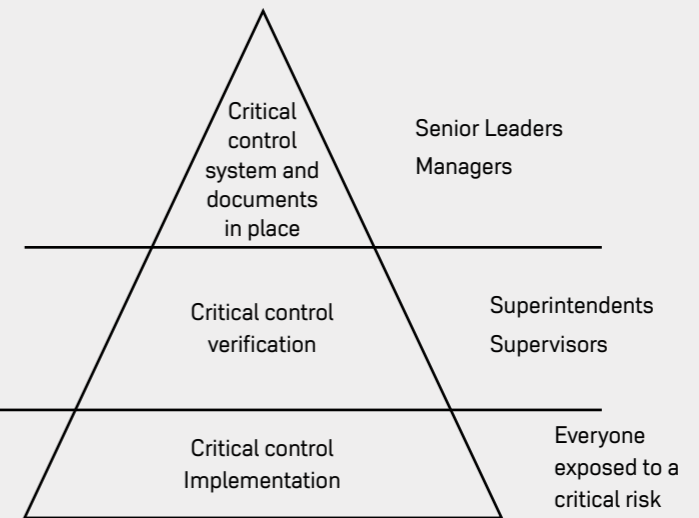
To ensure a comprehensive governance framework and proficient risk management, the One Rail Australia Board has oversight of our ESG strategy and performance, supported by the diligent oversight of the Audit and Risk Committee (ARC). The One Rail Australia ARC and Executive Leadership Team ensure we apply effective risk management systems and practices throughout our operations.

Critical Risk Management Framework

Critical risks are reviewed, and control performance is monitored for effectiveness (risk and control owner) using a critical control observation that is carried out at the place of work.

Critical risks are monitored in-field via our Safe Act Observation process to verify they are in place and working effectively.

Critical risks are understood and implemented before commencing and during work.



MEASURES OF SUCCESS



- Enterprise Management System reviewed.
- Implementation plan developed to meet new climate reporting standards.
- Environmental Risk Review completed, and Environmental Management Policies updated.
- Monthly Executive Leadership Team meetings and quarterly Board meetings that reports on Environmental and Sustainability issues as a separate item to increase focus at Executive and Board level.



Legal and regulatory compliance

We are committed to strict compliance with all relevant laws and regulations and continue to position ourselves to navigate the regulatory developments and changes, such as the recently introduced climate-related reporting regulations.

Risk reviews

Following the transition to a new ownership structure in 2023, we commenced our compliance program to ensure it remains fit for purpose, identifies our obligations and allocates controls. We will leverage this proactive approach as we mature our monitoring and reporting.

In 2024, we undertook a comprehensive review of our Enterprise Risk Management System. In 2025 there will be a concerted campaign to further evaluate, implement controls, educate and maintain these critical risks that impact on the health and safety of our people.



Business Resilience

OUR OBJECTIVE



We are committed to proactively pursuing new opportunities across both operational and strategic aspects of our business.

OUR TARGETS



- Develop a Growth and Diversification Strategy in 2025.
- Implement the ESG strategy across the business, including internal monitoring systems and reporting.
- Develop a Business Continuity Plan.

MEASURES OF SUCCESS



- ESG training for all employees delivered.
- Sustainability Advisor appointed.
- Business Continuity Plan, including escalation points and external reporting protocols developed.
- Modern Slavery Statement published annually.
- Modern Slavery training delivered to relevant employees.

Growth & Diversification

Currently, we primarily service the resources sector, and in 2023 we commenced operations in the Upper Hunter, New South Wales, and opened a new maintenance yard in Mackay, Queensland. Aligned with our strategic objectives to position the business for the long-term however, we are proactively pursuing opportunities to diversify our services in terms of commodities, geography and customer base.

Our diversification strategy includes:

- Actively targeting further short-term growth in new markets and geographical areas.
- Assessing organic opportunities across mining, agriculture, aggregates and containerised freight exports.
- Assessing non-organic opportunities offer gradual incremental growth in financial performance that is complementary to existing businesses and/or operations.

Responsible business conduct

As we continue to mature, we have commenced our review of our compliance program to ensure it remains fit for purpose and clearly identifies our compliance obligations, allocates responsibility for controls, and matures the monitoring of performance and reporting undertaken by the business. Our suite of policies below helps ensure that our operations adhere to the utmost standards of integrity and transparency. Our key policies are:

- Code of Conduct and Ethics.
- Compliance Framework and Policy.
- Fraud and Corruption Policy.
- Procurement Procedure.
- Risk Management Framework and Policy.
- Whistle blower Procedure.
- Workplace Conduct and Behaviour Policy.

Customer Experience

OUR OBJECTIVE



We provide operational reliability and efficiency for the success of our customers.

OUR TARGETS



- Superior performance measured by the contract performance metrics excluding third party loss.
- Meet forecasted haulage levels.
- 24/7 response capability to minimise impacts from responding to breakdowns.

MEASURES OF SUCCESS



- Operational Report delivered monthly to our Executive Leadership Team and quarterly to the Board.
- Continued Asset Management Strategy investment and implementation.
- Additional performance monitoring and engineering solutions developed and implemented.

Asset management

Effective management of our assets (locomotives, wagons and associated facilities) is essential to ensure operational efficiency, safety, compliance, and customer satisfaction while maximising the return on our investment.

Data and systems

In line with contemporary business practices, One Rail Australia is committed to harnessing the power of data analytics to gain deeper insights into the evolving needs and aspirations of the communities we serve. This data-driven decision-making approach facilitates more informed strategies and provides transparent reporting on our sustainability efforts that help empower our employees and the communities we impact to hold us accountable for our commitments and actions. Leveraging advanced technologies, including sensors, and data analytics, is central to our strategy. These tools empower us to optimise our freight operations in real-time, predict maintenance needs, and optimise routes. This not only enhances our efficiency, but also reduces energy consumption and operational costs and leads to a more efficient service for our customers.

Technology Roadmap

In 2024, One Rail Australia developed a Board approved three-year Technology Roadmap that focuses on establishing or enhancing critical business applications, vendor and resource support, and key processes. The roadmap will enable us to continue to develop our IT function into a key enabler of our Grow and Sustain strategic pillars in the future. The Roadmap also includes adjusting the current applications to better suit the company's needs, as well as reconfiguring or optimising systems to enhance support for Asset Management, Planning, Human Resources, Finance, and Procurement.

**One Rail Australia welcomes
feedback from its stakeholders.
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