



Annual Sustainability Report 2024

Acknowledgement of Country

Arc Infrastructure acknowledges that Aboriginal and Torres Strait Islander peoples are the First Peoples and the Traditional Owners and Custodians of Country throughout Australia and the Torres Straits. We acknowledge their continued deep spiritual connections and relationships to land, sea, customs and culture. We pay our respect to Elders past and present.

We recognise the rich, complex, distinct identities, histories and cultural traditions of Aboriginal and Torres Strait Islander peoples in communities and language groups across the freight rail network.

Arc Infrastructure commits to the ongoing journey of reconciliation through the implementation of our Reconciliation Action Plan.



Shanae Tesling
Connected Journey, 2023.

Digital artwork

Artwork by Martu/ Nyamal artist
Shanae Tesling for
Arc Infrastructure.

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CEO foreword

On behalf of Arc Infrastructure, I am pleased to introduce our third Annual Sustainability report and provide an update on the commitments and initiatives identified in our Sustainability Strategy.

I am proud of the significant milestones we have achieved and the progress we have made across our Sustainability Strategy throughout 2024. In November, the inaugural Sustainability Committee meeting was held with Head of Department representatives, during which a new governance framework was introduced to support the Sustainability Strategic Initiative transitioning from a project to a business-as-usual (BAU) structure. Reporting directly to the Executive Audit, Risk and Compliance Committee (ARCC), the remit of the Sustainability Committee is to provide leadership and direction for Arc's approach to the management of its Sustainability Program and related initiatives.

There is a heavy focus moving into 2025 to improve the accessibility and accuracy of data linked to Arc's Sustainability Program, which you can see reflected in this report. This year, there are significantly more metrics included in the report, demonstrating how many of the projects set out in our initial strategy have now been implemented and are now providing us with data we can share. An update on all our individual sustainability initiatives is included as an appendix to this report.

Within Arc's sustainability theme of Safety and Risk we saw the launch of the Track Mates peer support program as part of the Mentally Healthy Initiative. Track Mates are not qualified counsellors but rather are staff members nominated from within the business who are provided with the tools to enable them to have these important conversations. These individuals are part of a comprehensive suite now available to our employees who may be facing mental health challenges, providing them with the necessary tools for support. The Governance and Risk team have also been undertaking risk reviews of our Critical Safety Risks with input from our frontline workers and various subject matter experts as part of continual improvement of the program since it was rolled out in 2021.

We are proud to have built a strong relationship with the Yamatji Southern Regional Corporation through the heritage work we completed with them while undertaking upgrades on Strawberry Bridge, near Mingenew. This project demonstrated the ability of both our Environment and Heritage team and our Learning and Development team to work together and implement creative solutions when faced with a unique challenge.

We announced two new Principal Partnerships during 2024 as we entered into three-year agreements with both the Waalitj Foundation and Zonta House Refuge Association. It was a big year for many of our existing Principal Partners with four of our partnerships entering a further three-year agreement for ongoing support.

In September, we were delighted to have the first Gold Valley train run from Kalgoorlie to Esperance, marking the commencement of a new task on this part of the network for the first time in several years. We remain committed to identifying and bringing new tasks on to rail across our network.

We continue to demonstrate our commitment to developing the next generation of rail workers through our ongoing support of North Metropolitan TAFE. In 2024, we also entered a new partnership with Edith Cowan University alongside the Australasian Railway Association and other partners to develop rail specific content for their Bachelor of Engineering degree, an exciting milestone for rail-specific tertiary education in WA.

I am proud of the progress we have made this year across the business, especially as many of our initial 40 sustainability initiatives are now part of our BAU operations, embedded in the way we do business. I look forward to providing further updates on our growing maturity and evolving approach to sustainability in future years.

Nathan Speed
Acting Chief Executive Officer
March 2025

Our business

Arc Infrastructure is the manager of the freight rail network in Western Australia. Our core business is to operate and maintain a rail network that stretches more than five thousand kilometres across Western Australia.

Owned by global asset management company, Brookfield Infrastructure Partners L.P., Arc Infrastructure is at the forefront of infrastructure management.

We connect WA to the rest of Australia and deliver WA products to the rest of the world – 24 hours a day, seven days a week – by joining the dots between people, products and ports. From the Midwest across to the Goldfields and all the way down to the South West, the network we manage connects local businesses, communities and industries with eastern states and overseas markets.

Powered by a team of more than 580 employees with a true regional footprint, Arc Infrastructure is proud to provide a service that's helping to drive the State's economic growth.

We're committed to working with industry, our customers, partners and communities to find new opportunities that will support and strengthen the rail network and the benefits it delivers to WA.

Our infrastructure assets support a wide range of customers and commodities, many of whom are working towards their own sustainability goals:

- Grain from WA growers
- Minerals from mines located throughout WA
- General container freight from the east coast and overseas
- Inputs to mines located throughout WA
- Industrial facilities located around Perth and throughout the network
- Regional passenger services

We value our role in the community and want to make a difference in the regions that we live and work in. We do this by managing and developing assets that support growth of tonnes on rail, create sustainable jobs and improve quality of life in our State.



Photo credit - James Knapp, Arc Infrastructure.

Arc launched its Sustainability Strategy in March 2022. The strategy framed our understanding of sustainability principles and identified where Arc could make the most meaningful contributions towards the United Nations Sustainable Development Goals (UN SDGs). It also provided a commitment from Arc to undertake specific actions and provide regular transparent reporting of our progress.

In 2023 we refocussed on a smaller number of SDGs which we felt most closely aligned with our priority projects. In 2024, we have continued our approach to sustainability, making no significant changes.

In 2025 we will look to incorporate the new legislated reporting requirements of the Australian Sustainability Reporting Standards into our overall strategy, reporting and governance structure for sustainability.

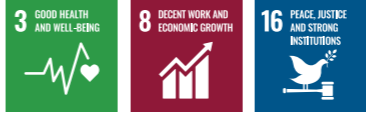
SUSTAINABLE DEVELOPMENT GOALS

Arc Infrastructure supports the Sustainable Development Goals



Theme and Focus SDGs 2023-2024

Safety & Risk



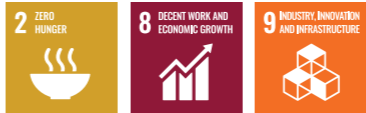
Environment



Community



Customers



People



Initiative updates

As indicated in last year's report Arc has begun shifting from initiative reporting to performance reporting, with more metrics and data included in this 2024 report. Many of the included metrics relate directly to our now BAU sustainability initiatives – such as the Cyber Security metric which reports on all significant potential threats intercepted across the business.

An update on our sustainability initiatives can be found in Appendix A.

Governance and reporting

During 2024, our Sustainability Committee was convened and held their first official meeting. The committee will be a key driver for the evolution of our strategy and implementation of new sustainability initiatives moving forward.

The table below describes the roles and responsibilities of different parts of the business to support the implementation of Arc’s Sustainability Strategy.

Arc will continue to deliver reports annually for the previous calendar year, following review and endorsement by the ARCC and Sustainability Committees. This is our third annual report.

Governance group	Representatives	Responsibilities
Audit, Risk and Compliance Committee (ARCC)	Chief Executive Officer General Manager, Network Strategy and Customer Operations General Manager People, Governance and Risk Chief Financial Officer General Manager, Commercial General Manager, Works Delivery Chief Information Officer	Oversight of Sustainability Strategy and initiatives
Sustainability Committee Chair	General Manager People, Governance and Risk	Executive sponsor of the Sustainability program at Arc, supports the direction of and approves key workstreams
Sustainability Committee	Theme owners Head of Finance People, Governance and Risk Lead – Program Management, Systems and Reporting	Providing oversight and review of Arc’s sustainability program, including direction of improvement initiatives
Theme owners	Head of Governance & Risk Head of Stakeholder Engagement Head of Development Head of People	Coordination of initiatives to meet the objectives of each theme
Initiative owners	Arc’s Subject Matter Experts	Delivery of each individual sustainability initiative
Advisory	Industry leading consultants	Providing expertise to inform the development and implementation of the Sustainability Strategy and the selection and defining of initiatives



“The Sustainability Committee will be a key driver for the evolution of our strategy and implementation of new sustainability initiatives moving forward.”

Safety and Risk Management

OWNER

Head of Governance and Risk

Objective

- Continue to focus on the safety of our people and our network to build on our already mature risk framework.

Key Progress in 2024

- Engaged contractors via the new contractor safety management process utilising a risk-based approach.
- Launched the Track Mates program during Rail R U OK? Day and progressively rolled out mental health related training to the business.
- Reviewed and implemented revised frontline assurance activities including inspections.
- Completed a baseline assessment on infield health monitoring across various regions.

Priorities and focus for 2025

- Revisit the Critical Safety Risk Program to enhance existing processes and controls.
- Improve governance of Critical Safety Risk Collaborative Forums.
- Integration of existing contractors with new Contractor Management System.

Performance measures 2024

- 34 contractors engaged through the new contractor safety management process.
- 1866 critical control verifications completed
- 288 health and safety inspections completed
- All 38 Track Mates have completed Lifeline WA's Accidental Counsellor training via 6 sessions.
- 17 mental health training sessions provided to the rest of the business.

Our Environment

OWNER

Head of Governance and Risk

Objective

- Minimise our impact and protect and enhance the environment in which we operate by reducing our carbon emissions and respecting heritage.

Key Progress in 2024

- Finalised Arc's bushfire risk assessment process and completed a draft Bushfire Mitigation Strategy.
- Designed an online disturbance permitting process which will allow for better visibility across the business of the environmental permitting process.

Priorities and focus for 2025

- Roll out of the disturbance permitting process and online permit form across our regional and project teams, to help reduce impacts to high value environmental and heritage assets across our Network.
- Review of Arc's Environmental Management System (EMS) to identify improvement opportunities and further minimise impacts to environmental and cultural heritage assets.

Performance measures 2024

- Surveyed and verified 168 high risk bushfire sites identified across the network.
- 206 disturbance permits issued.

Our Community

OWNER

Head of Stakeholder Engagement

Objective

- Work with communities across our geographically diverse network, respecting their heritage, and continuing to build trust.

Key Progress in 2024

- Entered into a new Principal Partnership with the Zonta House Refuge Association as part of our community investment program.
- Growth of the Constable Care Safety School excursion competition, targeted at regional and metropolitan primary schools, from 120 entries in 2023 to 137 entries in 2024, and the addition of covering transport costs for regional schools.

Priorities and focus for 2025

- Implement and promote our new proactive rail safety education program targeted at teenagers.
- Form a Reconciliation Working Group to govern Arc's Reconciliation Action Plan (RAP) implementation which complies with Reconciliation Australia's representation and membership guidelines.

Performance measures 2025

- Received 137 entries for the annual Rail Safety Week competition.
- Renewed five of our Principal Partnerships for a further three years, including a new partnership with Zonta House Refuge Association.
- Entered into an agreement with Constable Care Foundation for the development of a new rail safety education campaign targeted at teenagers.

Our Customers

OWNER

Head of Development

Objective

- Support our customers to sustainably manage the movement of their freight.

Key Progress in 2024

- Opened the Kenwick Intermodal Terminal following more than seven years of planning, and 12 months of construction.
- Completed the detailed feasibility study into recommissioning the Bunbury to Greenbushes railway for Talison to assess shifting Talison's lithium freight task from road to rail.
- Completed mainline trials of the Hiivr Rail autonomous wagon.
- Implemented a new Train Control System (STC) for the Midwest Centralised Train Control (CTC) region.
- Upgraded technology infrastructure and software for the Phoenix Train Control System which controls other CTC regions.

Priorities and focus for 2025

- Continue development of the Hiivr Rail autonomous wagon.
- Support Talison and Government on next stages of the recommissioning of the Greenbushes to Bunbury Railway project.
- Continue the planning and development for locomotive in-cab systems.

Performance measures 2024

- Undertook mainline trials of the Hiivr Rail autonomous wagon, a key milestone towards operation.
- From the commencement of the Gold Valley iron ore task in September 2024, 309,398 tonnes were transported from Kalgoorlie to Esperance.

Our People

OWNER

Head of People

Objective

- Strive to employ a diverse workforce, provide an inclusive workplace and continue to provide a range of development opportunities for our people.

Key Progress in 2024

- Launched the updated Parental Leave Policy, including 20 weeks paid leave for primary carers and six weeks leave for secondary carers.
- Completed the build of the Certificate III in Rail Infrastructure, with the training of Certificate II and Certificate III now fully implemented into the business.
- Launched the Reconnect Program which provides upskilling for leaders within the business who have already completed components of the Leadership Development Program.
- Developed the Employee Value Proposition (EVP).

Priorities and focus for 2025

- Proactively communicate benefits of the EVP to the business.
- Development of the Certificate IV in Signalling.
- Implementation of the Executive Development Program building on the learnings from the 2024 pilot program.

Performance measures 2024

- 66 employees completed a Leadership Development Program (LDP) module in 2024.
- Launched the Reconnect Program (89 participants in total) and Executive Development Program (21 participants) as additional units of the overall LDP.
- 6 participants commenced the Certificate IV in Train Control.

Safety & Risk Management



Metrics

- Safeworking Training: **7,941 hours**
- Rail Corridor Induction: **1,978 hours**
- Certificate II/III Units with HSE Aspect: **688 hours**
- Mental Health e.g. TrackMates Upskilling / Psychological Safety in the Workplace: **646 hours**
- General HSE Inductions: **210 hours**
- Other: **85 hours**



* Category A incidents are classified based on requirements set-out in ONRSR's Notifiable Occurrence Reporting Requirements.



CASE STUDY

Arc launches Track Mates peer support program

As our industry's National Day of Action, Arc was proud to use this year's Rail R U OK? Day as an opportunity to launch our internal peer support program, Track Mates.

The program, developed as part of Arc's Mentally Healthy Workplace Initiative, aims to provide a peer-led support program to encourage people to seek help if they are struggling. The first of Arc's Track Mates undertook training in 2023 with Arc's Principal Partner, Lifeline WA, where they learnt active listening skills and how to engage in calm and gentle questioning techniques. Further upskilling sessions ran throughout 2024 and 2025 to offer ongoing support and best practice skills to Track Mates.



Track Mates at the Rail R U OK? Day event with past CEO Murray Cook.

The goal of Track Mates is to build on the existing mental wellbeing support base available through various channels at Arc and provide employees with an additional way to have an important conversation with a safe person who can direct them to critical services that provide longer term support.

Track Mates were sought from each business area and region and from all different cultures, genders, ages, and levels of seniority to ensure diversity. They are Arc staff who display resilience, self-awareness and confidence.

The Mentally Healthy Workplace Initiative embarked on a process to develop our own peer support program following internal feedback when the initiative was originally set up in 2022. Arc is pleased to have been able to build on the suggestion presented in those early consultation sessions and develop the Track Mates team.



Lifeline WA helped to upskill Arc's Track Mates in active listening and how to support colleagues to seek help.

Track Mates are required to interact with empathy, respect and without judgement while upholding confidentiality and being comfortable to hold space for challenging conversations. Track Mates are not qualified counsellors but have been nominated from within the business and provided with the tools and training to enable them to hold this important role.

Currently, Arc is not requiring Track Mates to undertake reporting, as this reflects both the confidential, sensitive, and, in many instances, organic nature of these conversations. However, anecdotally, Track Mates are advising they are being sought out for conversations, which is a promising sign of the uptake of this program by employees.

Going forward there are plans to evaluate the program and look at the option of training additional employees to become Track Mates.

CASE STUDY

Critical Safety Risk Program – Critical Control Verification App Award Nomination and Risk Reviews

Arc's Critical Control Verification (CCV) App is a digital tool used to support the implementation of the business's Critical Safety Risk (CSR) Program which was rolled out in 2021.

The CCV process has always been an important step in Arc's CSR management process. As part of the CSR Program's 5-step process, the CCV is the third step that provides a level of assurance that requires critical controls are in place and working before commencing a high-risk activity.

In 2023, through the roll-out of the app, Arc transitioned away from a paper-based form which supervisors and leading hands had to complete before undertaking a task associated with one of Arc's 10 CSRs. The app allows frontline workers to complete the CCV process in the field using their mobile phone, even when signal coverage is limited or not available.

The decision to move to a digital solution was driven by our frontline workers, whose feedback indicated it would be beneficial to complete the CCV via a mobile app to allow for a more efficient way to collect data by reducing the administrative burden when compiling results from the existing paper form.

The move to a digital platform has been well received by our infield team and has increased the ability of Arc's Governance and Risk team to analyse data from completed CCVs. Collated data and commentary from CCVs are analysed, reviewed and discussed in the CSR collaborative forums to understand what is working well and identify areas for improvement.

Discussions at the collaborative forums have initiated additional deep dive risk assessments into all 10 of Arc's existing CSRs, to assess if and how controls or performance measures for each risk can be refined now the program has been running for several years.



The CCV app allows frontline staff to complete critical safety controls which increases efficiency and reduces administrative burden.



The CCV can be accessed in the field by frontline staff on their mobile devices.

Arc's CSR Collaborative Forums have been instrumental in this risk review process, as they bring together risk owners, infield subject matter experts (SMEs) and Governance, Risk and Training specialists to share best practice and on ground experience.

The deep dive risk review process undertaken by the collaborative forums involved an initial introductory session providing a detailed background on Arc's CSR program and educated attendees on key terminology and risk management. This was followed by a risk assessment where SMEs provided direct feedback on the efficacy of the critical controls and performance measures from their day-to-day experience.

Following collation of recommended changes, and an external quality assurance review by an independent CSR expert, the changes have been endorsed by Arc's Governance and Risk Team. In 2025 the outcomes of the review will be implemented into infield practices, which will include updates to the CCV App.

The CCV app was also named as a finalist in the 2024 Australasian Rail Industry Awards, which are organised by the Australasian Railway Association. The CCV app was selected as a finalist from a large pool of nominees, including all the entries into the annual Rail Industry Safety and Standards Board Rail Safety Awards.

Arc continues to be proud of our ability to incorporate frontline worker feedback with best practice safety and risk management to support ongoing safe operation of our network.

Our Environment

Metrics

Rail recovery quantities

Total steel tonnes recovered in 2024:



Total wooden sleepers recovered in 2024:



Heritage sites



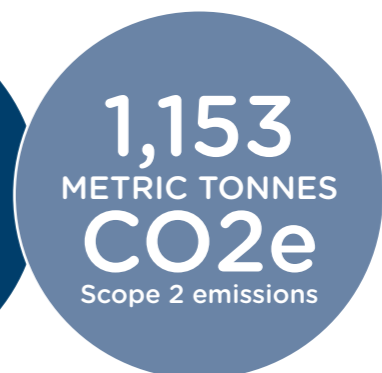
Heritage site due diligence assessments completed including:

- ☒ 214 Aboriginal Heritage assessments
- ☒ 12 European Heritage assessments



Heritage site verification surveys completed including:

- ☒ 20 Aboriginal Heritage verification surveys
- ☒ 7 European Heritage verification surveys



CASE STUDY

Partnering with YSRC on Strawberry Bridge



The Strawberry Bridge construction was a complex project due to the stabilising works required.

Arc Infrastructure is proud of the works completed in May 2024 on Strawberry Bridge which crosses the Irwin River near Mingenew. The works required significant engagement with the Yamatji Southern Regional Corporation (YSRC), as they took place on a registered heritage site.

While most projects involving potentially disturbing activities at registered heritage sites generally require Heritage Monitors at the start

and end of construction activities, the complex nature of the construction works needed at Strawberry Bridge to stabilise the embankments and the bridge foundations meant they were required onsite every day.

All attending Heritage Monitors were required to complete Arc's rail corridor induction training, which presented a logistical challenge. Arc's Aboriginal Heritage Advisor engaged with Arc's Training team to create an innovative



Heritage Monitors Dale Whitby and Rickeesha Dann onsite at Strawberry Bridge.

solution that saw the training module installed onto tablets that could be taken into the regions and delivered in-person.

The agile and flexible approach led to positive outcomes for the Heritage Monitors and enabled 17 people to be certified. Holding this certification means those individuals will also be able to work on other Arc projects taking place in the area in the future.

YSRC's Heritage Team said they were pleased to be involved from the inception and initial survey of the site through to the presence of the Heritage Consultants onsite.

"Importantly the feedback from the team is that they have felt respected when on site with their views being considered valid. The ability of the Arc team to connect and understand the

issues at hand and work with Yamatji Southern and the Heritage Consultants to see the issue to conclusion has been noted by the group and remains very much appreciated," the YSRC Heritage Team said in a statement.

Our relationship with the YSRC has continued to develop from this work. Our Mid-West region partnered with YSRC for an event held in July 2024 which included a Welcome to Country, smoking ceremony and BBQ to celebrate the Strawberry Bridge works and NAIDOC Week. Brooke O'Donnell, Manager of Heritage and Native Title at YSRC, also attended Arc's Boorloo (Perth) NAIDOC Week event.

Arc would like to acknowledge the Yamatji people who are the Traditional Custodians of the land on which we worked to complete this project.

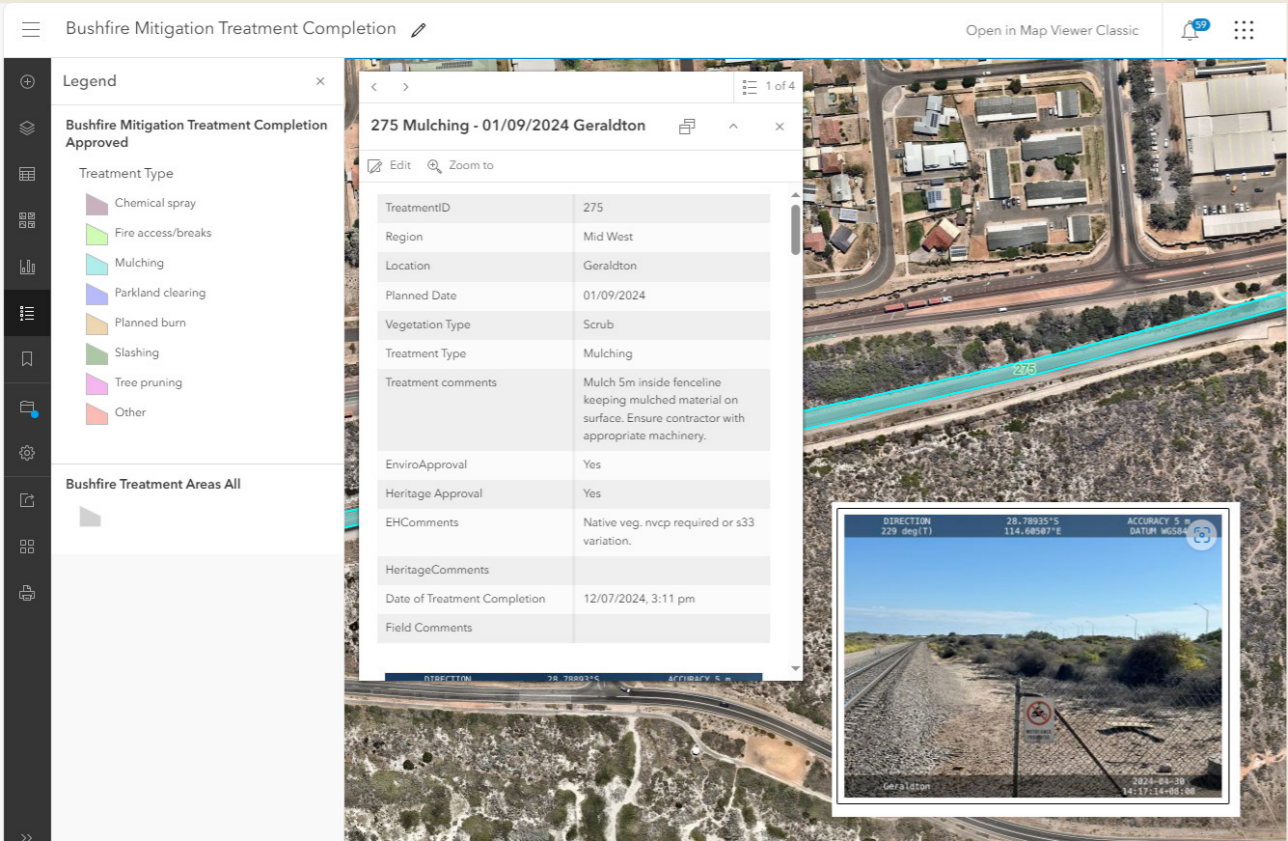
CASE STUDY

Developing a holistic bushfire mitigation strategy

Throughout 2023 and 2024, Arc has invested a significant amount of time and resources into developing a holistic bushfire mitigation strategy.

Previously, Arc’s bushfire mitigation was done on an ad-hoc, reactive basis and managed largely based on the local knowledge of our regional teams. The decision was made for a more strategic, business-wide approach, using a risk-based methodology to ensure mitigation was targeted at the most crucial areas for the protection of the community.

With the support of subject matter experts (SME), we have developed an internal methodology for assessing bushfire risk, and risk assessing our entire network, with a focus on townsites. The risk profiling considers a range of attributes, including slopes, vegetation, heritage values, environmental values and population. The risk rating for each location is then determined by a ranking of the various attributes.



GIS based tool which displays the precise location on the network and includes instructions and mitigation for the identified site.



A robust risk profile and rating is developed for each location.

Following the development of the risk analysis, the outcomes were presented to Regional Leads and followed up with an in-depth roadshow. Each region was presented with the outcomes of the risk assessment and asked to compare and prioritise the areas of known risk with that of the desktop risk assessment. To further validate the desktop assessment, our Environment and Heritage Team undertook site visits and used the opportunity to put forward recommendations for mitigation treatments for the high-risk areas identified in the strategy.

A Geographic Information System (GIS) based tool accessible to the regions has been built in-house and

used for identifying and validating recommended mitigation treatments, going forward the system will be used to record post treatment information including photos at each location. This is a live system which can then be used to update the risk rating as treatments are implemented across the network.

This project has focussed on pivoting Arc’s approach to bushfire mitigation from local, reactive measures to a holistic and strategic approach grounded in a thorough risk assessment. Arc is proud of the extensive work undertaken with cross collaboration from our teams in Governance and Risk and the regions to create a strong strategy.

Our Community & Stakeholders



Metrics



\$435,573

total partnership & sponsorship spend



\$450,795

total spend with First Nations Owned Businesses in 2024

Payment Times

84.02%



86.7%

of small business suppliers paid within 30 days for the 6 month period ending 31 December 2024

of small business suppliers paid within 30 days for the 6 month period ending 30 June 2024



82.36%

of large business suppliers paid within 30 days for the 6 month period ending 31 December 2024

635 active small business suppliers within Procurement System (as of Feb 2025)



137

Rail safety week competition entries (118 unique) in 2024



23

Lifeline mental health training sessions including Lifeline WA's Accidental Counsellor training for the Track Mates program

Partnership spotlight: Zonta House Refuge Association Inc

In 2024, Arc Infrastructure entered a new Principal Partnership with Zonta House Refuge Association (Zonta House) to support women escaping family and domestic violence.

The new partnership was announced during the annual 16 Days in WA – Stop Violence Against Women campaign that takes place from 25 November, the International Day for the Elimination of Violence Against Women, to 10 December, Human Rights Day.

Zonta House is located in Perth and operates as a not-for-profit organisation. They have been providing services since 1984 and currently operate a suite of nine programs to help people facing family and domestic violence, abuse and coercive control (FDV) access and navigate the support they need in a coordinated, trauma-informed, and empowering manner.

The funding from Arc’s Principal Partnership with Zonta House will be allocated towards Family Assistance Support and Residence Enrichment Workshops and Activities.

The Zonta House Family Assistance Support program helps to address the specific needs of children and young people impacted by FDV, offering emotional support, ongoing support coordination, and individualised activities aimed at enhancing their wellbeing.

Zonta House Residence Enrichment Workshops offer a variety of activities including self-care practices, art therapy, gentle fitness, personal development sessions, skill building, and multicultural experiences. The aim is to create meaningful opportunities that foster physical and mental wellbeing, cultivate a sense of belonging, and promote personal growth.

The ethos behind Arc’s overall approach to our Principal Partnerships is to direct our support to the most vulnerable people in our community.

The relationship with Zonta House began back in 2021 when they were one of two recipients of our annual Christmas donation. At the time the funding was allocated to experience vouchers, gift cards and food for Christmas Day at two Zonta House locations.

Accessing support

If you are in immediate danger, or someone you know is in immediate danger please do not hesitate and call Police on 000. Family and Domestic Violence (FDV) can be threatening, abusive, violent, coercive, stalking, controlling, making someone feel scared and/or forcing them to do things they don’t want to do. For more information on what is considered Family and Domestic Violence, or how to identify it please visit SafeandEqual.org.au or 1800RESPECT.



Arc is pleased that this new three-year partnership will help Zonta House continue to offer holistic, person-centred, and culturally safe assistance to those who need it.

CASE STUDY

Aboriginal Engagement update



Arc sponsorship money contributed to a bus for the Hall Head Deadly Sista Girlz.

Arc's focus on Aboriginal Engagement has continued, following the launch of our first Reconciliation Action Plan (RAP) in 2023.

Arc Infrastructure's 2023 'Reflect' RAP was centred on scoping capacity for reconciliation and outlining goals around creating respectful relationships which foster social and economic opportunities for Aboriginal and Torres Strait Islander peoples and the broader community.

The RAP was a significant milestone for the business and demonstrated Arc's commitment to the ongoing journey of reconciliation.

The focus throughout 2024 has been on actioning the commitments made

in our 'Reflect' RAP, while we look to progress towards an 'Innovate' RAP.

Some of the key achievements in 2024 include:

- Announced a three-year Principal Partnership with the Waalitj Foundation, totalling \$300,000. Each year of the partnership will support a different program at the Waalitj Foundation. In 2024 the sponsorship money went towards a bus for the Hall Head Deadly Sista Girlz to assist with transporting the girls to and from school and Waalitj events.
- Participated in National Reconciliation Week 2024.



Arc's new Principal Partnership with the Waalitj Foundation was signed in 2024.

- Onboarded several Aboriginal-owned businesses through our Procurement team, including suppliers for office supplies (Mandura), graphic design (Nani Creative), and promotional merchandise (Blak Line Industries).
- Hosted a special NAIDOC Week event at our Bravo office, where we heard from the Waalitj Foundation General Manager Education Programs Josie Janz-Dawson and created a community canvas with the support of local Aboriginal artist Salena Rose Abdullah. Catering was provided by Kuditj Kitchen.
- Hosted the Yamatji Southern Regional Corporation (YSRC) event in the Mid West.
- Sponsored Australasian Railway Association (ARA) First Nations Participation and Employment Research.
- Provided PPE, materials, equipment and expertise to support the Koomba Birdal (Big Spark) Rail Infrastructure Program at North Metropolitan (Metro) TAFE.
- Commenced discussions with the Clontarf Foundation to improve the education, discipline, life skills, self-esteem and employment prospects of young Aboriginal and Torres Strait Islander men in the Central Wheatbelt

In 2025, the business will be looking to launch a new 'Innovate' RAP and roll-out training to all staff to increase knowledge and understanding of Aboriginal culture, promoting cultural competence, breaking down stereotypes, and creating a more inclusive and respectful environment for the entire workforce.

CASE STUDY

Rail Safety Week competition's continued success



Arc runs a competition each Rail Safety Week with Principal Partner the Constable Care Foundation targeted at primary schools.

Arc Infrastructure is proud to take part in Rail Safety Week, TrackSAFE's annual community awareness week held in Australia and New Zealand, designed to engage the community in safe rail practices.

Rail Safety Week sees rail operators, police, governments and community organisations unite by organising various activities such as media events, safety demonstrations, hosting webinars and virtual events, along with engaging schools and community groups to raise awareness on the

importance of rail safety.

For the last three years, Arc has worked with our Principal Partner the Constable Care Foundation to run a competition targeted at primary schools. Both regional and metro schools can enter the draw to win a free excursion to the Constable Care Safety School (valued at \$698.50).

Our goal is to help ensure the safety of communities that surround the freight network. The Rail Safety Week competition promotes key messages about interacting safely with the rail



The Rail Safety Week excursion offers primary schools a chance to visit the Constable Care Safety School in Maylands.

corridor, as well as an opportunity for students at the winning schools to gain real life skills using level crossings.

The Constable Care Safety School in Maylands provides children with the opportunity to explore real-life transport risks and practice road, rail, pedestrian, bike and public transport safety skills in a safe, realistic urban environment.

This year, Arc increased the number of free excursions on offer from 15 to 20 schools and offered to cover the cost of transportation for a number of WA regional schools near the freight rail network.

The Constable Care Foundation also generously offered all schools who entered \$100 off their next excursion booking to the Safety School.

This year's campaign saw an increase in entries received with almost 140 submissions, an increase on 120 entries

in 2023, and 60 entries in 2022, the first year of the competition.

The business was proud to make the 2024 Rail Safety Week Constable Care Safety School giveaway even bigger and better than previous years, offering more opportunities for schools to win, with a focus on including regional communities.

To expand on this program, targeted at primary school students, Arc is also working with the Constable Care Foundation to develop an education campaign and resources targeted at high school students. The high school rail safety education campaign will focus on risky behaviours around the freight rail network, such as trespass. This campaign will be piloted in 2025.

Arc appreciates the work of our Principal Partner, the Constable Care Foundation, and their collaboration in Arc's commitment to rail safety education all year round.

Our Customers



2 ZERO HUNGER

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Metrics

Commodities transported by rail

 Alumina, Coal & related

 Consumer freight

 Industrial freight

 Nickel, Cobalt & related

 Grain

 Iron Ore

 Passenger

 Fuel

 Mineral Sands

 Woodchips*
*ceased during 2024

80%
Rail modal
share
of east/west
traffic

51.4
MILLION TONNES
shifted
by rail

19.9%
Rail modal
share
of traffic out of
Fremantle

CASE STUDY

Kenwick IMT set to increase rail modal share

Perth's newest Intermodal Terminal (IMT) was officially opened in Kenwick in early September 2024.

The IMT is the first to be delivered from Arc's IMT strategy and is set to be a critical piece of infrastructure for growing rail volumes through Fremantle Port and the future Westport.

The Kenwick Intermodal Terminal (KIT) is a strategic investment by Arc Infrastructure that provides an immediate increase in inland IMT capacity and removes the current constraint that has effectively capped rail share of import/export containers at 20%. The Kenwick IMT will enable rail share to grow towards 30-50%, in

line with the State Government's long-term target.

The project was made possible through an agreement with the Federal and State Governments, who contributed \$10 million towards the \$25 million project.

Arc Infrastructure has collaborated with the WA State Government over many years in developing a shared intermodal strategy. The opening of KIT in 2024 created immediate IMT capacity needed to lift rail modal share and will also play an important role positioning the WA supply chain for growth anticipated by the future Westport.



The Kenwick Intermodal Terminal was officially opened in September 2024.

As a greenfield IMT, Arc has been able to optimise the terminal's design to maximise its capacity and minimise inefficiencies. This includes full rail frontage and adjacent hardstand access for a complete port shuttle rail service without any shunting being required during operations.

The Kenwick IMT is operated by Intermodal Group and has a throughput capacity of over 200,000 twenty-foot equivalent units (TEUs) with additional capacity for an empty container park. A dedicated rail fleet operated by Watco Australia offers capacity of up to 100 TEU per service.

Watco initially commenced running a daily weekday port shuttle service and have already increased this to two return services a day to meet volume demand through the IMT.

The Kenwick IMT is located within Arc's Kenwick Rail Freight Facility and connects to the adjacent Roe Highway Logistics Park (RHLP) and other soon to be developed industrial land. It is well connected to the industrial warehouse precinct of Welshpool and Kewdale, with RAV7 trucking access for last mile deliveries.



Key Federal and State government stakeholders attended the opening event.

CASE STUDY

Gold Valley iron ore task comes onto rail



Arc Infrastructure and Gold Valley signing the new Track Access Agreement in 2024.

In September 2024, Arc Infrastructure signed a new agreement with iron ore miner Gold Valley, with the first train completing its route from West Kalgoorlie to the Port of Esperance on 1 October.

The Track Access Agreement between Arc and Gold Valley will initially see around 1.2 million tonnes per annum (mtpa) of iron ore transported on the Arc Network. The agreement is linked to Gold Valley's Wiluna West Iron Ore Project, starting with three return train paths a week

Based in Perth, Gold Valley is involved in exploration, development and production of iron ore assets in Western Australia and the Northern Territory.

The partnership with Gold Valley is a significant vote of confidence in the Yilgarn iron ore region and Arc is thrilled to secure a new customer who has both an existing operation and significant growth aspirations.

The agreement posed particular significance following the decision



Iron Ore will be transported from Gold Valley's Wiluna West Iron Ore Project to Esperance.

of BHP Nickel West to temporarily suspend operations, and the ramp down of Mineral Resources' Yilgarn Iron Ore project. Arc has remained committed to workforce retention following the decrease in volumes on this part of the network.

This new agreement with Gold Valley means there is still a task on the rail

network transporting commodities into and out of the deep-water export port at Esperance, supporting its ongoing operations.

Arc looks forward to supporting Gold Valley's growth aspirations and continues to look for opportunities to bring new tasks onto rail in this region.

Our People



4

QUALITY EDUCATION

8

DECENT WORK AND ECONOMIC GROWTH

10

REDUCED INEQUALITIES

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

Metrics

66

employees participated in the Leadership Development Program in 2024

537 units completed

As part of the Certificate II in Rail Infrastructure, Certificate III in Rail Infrastructure and Certificate IV in Rail Network Control

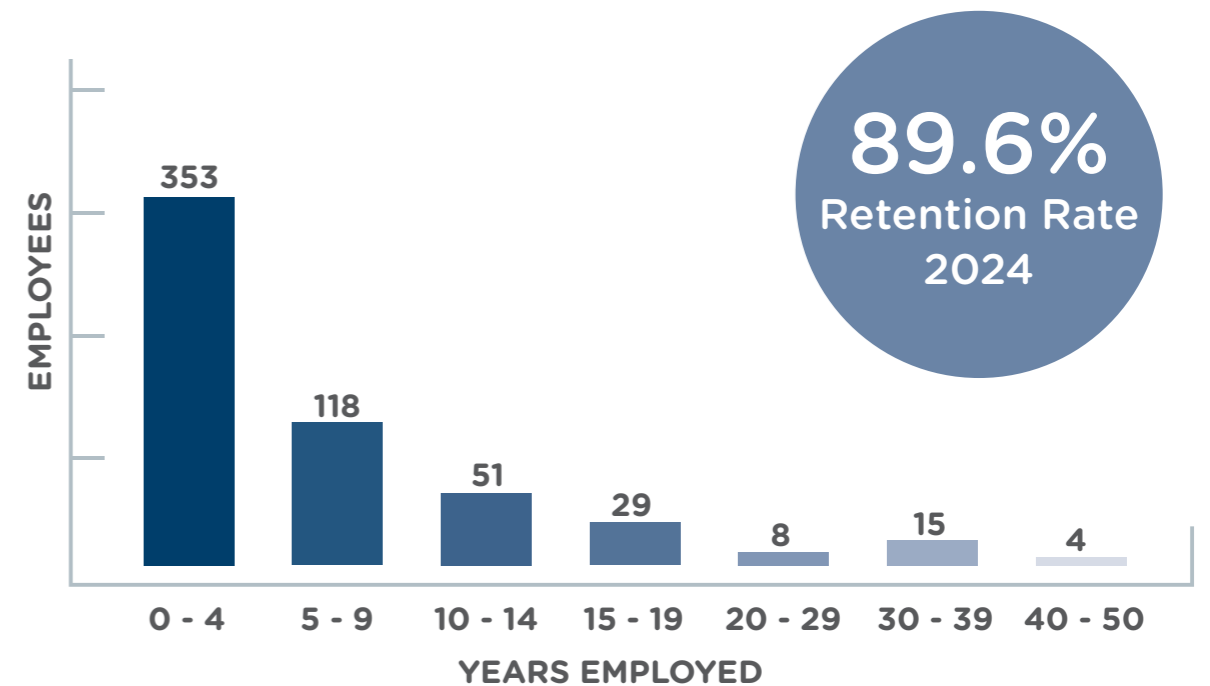
180

Regional employees

82 internal transfers

18% of which were lead roles or above

Length of service milestones



CASE STUDY

Arc's ongoing support of tertiary rail education



North Metro TAFE 2024 Koomba Birdal Program participants Jacob, Jason, Jonathon, Neeba, Remy, Stanley, Sydney and Vanessa.

Arc continues to invest time and resources into fostering tertiary rail education to support the rail workers of the future.

In May 2024, we were pleased to jointly announce a new partnership between the Australasian Railway Association (ARA), Edith Cowan University, The Public Transport Authority, and Rio Tinto to develop a set of rail specific engineering units for their Engineering Program.

As one of the industry partners supporting the development of the course content, Arc has been heavily involved in the discussions which led to the formal agreement being signed.

The agreement supports the creation of rail specific units for inclusion in the Bachelor of Engineering (Honours) programs commencing in 2025.

Arc has provided six subject matter experts to assist with developing the content for units on the following subject areas:

- Railway Electrical, Control and Signal Systems
- Railway Design, Construction & Maintenance
- Railway System Mechanics

The announcement of this agreement, and the work done throughout



Arc's central maintenance team with Rail Infrastructure Program students at North Metro TAFE.

2024 to support the development of the unit content delivers on one of the 40 original initiatives of Arc's Sustainability Strategy, which focused on the importance of partnerships to develop new pathways for future rail workers.

In addition to supporting tertiary education in the form of an Engineering Bachelor's program, Arc has also continued our engagement with North Metropolitan (Metro) TAFE.

As mentioned in our 2023 Sustainability Report, Arc Infrastructure has offered personal protective equipment (PPE), materials, equipment and expertise to support the Koomba Birdal (Big Spark) Rail Infrastructure Program at North Metro TAFE.

The Koomba Birdal Program, which commenced in 2022, is a free supported training pathway for Aboriginal and Torres Strait Islander

students and is designed to inspire the pursuit of further study and enhance their ability to gain employment. Students are supported throughout their training by the Koolark Centre for Aboriginal Students and the TAFE's Jobs and Skills Centre's Enhanced Aboriginal Engagement Team, who provide mentoring, study support and career guidance services.

As well as sponsoring the purchase of PPE for the Koomba Birdal rail students, Arc coordinated track panel demonstration works to coincide with classes to involve the Indigenous cohort of students. Over two days, the students, under the guidance of Arc employees, installed 18 metres of track which provided an invaluable learning opportunity for the participants. The materials for the track panel included scraps, seven timber and seven concrete sleepers and the relevant fastenings which connect the rail to the sleepers.

CASE STUDY

Developing our Employee Value Proposition

Following the completion and endorsement of our overarching People Strategy, Arc has begun a piece of work to better articulate our Employee Value Proposition (EVP). An EVP is the unique value you offer as an employer to your employees in return for their skills, experience, and commitment to your organisation.

Arc has completed identifying our unique EVP throughout 2024 and will be progressing to proactively communicate this to the business in 2025. One of the drivers for this project is to collate and communicate a detailed outline of the many benefits we offer to our employees.

We have an existing range of benefits and programs which offer our team access to supports, resources and

advantages throughout their time at Arc. These vary from a strong parental leave policy, mental health training, and access to discounts from a variety of retailers and service providers.

Our overall focus on health and wellness means employees can access up to \$80 a year to cover the cost of skin cancer screening or attend one of the skin cancer screening sessions we organise at our offices annually. Employees can also access a \$299 Health and Wellness Subsidy per year to claim reimbursement on approved equipment or activities that improves their health and wellbeing. Many of our team use this to cover the cost of running shoes, gym memberships or fitness classes but can also be used for services such as seeking financial advice from an appropriate provider.



Arc Infrastructure staff have access to a broad range of employee benefits.



Kalgoorlie Family Day.

Mental health is also a focus area, and one of the reasons for implementing the Track Mates program. We've also utilised the services of our Principal Partner Lifeline WA to provide training to anyone in the business who wanted to participate. The 'Helping Yourself and Others' training sessions were well attended throughout 2024 and means many of our people can take what they've learned home and into their communities, as well as utilise it in the workplace.

Arc prides itself on being a family friendly workplace, offering work from home days and flexible work hours to ensure our people can always be where they need to be. We also host Family Days across the regions, where we welcome our employees and their families for a day of fun activities. This provides our team's families with a behind the scenes look at where their loved ones work. During these events Arc gifts the children who attend with their very own Arc high-vis uniform.

An updated parental leave policy was put into place in early 2024 and includes 20 weeks paid leave for primary carers and up to six weeks paid parental leave for secondary carers who have been with the business more than six months.

Professional development and retention continue to be a focus for the People team, and wherever possible, we promote internally to fill supervisor and manager positions, rather than hiring externally. These endeavours are supported by the Leadership Development Program which has been running since 2021 and continues to provide valuable skills and learning experiences to our future leaders.

Work on the EVP will continue into 2025, expanding to include workplace culture and values, in addition to tangible benefits. Our People team will be using the EVP to express what makes Arc different from other businesses and an employer of choice.





APPENDIX A

INITIATIVE UPDATES

Theme 1

Safety & Risk Management

INITIATIVE UPDATES

PROGRESS

► Safe Workplace and other safety initiatives

/ HSE contractor management.



/ Review of safety governance structures.



/ Review change impact assessment.



► Safety training and competency

/ HSE Induction.



/ Critical safety risks.



► Cyber security

/ Transitioned to BAU.



► Anti-bribery and corruption

/ Transitioned to BAU. No reported incidents.



► Modern slavery

/ Transitioned to BAU. No reported incidents.



► Mentally Healthy Workplace initiative

/ Mental Health and Wellness Strategy.



► Fatigue management

/ Complete action roadmap to improve Arc's Fatigue Management processes.



► Injury management

/ Complete action roadmap to improve Arc's Injury Management processes.



Theme 2

Our Environment

INITIATIVE UPDATES

PROGRESS

► Resource usage

- / Conduct internal analysis to understand Arc's resource usage.



► Environmental management plans

- / Review and update Arc's existing management plans, as well as identify additional control measures.
- / Review Arc's biosecurity management plan and determine a risk process.



► Bushfire mitigation

- / Review Arc's bushfire mitigation strategy.
- / Formalise Arc's Bushfire risk assessment processes.



► Carbon net zero

- / Complete data collation and analysis to provide baseline for Scope 1 and 2 emissions.
- / Set Interim Net Zero Target.
- / Set Net Zero Target.
- / Conduct analysis of opportunities to reduce emissions across Scope 1, 2 and 3.



► Electrify fleet

- / Identify opportunities to electrify Arc's vehicle fleet (plus other assets) and define our expectation of contractors.



Theme 3

Our Community & Stakeholders

INITIATIVE UPDATES

PROGRESS

► Aboriginal engagement

- / Develop an Aboriginal engagement strategy, focusing on the following work streams:
 - / Education and awareness
 - / Aboriginal heritage
 - / Procurement
 - / Employment and training
 - / Community and partnerships



► Community corridor use

- / Transitioned to BAU, nothing to report.



► Rail safety

- / Design and deliver a rail safety program for teenagers in high-risk locations with the Constable Care Foundation.



► Rottnest Island railway maintenance

- / Transitioned to BAU.



► Passenger upgrades

- / Facilitate high-level platform projects driven by the Public Transport Authority for passenger services. The Merredin High-level platform was completed in October 2024.



► Volunteering

- / Promote, enhance and extend Arc's volunteering program with our partners and other charitable community organisations.



Theme 4

Our Customers

INITIATIVE UPDATES

► Autonomous wagons

- / Conduct mainline trials with the autonomous wagon prototype.



- / Development of a MK2.5 version of the Hiivr Rail autonomous wagon for in service operation start up. Integrate the wagons system with train control.



► Intermodal strategy

- / Support the shift of freight from road to rail through the development and implementation of an intermodal strategy.



► Agricultural Supply Chain Improvements (ASCI) projects

- / Partner with the Government and CBH to increase grain tonnes on rail through upgrades of the network and development of new sidings.



► Data and knowledge sharing

/ Transitioned to BAU.

 Ongoing

► Australasian Centre for Rail Innovation (ACRI)

- / Continue to partner and share information with ACRI to support innovation across various rail initiatives.

 Ongoing

► Rail Competitive Advantage

- / Monitor emerging technologies which may impact rails competitive advantage against road.

 Ongoing

Theme 4

Our Customers

INITIATIVE UPDATES

► Customer reporting

- / Develop reporting capabilities to respond to customer requirements for scope 3 emissions.



► Train control

- / Planning and development for locomotive in-cab systems.

 Ongoing

- / Implement a new Train Control System (STC) for the Midwest Centralised Train Control (CTC) region.



- / Upgrade of technology infrastructure and software for the Phoenix Train Control System which controls other CTC regions.



► Future technologies

- / Contribute and support innovation and research into future technologies.

 Ongoing

Theme 5

Our People

INITIATIVE UPDATES

► Leadership Development Program

/ Transitioned to BAU. 66 participants in 2024.

 Ongoing

► Local attraction

/ Transitioned to BAU, no figures to report.

 Ongoing

► Attraction through partnership

/ Continue to partner with ARA Rail Skills Academy to enable rail pathways through partnerships with TAFE and universities.

 Ongoing

► Reward and recognition

/ Continue to review and develop Arc's remuneration process with a focus on refreshing position descriptions and evaluation of jobs against market data.

 Ongoing

► HR management system

/ Improve the visibility of people related policies, standards and guidelines.

 Ongoing

► Attraction and recruitment

/ Improve Arc's recruitment brand, and implement new tools to eliminate recruitment bias to encourage greater diversity.

 Ongoing

/ Continue partnership with the State Government to deliver Career tasters.

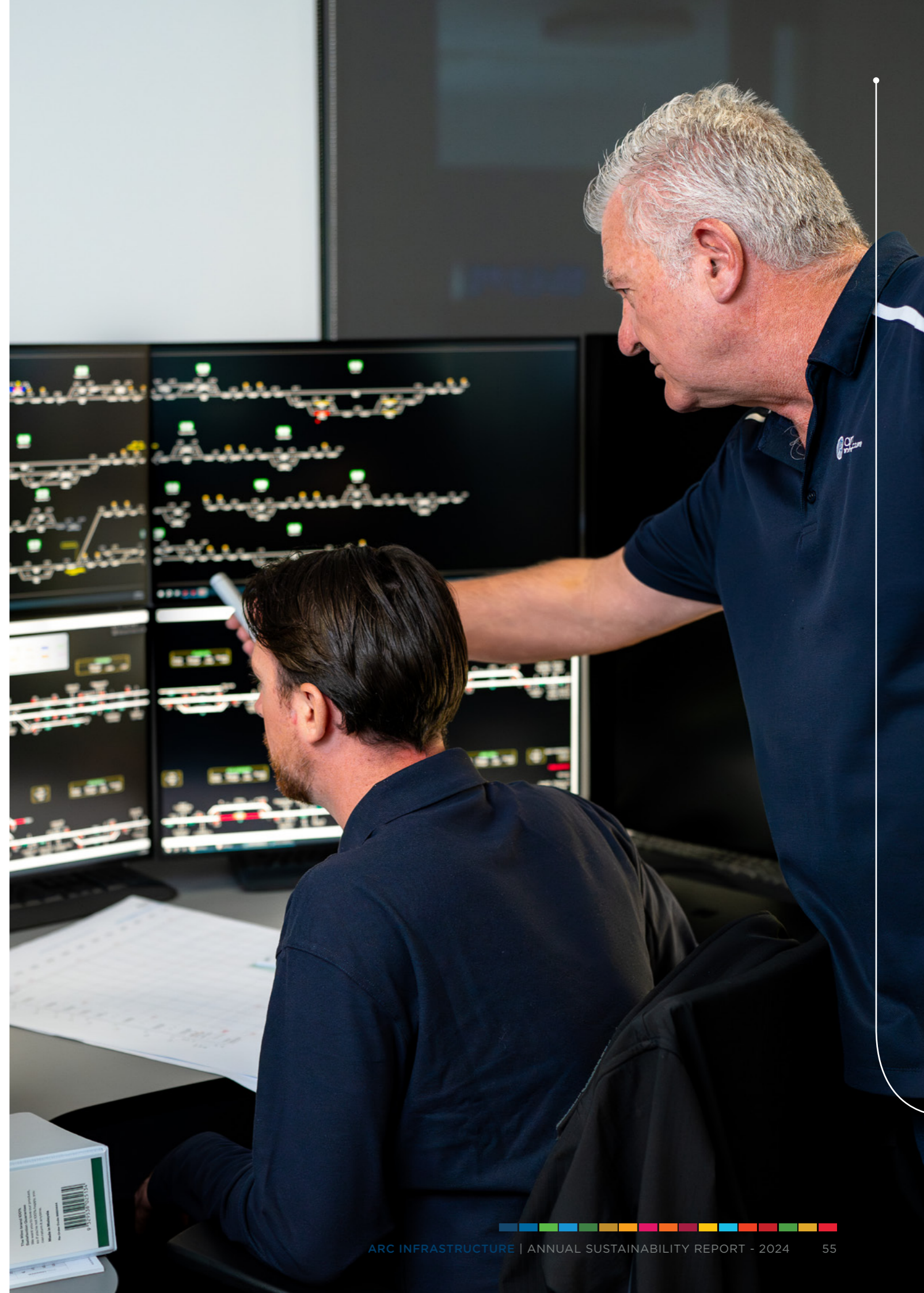
 Ongoing

► Workforce engagement

/ Transitioned to BAU.

 Ongoing

PROGRESS





ANNUAL SUSTAINABILITY REPORT
2024

