



Supplier Code of Conduct

23 November 2022

arcinfra.com



Background

Arc Infrastructure Pty Ltd (**Arc, us, we** or **our**) is dedicated to providing a safe, efficient and reliable freight rail network and supporting economic growth of Western Australia. Balancing our economic, environmental, and social responsibilities is beneficial to our stakeholders and necessary for sustainable business.

In collaboration with our suppliers, we are committed to ethical business practices, complying with all relevant laws, managing the environmental impact of our operations, and supporting the communities that we operate in and from which we source. We know that this is vital to retaining the trust and confidence placed in us by our stakeholders, which is crucial to the success of Arc. We aim to develop long-lasting, trusting and mutually beneficial relationships with suppliers who share the same principles as us and who operate under a philosophy that focuses on integrity, compliance and doing the right thing.



We view our suppliers as partners and we care about the way they do business with us

Purpose and Scope

The intent of this Supplier Code of Conduct (**Code**) is to share Arc's principles and clearly communicate our minimum standards and expectations of our suppliers. The Code is consistent with our own Code of Business Conduct and Ethics and reflects the values and behaviours that we apply within our own organisation in order to ensure responsible business practices. As a condition of providing goods and services to Arc, we require all suppliers (including their agents, employees and subcontractors) to comply with this Code. We also expect our suppliers to apply the principles outlined in this Code to their own supply chain and ensure, to the extent possible, that their suppliers adhere to these principles.

The expectations set out in this Code are not intended to reduce, alter or supersede any other obligations which may be imposed by any applicable contract, law or regulation, or otherwise. If a supplier's contract with Arc contains more detailed requirements in respect of any expectations covered in this Code, this Code is intended to supplement those contractual provisions. Where this Code introduces expectations on which a supplier's contract with Arc is silent, Arc expects suppliers to meet these additional expectations.

This Code may be updated from time to time. The latest version will always be accessible from www.arcinfra.com. Suppliers are encouraged to review this Code, and any amendments to it, periodically to ensure that they remain compliant with it.

Integrity, Ethics & Business Conduct

Ethical business practices

Suppliers are expected to conduct their business in accordance with the highest standards of ethical behaviour and in accordance with all applicable laws and regulations, including in the countries where any goods or materials are sourced from.

Anti-bribery and corruption

Suppliers must comply with all relevant anti-bribery, anti-corruption and anti-money laundering laws and regulations.

Arc does not permit or condone bribes, pay-offs, facilitation payments, unjustified or inflated commissions, kickbacks, improper gifts or any such similar payment or improper benefit, whether directly or indirectly, and no matter how large or small in value.

We encourage suppliers to develop policies and programs to address the possibility of bribery and corruption throughout their operations and supply chains and exert reasonable due diligence to prevent and detect bribery and corruption in all business activities.

Suppliers must never offer, promise or give any gift, payment or other benefit that could be perceived to improperly influence or advantage the outcome of any business transaction.



Anti-competitive conduct

Suppliers should encourage innovation and competition and must not act in a manner which involves a misuse of market power or would be otherwise improper (including, for example, collusive arrangements, price fixing or predatory pricing).

Where pricing is to be submitted to Arc in a competitive tender, suppliers must determine their pricing independently and without communication with other tender respondents.

Conflict of interest

Suppliers should avoid conflicts of interest in their business dealings and operate with full transparency with respect to any circumstances where a conflict does, or may, arise. Suppliers must avoid situations where their personal and/or commercial interests, or the interests of their employees or representatives may, or may appear to, conflict with the interests of Arc.

Where any conflicts of interest do arise, whether real or perceived, suppliers must report such conflicts to Arc as soon as possible and take all reasonable steps to manage such conflicts.

Gifts and entertainment

Arc recognises that maintaining high quality professional relationships with suppliers is essential to the success of our business. We acknowledge that suppliers may sometimes offer business courtesies such as reasonable entertainment and modest gifts to build goodwill. This may be acceptable in certain circumstances provided that the gift or entertainment is modest in value, appropriate to the business relationship and does not create an appearance of impropriety.

Gifts of cash or cash equivalents are prohibited and suppliers must never offer gifts or entertainment of any kind during any tender or competitive bidding process involving Arc.

Corporate Governance



Risk management

Suppliers should develop and maintain processes to identify, manage and control relevant risks associated with their operations, including those relating to health and safety, environmental practices, labour, modern slavery, business ethics and corporate governance.

Business continuity and incident management

Arc expects its suppliers to identify and evaluate likely and potential critical incidents, emergency situations and business continuity risks. When applicable in relation to the goods and services provided to Arc, suppliers should develop and implement appropriate emergency plans that aim to protect people's lives, the environment, property, data and operations, whilst minimising disruption to business continuity.

Record keeping and transparency

Suppliers are expected to maintain truthful and accurate records to substantiate compliance with this Code and the relevant laws and regulations.

Suppliers must cooperate openly and honestly in the event of any audits, assessment or reviews by Arc or any authority or regulator.

Workplace Health & Safety

Health and safety

Suppliers are required to comply with all relevant health and safety laws and regulations (including where applicable, Rail Safety National Law) and to maintain a safe workplace. Reasonable steps should be taken to identify workplace hazards and eliminate or mitigate the risk of workplace injuries.

Our suppliers must ensure that their workers are fit for work and have the appropriate training, education and resources to enable them to understand their roles and responsibilities in relation to workplace health and safety and to carry out their duties safely.

We expect our suppliers to foster a culture that encourages its workers to actively participate in health and safety initiatives and allows them to raise any health and safety concerns without fear of disciplinary action or discrimination. We encourage our suppliers to participate in industry or Government initiatives that aim to improve workplace health and safety outcomes. Suppliers are also encouraged to consider ways to promote mental health awareness and encourage positive mental health in the workplace.

Whilst working on any Arc site, suppliers must ensure that all Arc health and safety directives and site requirements are understood and adhered to.

Drugs and alcohol

The use of illegal drugs and misuse of legal drugs, alcohol or other substances can form a serious threat to health and safety. Suppliers must ensure that their employees and subcontractors do not possess or consume illegal drugs, and are not impaired by alcohol or other drugs, while working for Arc or on any Arc site. Suppliers must direct any employee, subcontractor or visitor (including those of a supplier) that attends an Arc site to comply with any drug and alcohol testing needed for the supplier or Arc to comply with applicable laws, the Network Safeworking Rules and Procedures or both.

Labour & Human Rights

Human rights

Our suppliers must commit to uphold human rights of workers and treat workers with dignity and respect. This commitment applies to all workers including direct employees, temporary, contract, migrant, student or any other class of worker.

It is expected that all suppliers to Arc will adhere to international human rights standards in their workplace and monitor and address these standards within their supply chain. We also expect that suppliers will have the appropriate labour and human rights policies and practices in place that reflect these standards.

Modern slavery

Arc opposes modern slavery in all its forms, including the use of child labour, forced or bonded labour, involuntary labour and human trafficking, and equally expects our suppliers to act in ways that do not encourage modern slavery. We expect our suppliers to conduct due diligence to understand and manage the risks of modern slavery within their supply chains and to reasonably ensure that the goods or services that it manufactures or supplies do not directly, or indirectly, finance or benefit groups that are perpetrators of serious human rights abuses.

Arc expects suppliers to ensure their subcontractors are taking active steps to address and minimise the risks of modern slavery within their own supply chain. Suppliers should also ensure that they comply with any due diligence, remediation and reporting requirements that result from any applicable modern slavery laws, including the *Modern Slavery Act 2018* (Cth).

Minimum working age and child labour

Suppliers must comply with all local and national minimum working age laws and regulations and not use child labour.

Non-discrimination and diversity

We expect our suppliers to comply with all applicable workplace laws in respect of discrimination, harassment and bullying and to actively promote diversity, inclusion and equal opportunity within their own workplace, including in recruitment, retention and promotion practices. Suppliers should also promote a culture of equality and fairness in their supply chain and actively support programs that look to ensure a diverse worker base.

Humane treatment

Suppliers must treat all workers with respect and dignity and not subject them to any demeaning conditions or harsh or inhumane treatment.

Wages, benefits and working hours

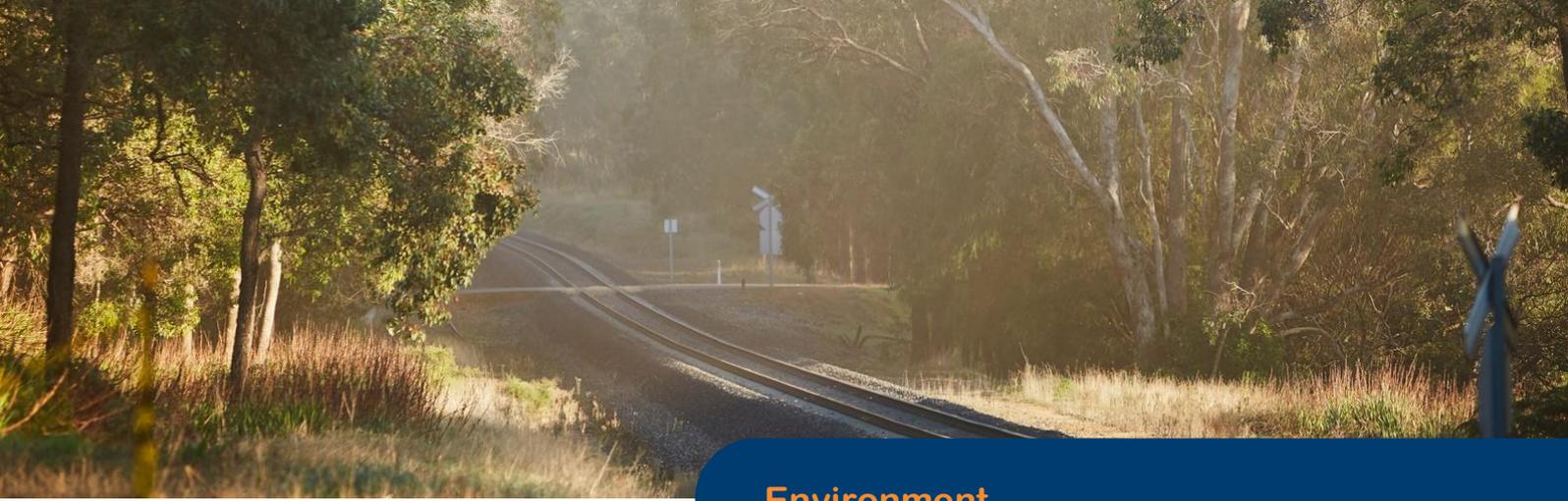
Suppliers must comply with all applicable laws and regulations relating to remuneration and benefits, including minimum wages, superannuation, overtime, leave entitlements and other benefits, whilst also ensuring the timely payment of their workers.

Freedom of association

Suppliers must comply with all applicable laws and regulations relating to remuneration and benefits, including minimum wages, superannuation, overtime, leave entitlements and other benefits, whilst also ensuring the timely payment of their workers.

Subcontractor payment terms

Arc wants to do business with suppliers that offer payment terms to subcontractors that are no less favourable than those provided to the supplier by Arc (unless otherwise mutually agreed with the subcontractor). Arc expects its suppliers to promptly process, manage and finalise all legitimate claims for payment made by its suppliers and subcontractors.



Environment

Arc has a strong commitment to sustainable development and the environment and we want to work with suppliers who share this commitment.

Our suppliers must minimise the environmental impacts of their operations, products and services. We expect our suppliers to comply with all applicable environmental laws and regulations as well as implement an effective system, as appropriate, to identify, control and eliminate potential hazards to the environment.

All required environmental permits, approvals and registrations must be obtained, maintained and kept current, with all associated operational and reporting requirements to be followed. Suppliers must notify Arc of any significant environmental incidents that occur in the course of providing goods or services to Arc in accordance with their contractual obligations and applicable laws.

We encourage suppliers to promote a culture that values the environment and acts to protect the environment in which they operate. Suppliers should seek to reduce the use of raw materials and work towards the elimination, substitution, re-use and recycling of materials and solid waste. We also encourage our suppliers to engage in the development and use of environmentally and climate-friendly products, processes and technologies where possible.

Chemicals and other materials posing a hazard to the environment are to be managed in accordance with applicable laws and standards to ensure their safe handling, storage, use, recycling or reuse and disposal. Contamination of the local environment must be avoided and practical efforts should be made to minimise emissions and pollution.

Community & Diversity

Social contribution

Arc is committed to fostering positive relationships and contributing to the social and economic development of the communities in which we operate. We aim to work with suppliers who are similarly invested in making a positive contribution to the sustainability of their communities. We encourage our suppliers to conduct business in a way that builds good relationships and achieves a positive impact on the local communities in which they operate, including supporting community development programs where they can.

Buying local

Recognising that we play an important role in the growth of Western Australia's economy, Arc endeavours to source products and services from local and regional suppliers wherever possible. Accordingly, we value suppliers who share this goal and encourage our suppliers to seek to optimise local employment and procurement where it is reasonably practicable to do so.

Engagement with Aboriginal and Torres Strait Islander peoples

Arc respects the importance of the culture, heritage and traditional rights of Aboriginal and Torres Strait Islander peoples and expects its suppliers to do the same.

Arc is committed to supporting Aboriginal and Torres Strait Islander peoples and exploring opportunities to increase our engagement of Aboriginal-owned businesses for the delivery of goods and services. Arc encourages its suppliers to share this commitment in their own supply chains where possible.

Privacy, Data Security & Confidentiality

Arc's Privacy Policy outlines Arc's privacy commitments and how Arc handles personal information. We expect our suppliers to read, understand and comply with Arc's Privacy Policy.

We also expect our suppliers to comply with all relevant privacy and information security laws and to have adequate data privacy and security protections in place to protect against the unauthorised access, use and disclosure of personal and confidential information. Any identified breaches must be reported to Arc immediately.

Suppliers who are required to have access to Arc's computer equipment and/or Arc's information systems, or are responsible for the storage, processing or transmission of Arc data, must ensure that they have acknowledged, signed and comply with Arc's External User IT Acceptable Use Policy.

Suppliers must not use or disclose any information belonging to Arc, its existing and prospective customers, other suppliers, employees and other relevant third parties, except as required or authorised in writing by Arc. Arc expects suppliers to respect the intellectual property rights of Arc and other third parties.



Publicity & Advertising

Suppliers must not make representations or statements for or on behalf of Arc without Arc's prior written consent.

Additionally, suppliers must not use Arc's name or logo in publicity or advertising unless Arc has provided prior written permission to do so.

Monitoring and Compliance

Suppliers must monitor their compliance with this Code and promptly notify Arc of any breaches or concerns of non-compliance. Suppliers must take all reasonable steps to address, remedy and prevent any breaches.

Arc recognises the importance of working collaboratively with its suppliers to achieve compliance with this Code. If a supplier, or another party in its supply chain, is unable to, or fails to, comply with this Code, Arc will address this issue with the supplier and may require the supplier to take such steps as Arc considers necessary to address the impact of, and remediate, the non-compliance. Serious breaches or continued non-compliance with this Code may result in Arc terminating its business relationship with the relevant supplier.

Arc reserves the right to review compliance with this Code and expects our suppliers will cooperate in good faith and provide records and information reasonably required by us to perform such a review. In some circumstances, we may require suppliers to complete an annual declaration which confirms their compliance with this Code.

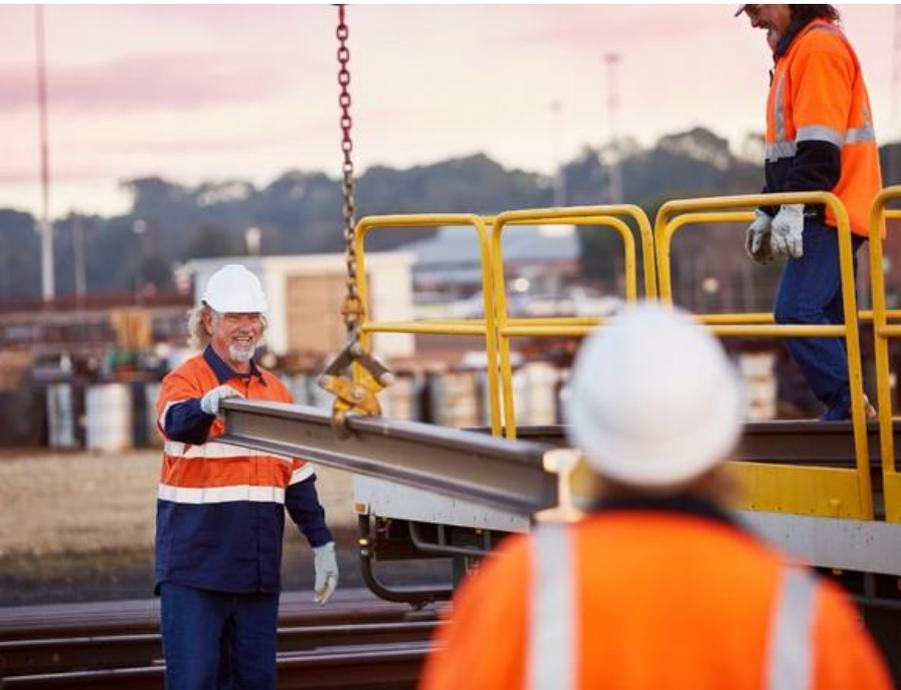
Reporting Concerns

Arc values and encourages its suppliers, employees, communities and any other stakeholders to speak up if they have concerns regarding a possible violation of this Code or our own Code of Business Conduct and Ethics.

Suspected or actual breaches may be reported to Arc's Confidential Whistleblower Platform "Whispli" via:

- Telephone: +61 8 7828 5999; or
- Website: arcinfra.whispli.com/pages/speakup.

The Whistleblower Hotline is an independent and confidential reporting line that operates 24 hours a day, 7 days a week and allows anyone to report anonymously. All complaints and reports are treated seriously and Arc will conduct, where appropriate, a confidential and objective investigation into the complaint or report.



Further Information

For general queries, further information or clarification regarding this Code, please reach out to your primary Arc business contact or submit a general request via

www.arcinfra.com.

