

5 September 2025

Singapore Exchange Securities Trading Limited
4 Shenton Way
#02-01, SGX Centre 2
Singapore 068807
Republic of Singapore

Dear Sir/Madam

EMTN Programme

Issuer: Pacific National Finance Pty Ltd (formerly Asciano Finance Limited)

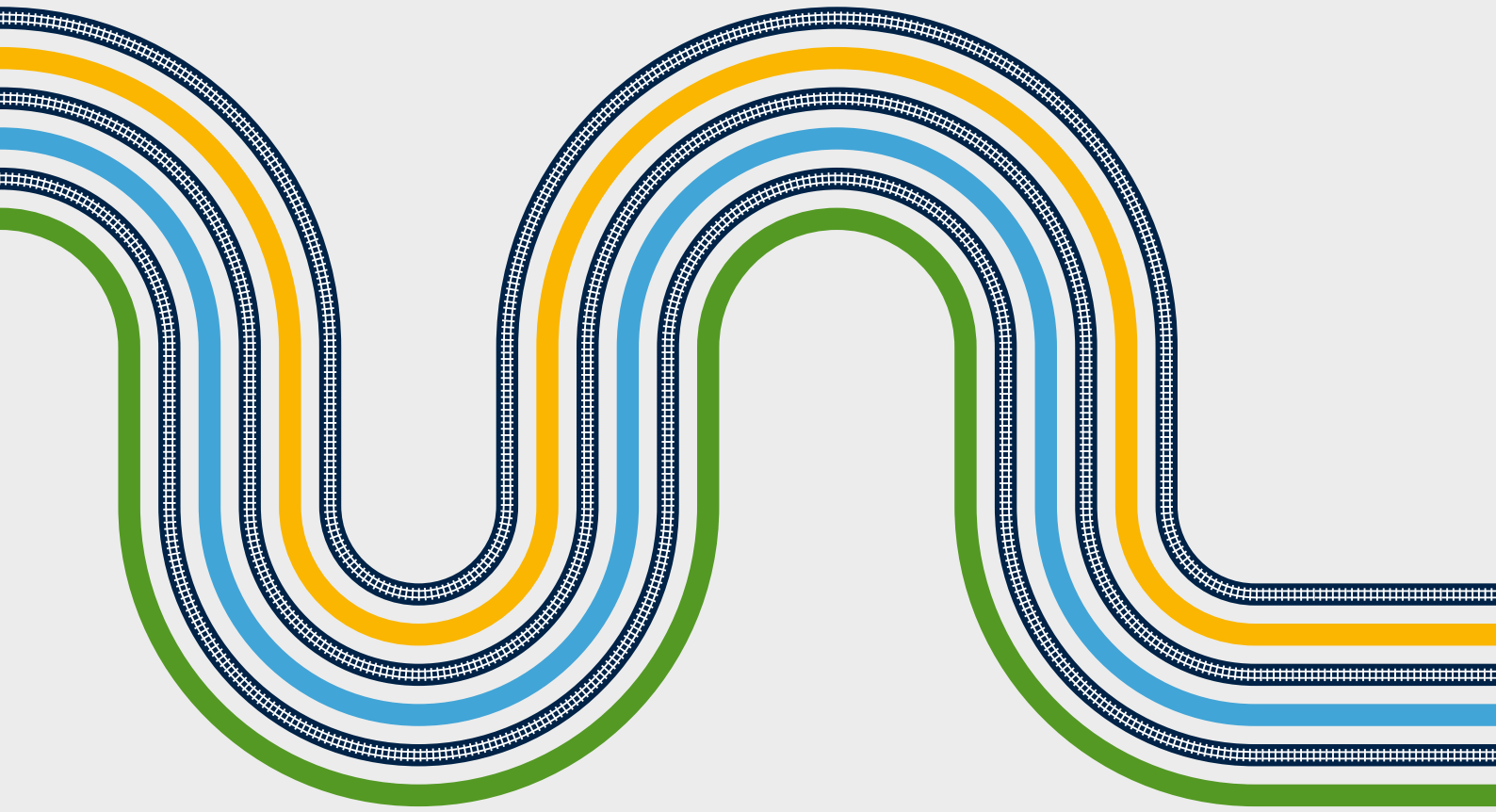
Securities: ASCIANO FINUS\$400M4.75%N280322

Attached is the FY25 Sustainability Report for Pacific National Holdings Pty Ltd (formerly Asciano Limited), the parent entity of Pacific National Finance Pty Ltd.

Yours faithfully



Andrew Beck
Chief Legal Officer and Company Secretary
Pacific National



Sustainability Report FY2025

About this report

This Sustainability Report is presented by Pacific National Holdings Pty Limited and its subsidiaries (Pacific National), for the financial year ended 30 June 2025 (FY25).

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This report applies to Pacific National, encompassing our intermodal, coal, bulk and IMEX logistics business units. It provides stakeholders with a report that demonstrates action on key sustainability priorities that are material to our business.

It is aligned with the Global Reporting Initiative (GRI) Standards framework and includes initial climate-related financial disclosures aligned to Australian Sustainability Reporting Standards (ASRS) S2. KPMG has provided limited assurance over selected data sets within this report as described in the Limited Assurance Statement on page 79.

The Pacific National Board of Directors approved this report on 05 September 2025.

Beyond this report, Pacific National reports¹ to various government departments and regulatory authorities on the following sustainability matters:

- Modern Slavery Statement
- Energy and greenhouse gas emissions in Australia
- Safety
- Workplace Gender Equality
- Environmental compliance reporting in line with licences, permits and development approval requirements.

For questions about this report, please contact PN_communications@pacificnational.com.au

¹ Information and disclosures contained in this report are consistent with other reporting listed.

Acknowledgment of Country

We acknowledge the Traditional Custodians of the land on which we work, live, and rail. We pay respect to Elders past, present and future and to the continuation of cultural, spiritual, and educational practices of all Aboriginal and Torres Strait Islander peoples.



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Chief Executive Officer Commitment

The Chief Executive Officer and the Executive Leadership Team of Pacific National present this sustainability report for the year ended 30 June 2025.



I am pleased to present the Pacific National FY25 Sustainability Report, the first report since my appointment as Chief Executive Officer in November 2024. Pacific National is a company that consistently seeks ways to improve, and we remain committed to scaling up our sustainability ambition. This year we reviewed and updated our approach to sustainability management in response to the evolving operating environment and ensured alignment with our organisation’s refreshed corporate strategy.

The updated sustainability strategy will guide our organisation in environmental, social, and governance elements. It is based on a comprehensive materiality assessment process and will allow us to better focus on initiatives that deliver for our customers, people, and communities.

Our sustainability strategy focuses on four key pillars of action:

- **Our enablers:** Establish effective governance structures to support our sustainability priorities.
- **Our environment:** Reduce our environmental footprint and build our resilience to climate change.
- **Our people and communities:** Maintain the wellbeing and productivity of our people and positively contribute to our communities.
- **Our partners:** Drive resilience and sustainability through our supply chain.

We will continue delivering on our sustainability framework while also navigating a complex and evolving business landscape shaped by global economic uncertainty, industry headwinds, and shifting regulatory requirements.

This year, we launched Australia’s most technologically advanced, locally assembled locomotive – the 94 Class locomotive and they will commence service in Q1 FY26. This advancement will rejuvenate our locomotive fleet and contribute to Pacific National’s long-term decarbonisation efforts. The new locomotives will produce up to nine per cent fewer emissions than our older locomotives.

Safety is an absolute priority for our teams and collaboration with industry partners is an important driver of improved safety performance. To that we hosted a full day rail freight industry event in May 2025 to promote and advance safety across the sector. The event convened rail safety professionals, industry leaders, regulators, and technology providers. Together with industry partners we shared learnings from safety initiatives and explored emerging technologies to raise awareness to reduce injuries and incidents across our industry.

We commenced development of a Climate Transition Action Plan building on the climate risk assessment work undertaken by our team in FY24. The plan will strengthen our ability to respond to climate-related risks and opportunities that impact our business and better focus our efforts to explore a credible pathway to net zero. Our team is also working towards publishing comprehensive climate-related financial disclosures in line with Australia’s mandatory climate reporting standards.

To continue strengthening our governance and decision-making processes, we refreshed our Risk Management Framework. It is now better aligned to international best practice and includes guidelines and tools to more effectively manage risk throughout our organisation.

We continue our Road to Rail initiative to highlight the benefits of shifting freight from trucks to trains to support carbon efficiency in Australia’s supply chains. Rail is the most carbon efficient form of line-haul land transport and it is important for us to continue to highlight the importance of rail freight in our market, while working hard on reducing our operational emissions. As part of lowering our carbon footprint, we advocate for the carbon efficiency of the rail supply chain and work to implement new business solutions that will allow us to further reduce our emissions and meet the requirements of the Safeguard Mechanism.

Pacific National plays a vital role in Australia’s economy and sustainability is key to our continued success. We have made progress across key areas of our strategy, from climate risk management to governance improvements, health and safety, and procurement. We are committed to our sustainability ambition, and I look forward to seeing our teams deliver on our objectives.

Brett Grehan
Chief Executive Officer



Pacific National FY25 Sustainability Highlights



Our enablers



Refreshed our materiality assessment and developed a new sustainability strategy

The strategy will guide our action in environmental, social and governance areas.

Refreshed our Risk Management Framework

Aligned to ISO 31000:2018, the framework provides our business with tools and guidelines to more effectively manage risk.

Completed climate-related governance pre-assurance

In preparation for our response to the mandatory Australian climate reporting standards.



Our environment



Introduced Australia’s most technologically advanced, locally assembled locomotive, the 94 Class

The new locomotives will produce up to nine per cent² fewer emissions than our older locomotives.

Commenced development of a Climate Transition Action Plan

The plan strengthens our response to climate risks and opportunities impacting our business, as we continue to explore a credible pathway to net zero.



Our people and communities



Reduced Significant Incidents by 57% compared to FY24

The reduction in Pacific National’s internal significant incidents reflects a strong focus on critical risk areas and the effectiveness of improved control measures.

Extended our partnership with Healthy Business

The program provides our intermodal train drivers with personalised coaching and support.

Sharpened our commitment to the Brilliant at the Basics program

Improving our team’s core skills to implement our health, safety, and environmental management system.



Our partners



Hosted a full day rail freight safety industry event

Taking a leadership role to improve safety performance in our industry.

Became a member of Supply Nation

Australia’s largest national verified listing of Aboriginal and Torres Strait Islander businesses, strengthening our commitment to diversifying our supply chain.

Launched Modern Slavery Awareness eLearning module, available to all staff

Continually improving modern slavery risk management across our operations and supply chain.

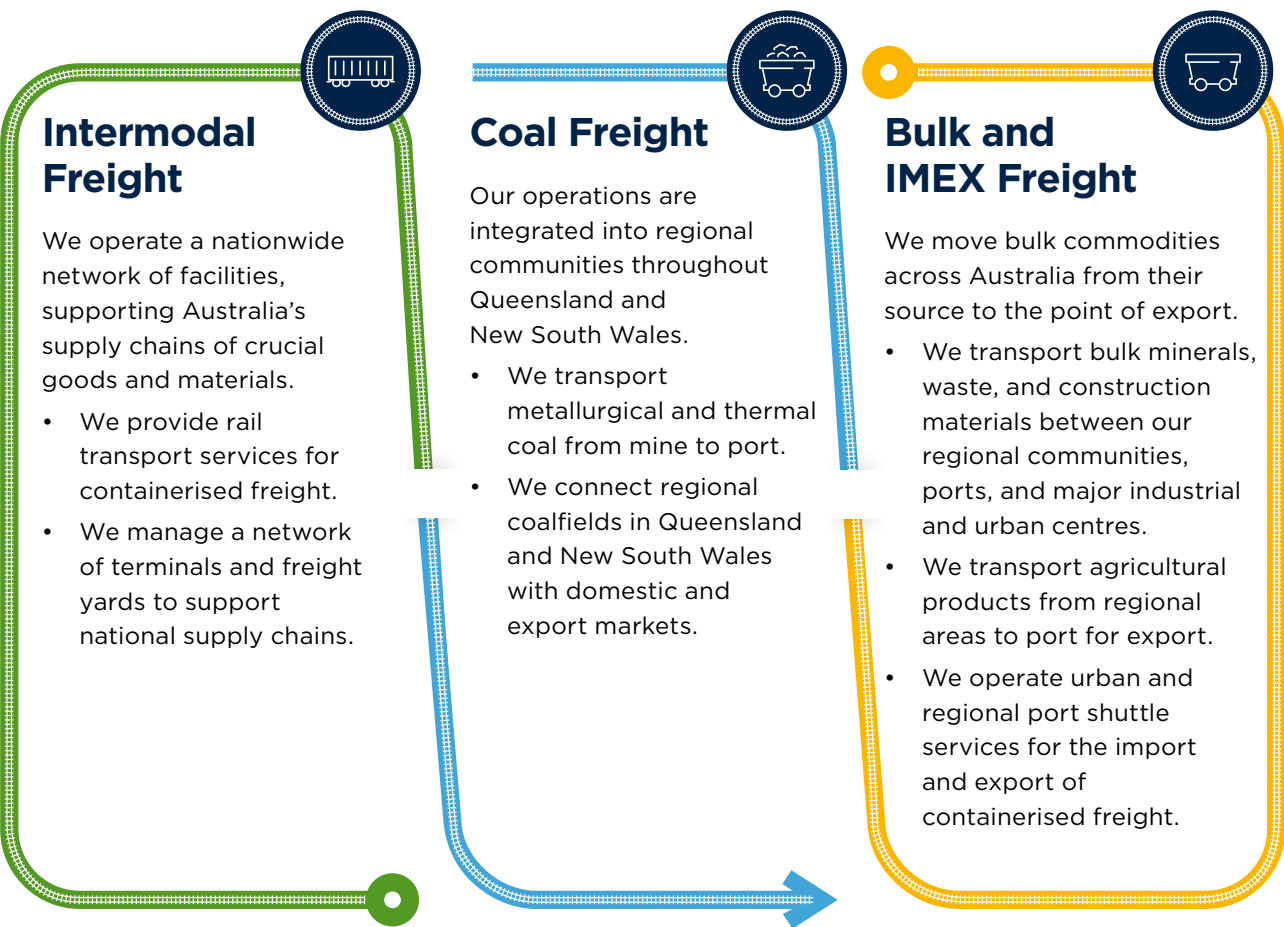
2 Based on average usage

About Pacific National

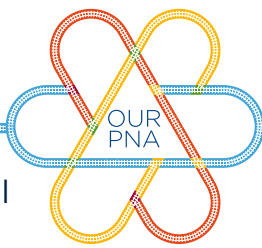
Pacific National is Australia’s largest private rail freight operator. Our vision is to be Australia’s most trusted and respected logistics partner.

We have a broad customer base, servicing energy and resources, fast moving consumer goods, multi-national freight-forwarding, industrial manufacturing, and agricultural companies across a mix of general freight cargo, import and export goods, and bulk commodities.

Since the first train ran in New South Wales in 1855, our operations are round-the-clock, every day of the year to deliver what matters.



Our PNA



Our approach to sustainability is underpinned by the Pacific National Approach – our PNA – which defines our priorities and values and is the framework for how we achieve our vision and purpose.

It describes the culture Pacific National aspires to build and what is important to us.

In FY25 the priorities that inform our areas of focus were updated. The updated priorities—Safety, Service, Productivity, Profitable Growth and People & Community reflect a more targeted approach to strengthening our core operations and culture. This evolution reinforces our commitment to lowering carbon emissions and enhancing customer value. The updated priorities are a deliberate shift designed to clarify what success looks like across the business and embed a culture of safety, value and efficiency.

OUR PURPOSE	We deliver what matters. For our people, customers, and shareholders.
OUR PHILOSOPHY	We care more.
OUR VISION	Australia’s most trusted and respected logistics partner.

OUR PRIORITIES

 Safety	 Service	 Productivity	 Profitable Growth	 People and Community
Safely Every Day	Delivering superior value for our customers	Driving efficiency and getting our assets working	Winning in a competitive market	Inspiring our people and investing in our future

OUR VALUES

 Make It Simple We reduce complexity.	 Share More We create a learning environment through storytelling and embrace and share diverse experiences.	 Kindness We are thoughtful and show respect in all circumstances.
 Gratitude We show appreciation and express our thanks.	 Curiosity We embrace curiosity at all levels to benefit the safety, wellbeing, and continuous improvement of our workplace.	 Own It We take responsibility, we take action, we own our successes and our mistakes.

OUR FOUNDATIONS

Footprints and Assets	Heritage	Operational Excellence
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Our company snapshot*



Active Locos*
~533



Active Wagons
~10,986



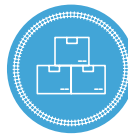
FTE Employees
>3,000



Customers
~483

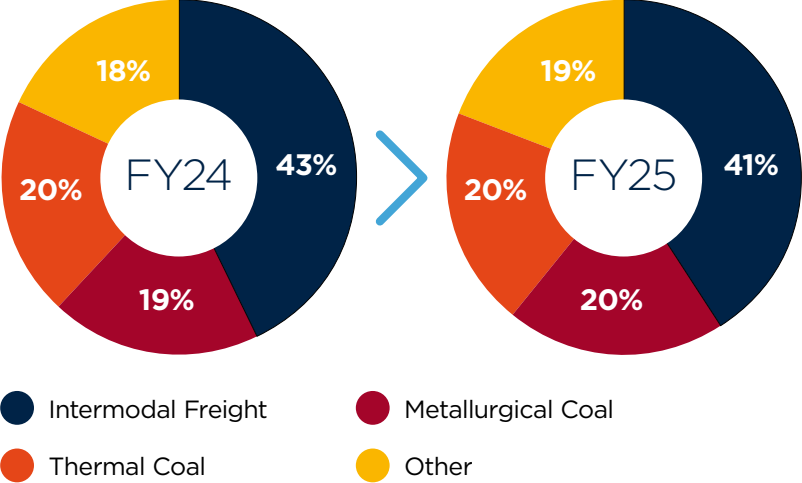


Weekly Revenue Train Services
~693



Average weekly haulage FY25
Coal:
2.26m tonnes
Bulk and other Freight:
0.28m tonnes
Intermodal:
0.16m tonnes
12,518 TEU**

Our core markets^
Percentage of rail revenue by business segment



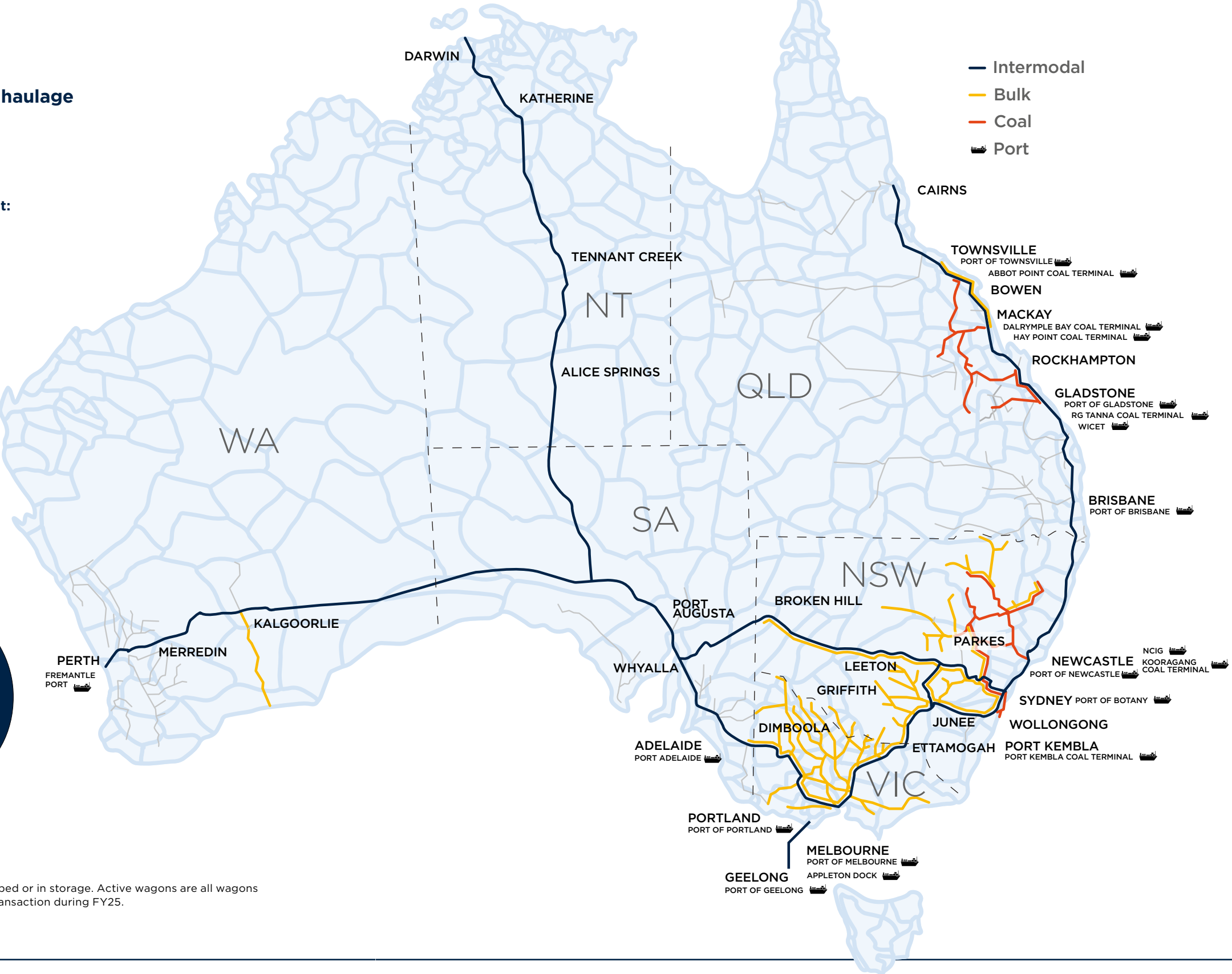
* Active locomotives are all locomotives excluding those that are on hire, scrapped or in storage. Active wagons are all wagons excluding those scrapped or in storage. Customers are all customers with a transaction during FY25.

** TEU - Twenty Foot Equivalent Unit

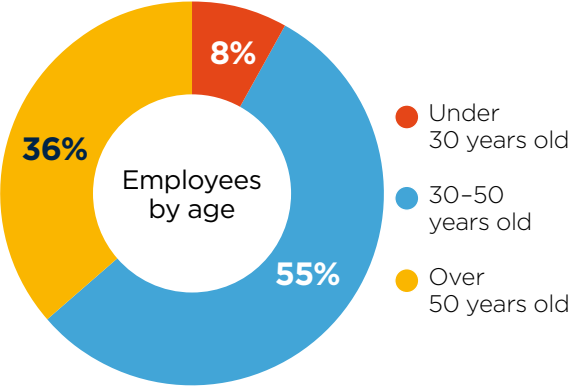
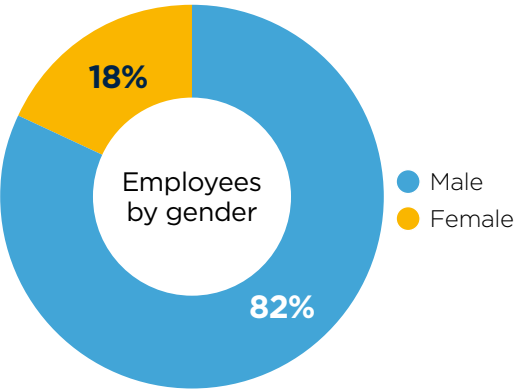
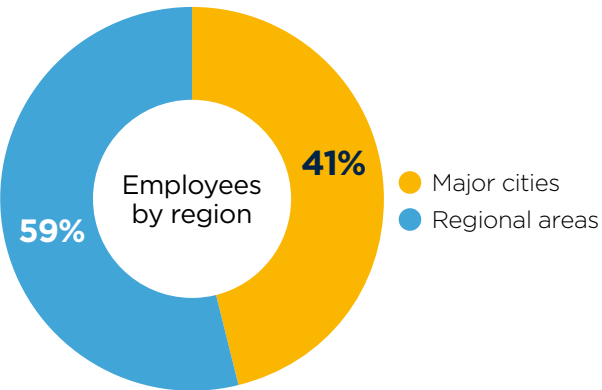
^ Core markets numbers are rounded to the nearest one per cent

Where we operate

PN Network overlaid on First Nations map of Australia



People Metrics



The Pacific National Sustainability Strategy

To reflect the changing operating landscape and our updated business priorities, in 2025 we refreshed our materiality assessment and updated our sustainability strategy.

Materiality assessment

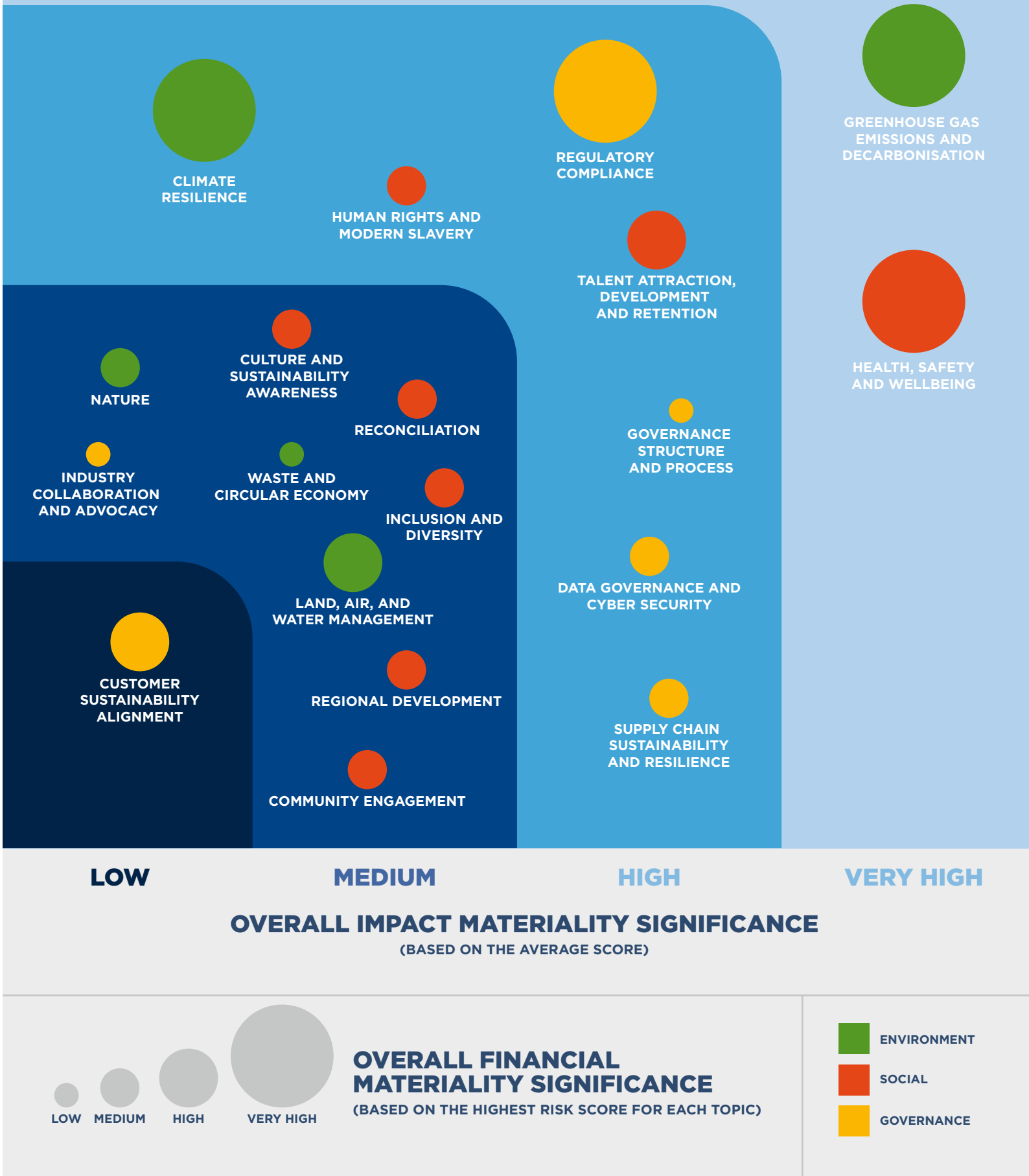
In April 2025, we completed a double materiality assessment to inform development of our new sustainability strategy. The assessment considers materiality through two lenses: impact materiality and financial materiality. The data and information collection process for completion of the materiality assessment included a peer desktop analysis, stakeholder interviews, surveys, and materiality prioritisation workshops.

Impact materiality assesses the impacts of Pacific National on the economy, environment, and people, including impacts on human rights, guided by the GRI Standards.

Financial materiality assesses the sustainability-related risks and opportunities facing Pacific National, guided by the Australian Sustainability Reporting Standards (ASRS) AASB S1 General Requirements for Disclosure of Sustainability-related Financial Information.

Our materiality assessment includes:

- Health, safety, and wellbeing
- Greenhouse gas emissions and decarbonisation
- Regulatory compliance
- Climate resilience
- Supply chain sustainability and resilience
- Human rights and modern slavery
- Data governance and cyber security
- Land, air, and water management
- Governance structures and processes
- Community engagement
- Inclusion and diversity
- Industry collaboration and advocacy.

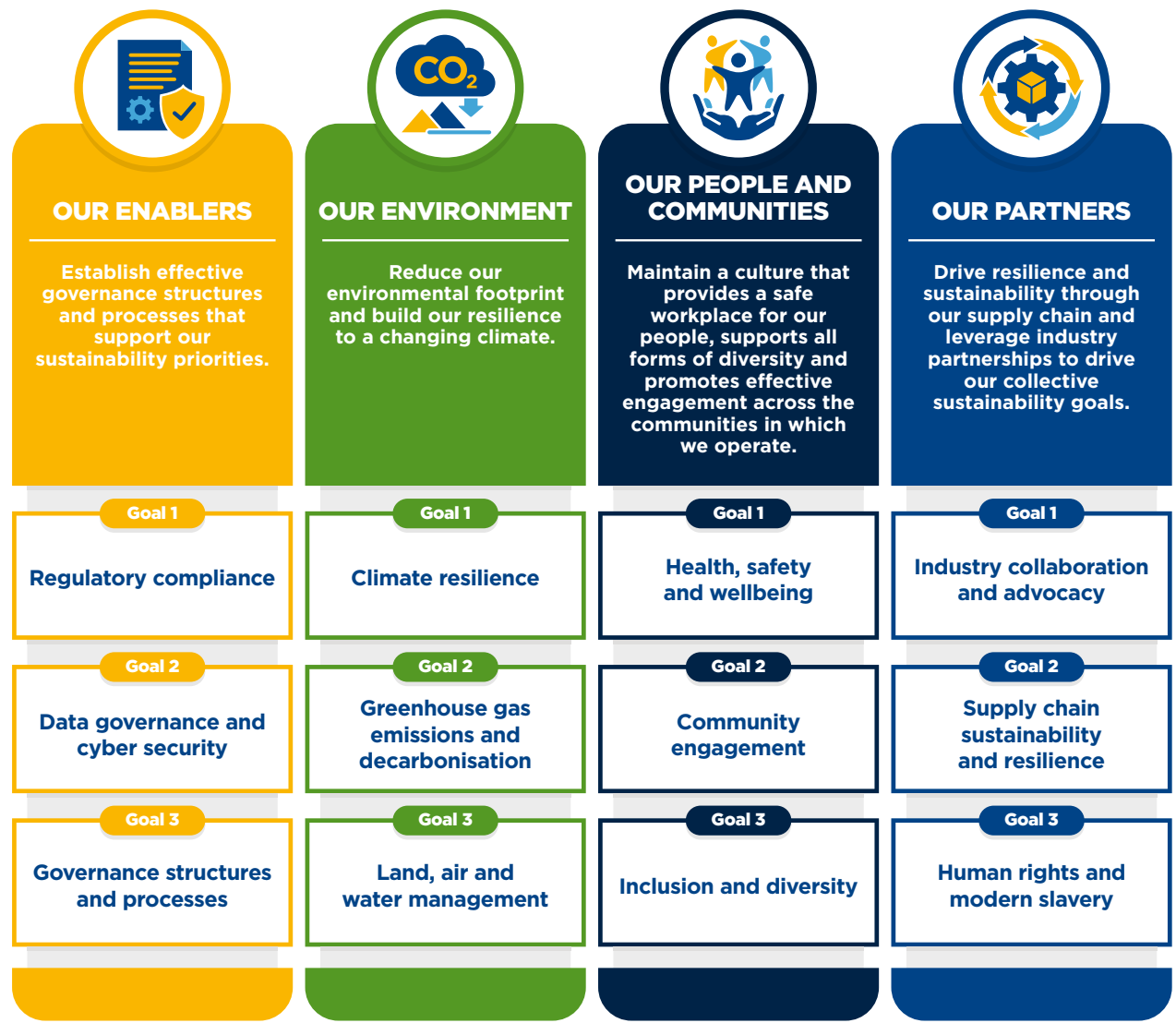


Sustainability Strategy

Our previous ESG Strategy served as a strong foundation for risk management, disclosure requirements, and compliance. We have evolved it into a Sustainability Strategy, one that supports embedding environmental, social, and governance value into our core business model. This shift will assist us to drive long-term value and resilience, innovation, and impact for our stakeholders.

Our updated sustainability strategy has been informed by the results of the materiality assessment which was completed in April 2025 and aligns with our refreshed corporate strategy. It outlines what we will prioritise in sustainability and how we will deliver on those priorities.

The first three strategy pillars are focused on governance, environmental, and social sustainability. This year, we added a fourth pillar focused on our partners – we know that industry change is key to achieving our sustainability objectives. In this area, our focus is on the wider supply chain and industry collaboration to support broader sector-relevant sustainability goals.



Commitment to the United Nations Sustainable Development Goals

We remain committed to contributing towards the following United Nations Sustainable Development Goals.





Our Enablers

Establish effective governance structures and processes that support our sustainability priorities.

Governance structure and process

We build sustainability into our governance by maintaining Board oversight, assigning clear responsibility, and managing related risks – without adding unnecessary processes.

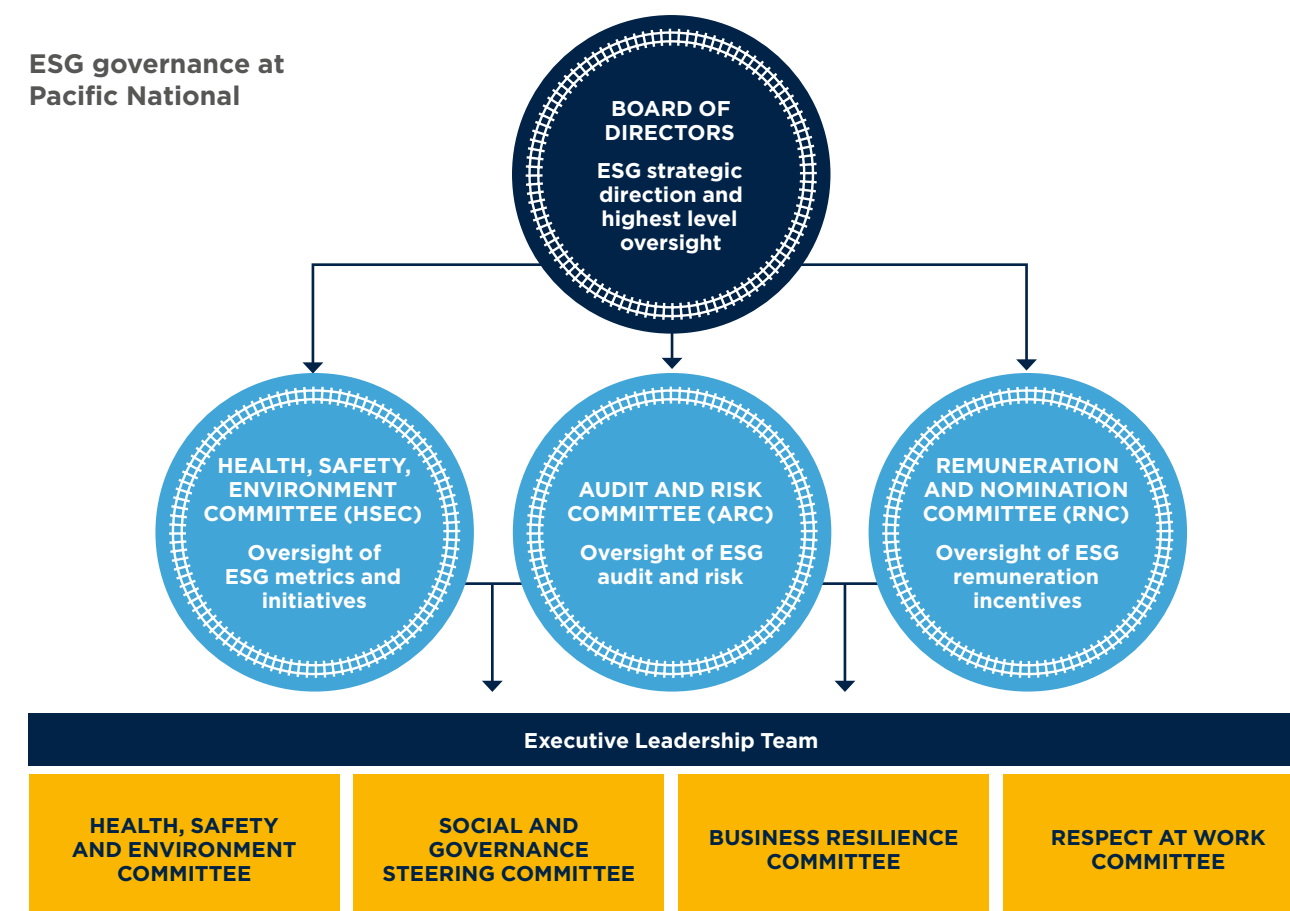
Pacific National's governance structure is designed to promote ethical and responsible business conduct, with clear lines of accountability and reporting, to ensure the delivery of our sustainability goals, regulatory compliance, and data integrity.

We have integrated sustainability into our existing structures without duplicating processes. Our Board and Executive Leadership Team (ELT) recognise the integral role of sustainability to our success and have incorporated it into our corporate strategy and business value proposition.

The Board of Directors has oversight of sustainability strategy delivery, supported by three relevant Board committees, as shown in the following image. While the ELT assesses and manages climate-related risks and opportunities.



ESG governance at Pacific National



Board of Directors oversight of sustainability-related matters

Pacific National's Board Charter establishes its responsibilities, which include:

- Setting our sustainability framework and strategy and overseeing management's implementation of them.
- Reviewing and approving the sustainability report and the modern slavery statement, and monitoring compliance with external sustainability and climate reporting requirements.
- Setting Pacific National's sustainability and climate objectives and targets, and reviewing performance against those targets (including mandated baselines such as the Safeguard Mechanism). Establishing and assessing our company's sustainability and climate goals, and monitoring progress.
- Monitoring Pacific National's response to sustainability and climate change matters, including decarbonisation initiatives.
- Monitoring sustainability developments, including legislative change and industry practice.
- Promoting a culture of continuous improvement in sustainability matters across our business.
- Approving the outcome of incentive programs (such as Short-Term Incentive Plan (STIP)) each year and the targets for the next year.
- Approving the annual key performance indicators to apply to short-term and long-term incentive schemes for the CEO and executives reporting to the CEO.

At its April 2025 meeting, the Board amended its charter to be more explicit on the following responsibilities:

- Overseeing Pacific National's stakeholder engagement and advocacy programs, including with regulators, industry bodies, ratings agencies, banks, financiers, and bondholders.
- Monitoring Pacific National's impact on the communities in which it operates and ensuring that community interests are considered in business decisions.

During FY25, the Board discussed the following as part of its responsibilities, in addition to other sustainability and climate matters:

- The introduction of mandatory climate reporting and its effect on Pacific National's processes and reports.
- Pacific National's carbon emissions intensity forecast using the Pacific National carbon model.
- Decarbonisation and emissions intensity reduction projects and opportunities.
- The Commonwealth Government's Safeguard Mechanism, including Pacific National's baseline and performance against that baseline.
- Approval of Australian Carbon Credit Units (ACCUs) purchases for FY24 compliance under the Safeguard Mechanism by 31 March 2025, including Pacific National's ACCU forecast and cost recovery.
- The evolving Australian sustainability landscape, stakeholder expectations, and evolution of Pacific National's sustainability program.
- The refreshed materiality assessment, the new sustainability strategy, and the associated strategic sustainability pillars.
- Approval of the FY24 ESG Report and approval of the FY24 Modern Slavery Statement.
- Pacific National's Fleet Plan including efficiency matters and the average age of the locomotive fleet.
- Pacific National's environment, climate change and transition to a lower carbon economy risks.

Board skills and experience

Our Board has introduced a Board Skills Matrix to assess and measure the collective competency, experience, and diversity of the Board. All Non-Executive Directors completed their self-assessment against the matrix. This tool will be used to support appointment of new directors and assist the Board in any succession planning.

Policy Governance Framework

Our Policy Governance Framework provides a comprehensive outline of our organisational policies, including a defined hierarchy, structured development processes, and explicit roles and responsibilities.

Code of Conduct

Reflects the behavioural and ethical expectations for how we engage with others, and how others engage with us.

Whistleblower Policy

Encourages and enables eligible whistleblowers to confidentially raise concerns, protects eligible whistleblowers for raising such concerns and provides transparency regarding how reported concerns are received and, where appropriate, investigated by Pacific National.

Gifts, Benefits and Interests Policy

Establishes the minimum requirements for the disclosure of conflicts of interest, and the giving or receiving of gifts, benefits, hospitality, or entertainment.

Fraud and Corruption Prevention Policy

Outlines Pacific National's approach to reduce the overall risk of fraud and corruption.

Supplier Code of Conduct

Applies to all our suppliers whenever they are conducting business with Pacific National. It is aligned with our Code of Conduct and reflects the expectations of our people, customers, investors, regulators, and the community.

Risk Management Framework and Policy

Articulates the approach for an enterprise-wide risk management system at Pacific National.

Compliance Framework and Policy

Outlines Pacific National's commitment and approach to implementing a compliance framework across all business operations and describes the accountability structures to govern compliance management.

Health, Safety and Environment Policy

Communicates Pacific National's strategic approach to Health, Safety and Environmental management across all business operations. This policy applies to all Pacific National employees, contractors and visitors.

During FY25 the Board reviewed and approved updates to the following policies:

- Delegations Framework
- Gifts, Benefits and Interests Policy
- Board and Committee Charters
- Compliance Policy
- Health, Safety and Environment Policy
- Fraud & Corruption Prevention Policy.

Risk management

Effective risk management is essential to keeping our people safe, ensuring our continued operations and future growth, protecting our reputation and safeguarding stakeholder value.

The Pacific National Risk Management Framework and Governance

Our risk management approach is guided by our Risk Management Framework which includes guidelines and tools to manage risk effectively throughout our organisation. Our team continuously evolve the framework to reflect our operating environment. It is aligned to ISO 31000:2018 in line with international best practice.

Our Board of Directors monitors Pacific National's strategic risks, including those that would impact our organisation's value in the long-term. Business risks, those associated with our day-to-day operations, are managed by our Executive Leadership Team (ELT) and oversight by the Audit and Risk Committee (ARC). Both our Board and ELT are supported by the Risk and Resilience Team which ensures all risks are effectively managed.

Our current risk focus

Two categories of risk continue to be a key focus for our organisation in the coming years – climate, plus digital and cyber security risks. We are proactively managing both, implementing new processes, systems, and upskilling employees to protect our operations and enterprise value.

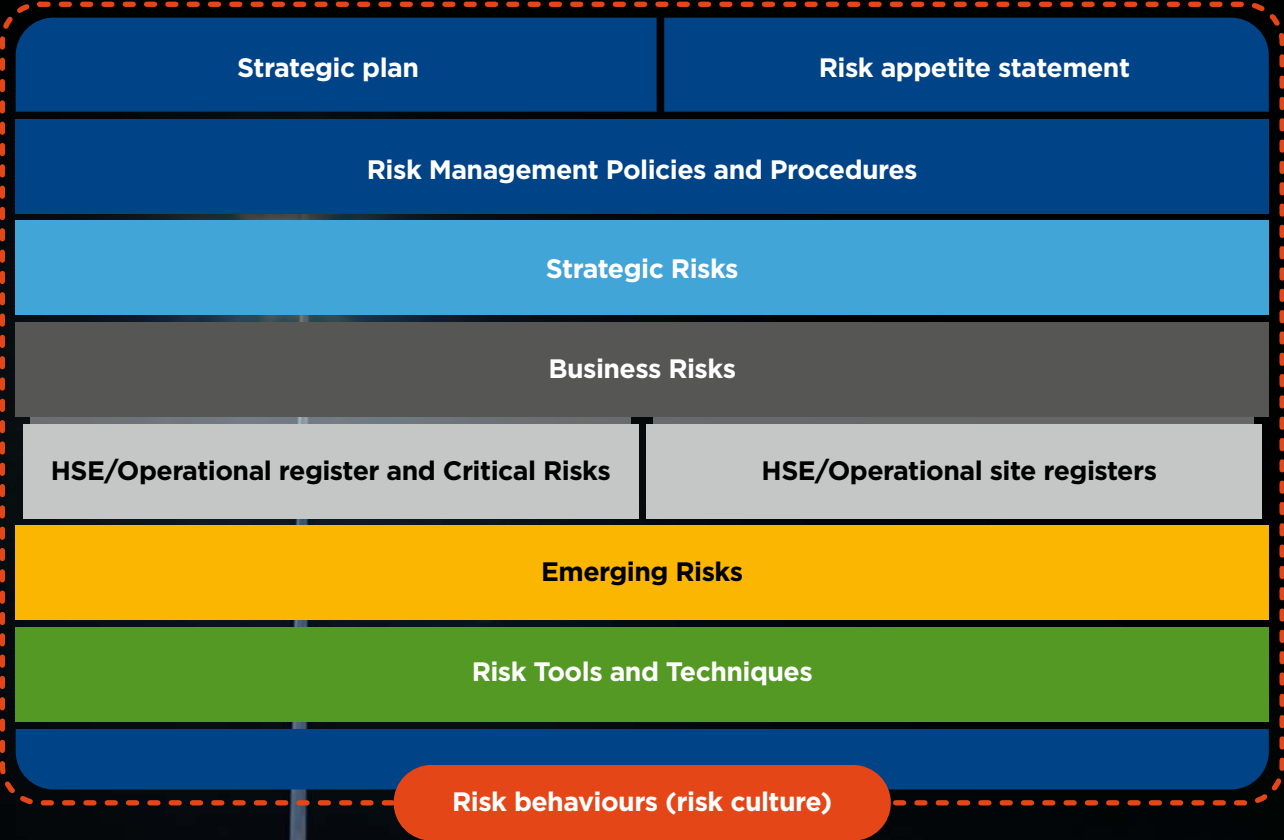
We are actively identifying and responding to climate-related transition risks associated with evolving policies, laws, markets, technology, and enterprise value.

Acute physical risks, such as unpredictable natural disasters and weather conditions can significantly affect our business.

We have incorporated climate risk into our risk management to strengthen the resilience of our operations. More on how our organisation is managing climate risks and opportunities is outlined on page 27.

Digital disruption, cyber security, and technology reliance present challenges and opportunities to our organisation. We recognise we need to respond to the fast-evolving technological environment to ensure we operate as efficiently as possible. Cyber and data security challenges require close and continuous monitoring to ensure our operations and people remain safe. More on how our organisation is managing data governance and cyber security is outlined on page 22.

Risk Management Framework



Data governance and cybersecurity

Pacific National uses secure data and cybersecurity to guide smart, sustainable decisions, and protect information.

Pacific National is subject to the Security of Critical Infrastructure Act 2018. We monitor cyber threats closely and continue to improve our capability to manage the threat landscape. We test and update our response plans and incident management capabilities across the organisation. Any technology upgrades are implemented in line with our capital approvals process and ensure our roadmaps address the latest developments in digital transformation.

Choosing the right technology to manage our operations, maintain assets, and provide service to our customers is critical to our success. It allows us to continue operating efficiently whilst upgrading the services we offer. This continually evolving landscape also presents ongoing cyber and data security challenges for us and our industry, and we closely monitor these risks.

Regulatory compliance

By proactively engaging with the government and regulators we can anticipate sustainability laws, stay compliant, and manage sustainability risks.

Pacific National manages regulatory compliance through a structured and integrated approach aligned with our obligations under federal, state, and territory legislation. This includes internal and external audits, risk reviews, and regulator engagement.

In FY25, Pacific National proactively engaged with regulatory authorities directly as well as through industry associations. Regulatory engagement was primarily related to safety, climate, decarbonisation and environmental compliance. Examples include advocacy on rail level crossing safety, responding to government climate and decarbonisation consultation papers and working with the NSW Environment Protection Authority on the relevant type testing criteria for the new 94 Class locomotives.





Our Environment

Reduce our environmental footprint and build our resilience to climate change.

Climate resilience

We are integrating climate risk considerations into our business model and aligning our strategy with the demands of a low carbon economy.

Executing our climate resilience strategy and reducing our carbon footprint are key to delivering our sustainability strategy and are business priorities for our organisation.

Decarbonisation of our company and management of climate risk is a company-wide effort. Our approach focuses on tangible solutions for long-term success, engaging with our peers and government to contribute to industry-wide change.

To ensure we are resilient to climate risk we are:

- Integrating climate risk considerations into our business model
- Aligning our strategy with the demands of a low-carbon economy

We are developing a Climate Transition Action Plan which outlines our strategic response to climate-related risks and opportunities that impact our business, including continuing to explore a credible pathway to net zero.

Progress against ASRS S2

Looking ahead, our reporting will be aligned to the mandatory Australian Sustainability Reporting Standards (ASRS) S2 which requires mature climate risk management processes and organisational response. Below is a summary of our progress in aligning to the four pillars of the standard.

ASRS S2 pillar ³	Our progress
Governance	
The Board's oversight of climate-related risks and opportunities	Our Board is responsible for overseeing and reviewing our climate strategy, supported by the appropriate Board Committees. The Board's responsibilities include assessing our climate-related strategy and goals, and monitoring progress of our decarbonisation initiatives. Our Board of Directors manages Pacific National's strategic risks.
Management's role in assessing and managing climate-related risks and opportunities	Our Executive Leadership Team assesses and manages climate-related risks and opportunities. Sustainability is incorporated into our corporate strategy and business value proposition and business risks, those associated with our day-to-day operations, are managed by our Executive Leadership Team and discussed with the Board. The ELT's STIP includes emissions intensity targets.
Strategy	
Impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	In FY24 we conducted a physical and transition climate risk assessment and scenario analysis. In FY25, we completed an in-depth analysis of physical risks related to our locations of operations and specific regions. Findings from these assessments are incorporated into our strategic planning.
The resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Pacific National established our Climate Change Strategy in FY23 and we have been making progress across all four pillars: • Supporting transition to a low-carbon future • Decarbonising our operations • Engagement and collaboration • Building climate resilience. We detail progress made on Pacific National Climate Change Strategy on page 38. We are in the process of developing a Climate Transition Action Plan. This will include determination of climate risk impact on our business and encompass strategies to mitigate these risks and consider opportunities related to the energy transition.

³ This table includes a summary of ASRS S2 requirements. Our future reporting will include disclosures fully aligned to the ASRS S2 Standards.

ASRS S2 pillar³

Our progress

Risk management	
Processes for identifying and assessing climate-related risks	In FY24 we conducted a physical and transition climate risk and opportunity assessment, with in-depth physical risk assessment completed in FY25. - Physical risk screening has been conducted for critical Pacific National sites and our rail operations across Australia. Risks were quantified focusing on natural catastrophe impacts, chronic risk impacts for our assets and operations, and their evolution. Further information about the process and methodology is included on page 27. - For transition risk identification, the process included a peer landscape assessment, a review of Pacific National's data, and interviews with key internal stakeholders. Further information about the process and methodology is included on page 31.
Processes for managing climate-related risks	Our sustainability materiality assessment informs key environmental parameters impacting our business. Our sustainability strategy outlines goals aimed at managing climate-related risks.
How processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Climate risk is incorporated into our enterprise risk register as one of the key enterprise risks. The Board oversees the Risk Management Framework and its operation by management, including receiving regular reports on strategic risks. We are developing our Climate Transition Action Plan based on the work completed so far and the plan will be aligned to the enterprise risk register and our new business resilience framework.
Metrics and targets	
Metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	We measure and report our impact using: - Greenhouse gas emissions Scope 1, 2, 3. - Greenhouse gas emissions intensity Scope 1 and Scope 2. While we have reported Scope 1 and 2 emissions over several years in line with the National Greenhouse and Energy Reporting Act 2007, we are maturing our approach to Scope 3 emissions footprint measurement.
Scope 1, 2 and 3 greenhouse gas (GHG) emissions and related risks	We are progressing projects to reduce our GHG emissions and are actively considering alternative energy sources to power locomotives. An overview of our greenhouse gas emissions footprint can be found on page 33.
Targets used by the organisation to manage climate-related risks and opportunities and performance against targets	We have aligned our Scope 1 emissions intensity target with the Safeguard Mechanism reform which reduces the legislated emissions limit (baseline) of a covered facility by 4.9% annually. We also continue exploring a credible pathway to net zero.

Physical risk assessment

In FY24, the physical climate risk and opportunity assessment conducted for Pacific National critical sites and rail operations across Australia extended to quantification of impacts of natural catastrophe impacts, chronic risks impact for Pacific National's assets and operations, and their evolution. The most pertinent hazards were further investigated in the baseline (2000), in 2030 and in 2050 timeframes under two climate change scenarios: middle of the road; and high reference (the most pessimistic scenario).

We completed an in-depth study in FY25 to further assess climate risk on specific assets, the workforce, and the underlying network. The study provided an overview of locations and regions that are highly exposed to physical climate risk.

Methodology used for physical risk assessment in FY24

Scenarios ⁴	Business scope	Timeframes ⁵	Key assumptions/ data used	Climate hazards
Middle-of-the-road scenario (SSP2-4.5) of +2.1 to +3.5°C warming by 2100 ⁶	Pacific National's 27 critical sites and 42,215 km of railways across Australia	Baseline: 2000	Underlying data extracted from the Global Climate Models used by the Intergovernmental Panel on Climate Change	Acute climate hazards that are event-driven, including extreme weather events
High-reference scenario (SSP5-8.5) of +3.3 to 5.7°C warming by 2100		Medium term: 2030		
		Long term: 2050		Chronic climate hazards which represent long-term shifts in climate patterns that may cause continuous evolution in climate indicators

In the FY25 analysis, focus was placed on analysing acute flood risk and chronic heat stress. Detail of analysis methodology is included in **Appendix B**.

⁴ Chosen scenarios are in line with the Paris Agreement.

⁵ Timeframes chosen for the assessment are aligned with Pacific National's short, medium and long-term timeframe definitions. Timeframes chosen align with our own planning horizons (asset maintenance plans and a lifecycle of a new asset) as well as key dates related to our climate change targets.

⁶ Above pre-industrial levels (1850-1900), consistent with the Paris Agreement.

Physical risks identified

The below table includes results of Pacific National’s physical risk assessments conducted in FY24 and FY25.

Risk type	Risk rating ⁷		Value chain ⁸	Description ⁹
	2030	2050		
Flood	Risk: High	Risk: High	Sites Train terminals Railways	Rainfall-related flooding is a significant risk for Pacific National. Heavy rainfall-related floods are expected to increase by 2030, potentially affecting Pacific National sites and assets. River flooding is an existing risk for Pacific National and remains stable, coastal flooding is a minor risk. Floodwater can damage internal and external building infrastructure and equipment, and partial or complete suspension of train services at affected terminals. Flooding and washouts of tracks can cause disruptions and closures, followed by major repair, (temporary) speed restrictions, and alternative route selection. Analysis conducted for Pacific National showed that highest individual impact from climate is on Namoi River under Representative Concentration Pathway (RCP) 8.5 by 2029; Lachlan River under RCP 8.5 by 2090, and Lower Murray River under RCP 8.5 by 2090. In New South Wales, the Hunter River Region and the Lachlan River region in the Southern Tablelands are the most exposed to flooding. In Queensland, Burdekin and Fitzroy River catchment areas are exposed as well as freight lines running north-south along the coast in several locations, such as Bundaberg, Rockhampton, Mackay, Bowen, Townsville, Ingham and Cairns. The Blackwater line is the most exposed, particularly at West Rockhampton and Fairy Bower. For South Australia and Western Australia, there are several locations that could become exposed to floods, including Florina Station, the Salisbury junction, five locations between Port Augusta and Pimba, and locations around Tarcoola and Rawlinna.
	Likelihood: Low	Likelihood: Medium		
	Impact: High	Impact: High		

7 Risks identified were appraised in terms of potential impact on Pacific National’s activities and are aggregated at portfolio level. Railways and sites are included in the portfolio’s aggregated risk mapping. SSP5-8.5 of +3.3 to 5.7°C warming by 2100 was used for the aggregated risk rating.

8 Railways refer to track and network infrastructure not owned by Pacific National.

9 Risk description relates to risk modelled by 2030 under SSP5-8.5.

Risk type	Risk rating ⁷		Value chain ⁸	Description ⁹
	2030	2050		
Extreme heat ¹⁰	Risk: Moderate	Risk: Moderate	Sites Train terminals Railways	Extreme heat days, already a risk in Australia, are expected to increase significantly by 2030, especially in the northern half, putting more sites and railways at high risk. Extreme heat impacts relate to increasingly difficult working conditions for employees, an increase in energy demand for cooling systems in sites, and faster ageing of infrastructure and machinery due to overheating. Railway infrastructure can be adversely affected by heat (e.g., track buckling), with this resulting in speed restrictions or service cancellations due to impact on railways as well as potentially leading to derailments. Adaptation costs may increase access charges.
	Likelihood: Medium	Likelihood: High		
	Impact: Moderate	Impact: Moderate		
Heat stress ¹¹	Risk: Moderate	Risk: Moderate	Railways	By 2030, heat stress is likely to affect an increasing share of railways, leading to more difficult working conditions for outdoor workers. The number of days over 35 degrees Celsius will increase by 17-25 per cent relative to the baseline, which represents an important risk for outdoor workers, notably in Northwest of Australia.
	Likelihood: Medium	Likelihood: High		
	Impact: Moderate	Impact: Moderate		
Bushfires	Risk: High	Risk: Critical	Sites Train terminals Railways	Climate change is likely to lead to an increase in the frequency and severity of bushfires, with this risk increasing for affected railways and sites. Bushfire risk relates to physical damage to buildings; operations affected by signalling failures, power outages, and compromised safety for users and workers.
	Likelihood: Medium	Likelihood: High		
	Impact: High	Impact: High		
Tropical cyclone ¹²	Risk: High	Risk: High	Sites Train terminals Railways Port terminals	Hazards caused by tropical cyclones (extreme winds, coastal and inland flooding) are expected to increase in intensity with climate change. Queensland (Southwest Pacific) and Western Australia (South Indian Ocean) are the main regions with assets at risk of tropical cyclones. Potential physical damage associated with cyclones includes extreme winds and associated flash flooding, business interruption during extreme events, including risks to safety of workers.
	Likelihood: Low	Likelihood: Low		
	Impact: High	Impact: High		

10 Days with temperature above 35 degrees or days where the heat index is dangerous for human health

11 A combination of high air temperature and relative humidity.

12 Modelled under the baseline timeframe, RP100 scenario as projections are not available for tropical cyclones due to climate models uncertainty.

Transition risk disclosure

Methodology used for transition risk assessment

Qualitative risk and opportunity review included:

- A review of previous physical climate change risk work completed by Pacific National
- A peer benchmark analysis based on the CDP Climate Change 2023 questionnaire and publicly disclosed information
- Interviews with key functions and subject matter experts within Pacific National.

Risks were mapped according to potential likelihood and impact, with key risks chosen for financial impact analysis.

Quantitative risk and opportunity review included:

- Value chain impact mapping
- Identification of relevant financial indicators and quantification of impact over time considering different transition scenarios
- Identification of other non-climate related indicators that might impact Pacific National's financials
- Validation of results with the Pacific National team.

Scenarios	Timeframes	Key assumptions
1.5°C scenario that corresponds to the Network for Greening the Financial System (NGFS) Net Zero 2050 scenario.	Baseline: Current	Scenario-based analysis was conducted factoring in aspects such as carbon pricing, adoption of energy efficient solutions and using data sets from recognised institutions, such as the International Energy Agency.
Business As Usual scenario is used and corresponds to the NGFS Nationally Determined Contributions scenario ¹³ .	Medium term: 2030	The analysis assumes that Safeguard Mechanism would continue in its current form. It considered our decarbonisation strategy, as outlined on page 38.

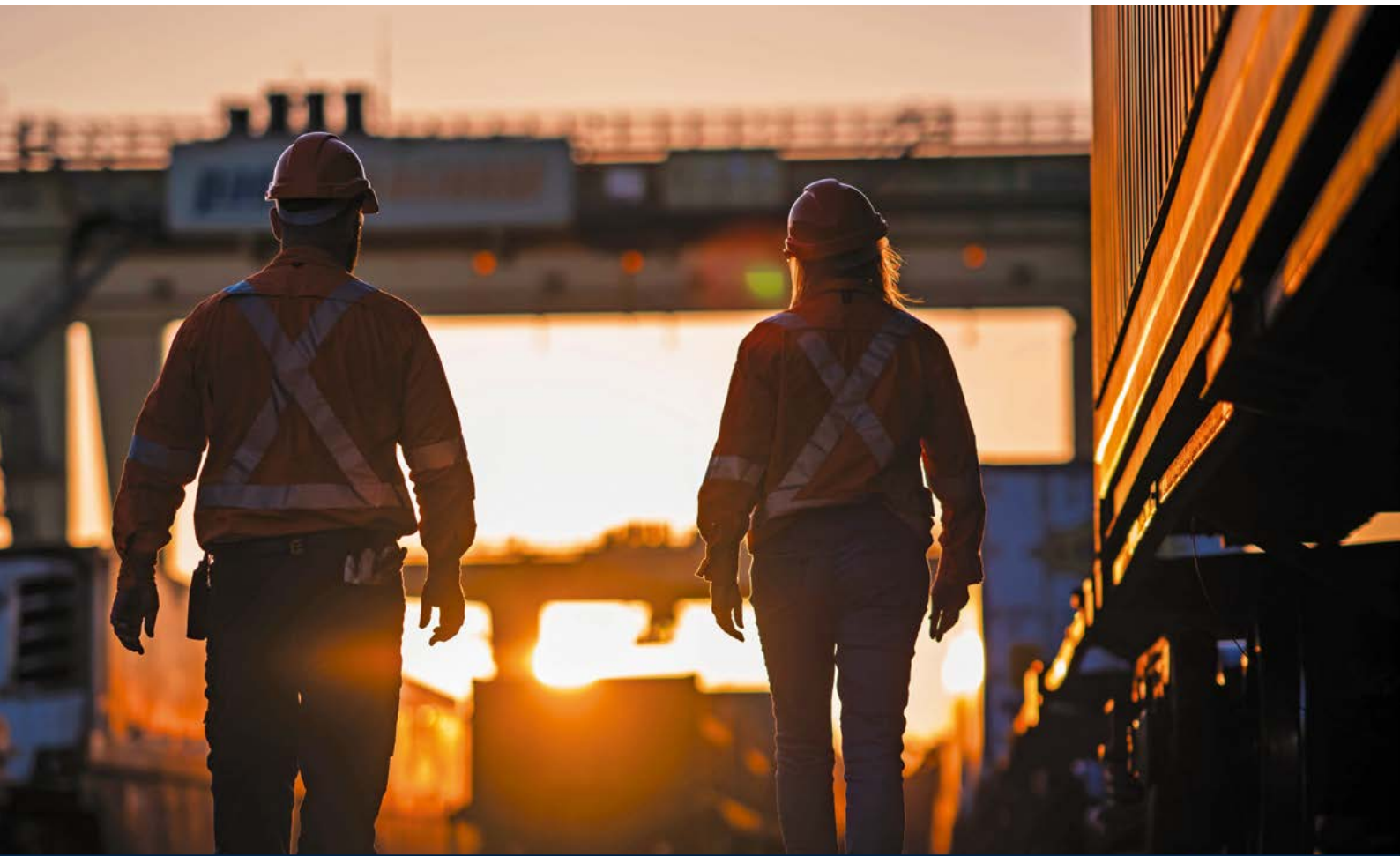
Transition risks and opportunities identified

Risk/ opportunity type	Risk rating ¹⁴		Description
	Baseline (current)	Medium term – 2030	
Risks			
Safeguard Mechanism	Risk: High Likelihood: High Impact: High	Risk: Critical Likelihood: High Impact: Critical	Pacific National is covered by the Safeguard Mechanism which can result in a financial impact on the business related to mitigating the company's emissions footprint. The measure disproportionately affects the rail sector when compared to the road transport sector, with road transport made up of smaller operators not captured by the emissions threshold of the Safeguard Mechanism, therefore, financially not affected by it.
Cost to transitioning to low-carbon technologies to reduce Scope 1 emissions	Risk: Moderate Likelihood: High Impact: Moderate	Risk: Critical Likelihood: High Impact: High	The adoption of lower carbon technologies entails costs and challenges. The integration of battery-powered locomotives, biodiesel, or alternative fuels could be costly and requires additional research and development and testing, likely in partnership with rail infrastructure owners. Electrification of infrastructure in the economy can result in a rising electricity demand and costs associated with it.
Decreased market share due to road usage	Risk: Moderate Likelihood: High Impact: Moderate	Risk: Critical Likelihood: High Impact: Critical	Due to technological developments, road operators might be able to electrify their fleets more rapidly, which can result in customers choosing road over rail as an electrified mode of transport. There is an inherent risk related to weather hazards in Australia. Both road and rail are affected by adverse weather events and will be increasingly so. Depending on the nature and extent of weather effects on rail, this may lead to higher usage of roads over railways. Both risks can lead to a decrease in market share for rail transport.
Market uncertainty regarding coal transportation activities	Risk: Low Likelihood: Remote Impact: Moderate	Risk: High Likelihood: Moderate Impact: High	Coal transportation activities account for about 40 per cent of our revenue. The energy transition will result in a proportionate falling demand for coal globally in the long-term. Currently in some regions in Australia, coal-related activities continue as demand persists. In others, strategies related to coal mining phase out are advancing. We will look to adjust our strategy to respond to the changing coal demand globally and our role in transporting this commodity. We aim to continue to support our customers who require our haulage services to export Australian coal.

¹³ This scenario includes all pledged policies even if not yet implemented.

¹⁴ Based on qualitative analysis and mapping, including climate trend analysis, peer benchmarking and interviews with Pacific National employees.

Risk/ opportunity type	Risk rating ¹⁴		Description
	Baseline (current)	Medium term – 2030	
Opportunities			
Efficiency improvements and operational cost reduction	Opportunity: Moderate Likelihood: Medium Impact: Moderate	Opportunity: Extensive Likelihood: High Impact: High	Opportunities exist for operational cost savings and efficiency improvements. Pacific National's initiatives, such as fuel optimisation projects, double stacking of containers on select Intermodal services, and fuel digitisation, can not only optimise fuel usage but also enhance data monitoring and management, thereby improving overall fleet performance.
Development of low emission services	Opportunity: Low Likelihood: Low Impact: Low	Opportunity: High Likelihood: Medium Impact: High	Transportation of containers by truck or train depends on factors such as cost and speed. Currently, truck transport holds an advantage in terms of cost-effectiveness and speed on some freight corridors. However, by leveraging government and community recognition of rail's environmental and safety benefits, and investing in technological innovation, there is an opportunity to improve market positioning, and attract eco-conscious customers.



Greenhouse gas emissions and decarbonisation

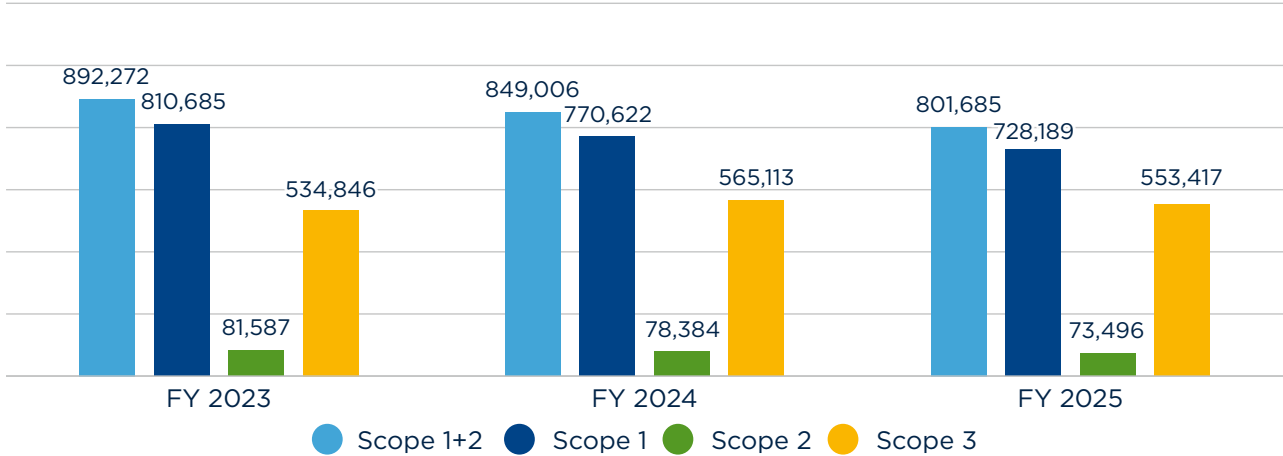
Reducing greenhouse gas emissions across our operations and supply chain will involve improving energy efficiency and advocating for the transition from road to rail.

Overall, our absolute Scope 1 greenhouse gas emissions decreased, and Scope 1 emissions intensity remained relatively flat in FY25 versus FY24. This is a result of a reduction in volumes transported, influenced by factors including a reduction in steel volumes being transported, as well as disruptive weather events such as Cyclone Alfred.

Greenhouse Gas Emissions Footprint

Scope 1	Scope 2	Scope 3
Account for most of our emissions profile, driven primarily through our locomotives burning diesel.	Driven primarily by our electric locomotives in our Queensland operations.	We continue to work on Scope 3 emissions inventory. We commenced collation of data covering technology, business travel and our supply chains.

Greenhouse Gas Emissions (tCO₂-e)



Scope 1 Emissions Intensity (tCO₂e/mNTK)

Metric(s)	Unit	GRI	FY25	FY24	FY23
Pacific National Scope 1 - Emissions Intensity	tCO ₂ e/mNTK	GRI 305-4a	16.1	16.2	17.1

Decarbonising the rail industry

Decarbonisation in the rail industry requires significant investment, implementation of new technology, long-term planning, and organisational change:

- Technology that allows rail operators to decarbonise is nascent and expensive and has not been tested in the Australian context. Rail operators are investigating low carbon solutions, such as biodiesel fuels, low carbon fuels, electric and hydrogen-powered locomotives, but their availability is limited before 2030.
- Widespread adoption of low-carbon solutions requires assessing issues such as performance constraints and safety concerns.
- Investment needed is significant and extends to upgrading or changing diesel-powered fleets and management of infrastructure limitations.
- Rail operators will need to introduce operational changes and new ways of work to accommodate new technologies.
- Implementation of these technologies is also influenced by economic conditions and regulatory change, with the right policy frameworks needed to facilitate adoption and change.

In the interim, rail operators continue to focus on incremental decarbonisation solutions, including:

- Executing efficiency initiatives to their existing fleets, such as Trip Optimizer™.
- Advocating for a mode shift from road to rail as rail remains the most carbon efficient form of line-haul land transport.
- Where possible, using biofuels to decrease greenhouse gas emissions associated with rail transport.

Figure 1 demonstrates challenges related to decarbonising the rail industry. While it notes the abatement potential of “efficiency and mode shift” is weak it is important to note that while a shift from road to rail would likely increase rail’s overall emissions, it would result in a decrease in emissions intensity for the transport sector, helping Australia achieve its emissions reduction goals.

Figure 1 Changing gear: Evolution of industrial decarbonization in Australia, EY Port Jackson Partners for Pacific National

			Capex	Opex	Abatement potential	Commitment	Supply chain risk	Breakeven carbon price
Pre-2030 options	Efficiency and mode shift	• Shift mode share from diesel road to diesel rail • Increase utilisation of consist capacity	Low	Low	Weak	Low	Low	(\$)
	Drop-in biofuels	• Traditional biofuels • 2nd generation diesel drop-in biofuels (e.g. HVO)	Moderate	High	Weak (biodiesel) Strong (HVO)	Low	Moderate	\$
Increasingly attractive post-2030	Electricity	• battery electric/ battery electric hybrid locomotives	High	Low	Strong	High	Moderate	\$\$
	Low-carbon hydrogen	• Hydrogen fuel cell locomotives	High	High	Strong	High	Very High	\$\$\$



Road to Rail

Our Road to Rail initiative highlights the benefits of shifting freight from trucks to trains to support carbon efficiency in Australia's supply chains. Rail is the most carbon efficient form of line-haul land transport and it is important that Pacific National continues to highlight the importance of rail freight in our market to our current and future customers. We can help move Australia to a low carbon future by shifting supply chain transport from high emission road transport to less intensive rail. Beyond carbon, shifting transport from road to rail results in fewer road accidents, better health outcomes related to reduced pollution including lower road congestion and road degradation.¹⁵

¹⁵ Deloitte, The Value of Rail, November 2020: <https://www.deloitte.com/content/dam/assets-zone1/au/en/docs/services/economics/deloitte-au-ps-value-of-rail-2020-111121.pdf>

RAIL FREIGHT: A BETTER CHOICE FOR A GREENER FUTURE



EACH FREIGHT TRAIN
**REMOVES
65 TRUCKS**
FROM CONGESTING OUR ROADS
REDUCING TRAFFIC AND SAVING WEAR AND TEAR ON OUR ROADS

Source: Move Your Freight On Rail - ARTC

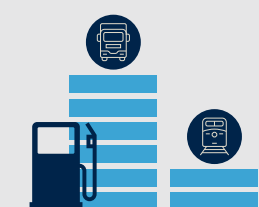
WHILE A TYPICAL FREIGHT
TRAIN CARRIES

300
SHIPPING CONTAINERS



TRUCKS TYPICALLY CARRY 1-3
IT'S A WIN-WIN FOR EVERYONE!

Source: Move Your Freight On Rail - ARTC



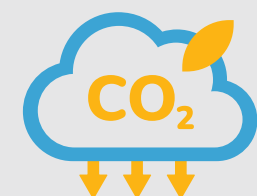
Rail transport is
3X
more fuel efficient
than road transport

Source: Move Your Freight On Rail - ARTC



That's a possible
40%
reduction in fuel costs
when converting road
freight to rail freight

Source: Move Your Freight On Rail - ARTC



Switching to rail will
reduce
carbon emissions
while saving businesses money



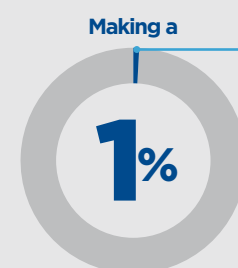
By choosing rail, we can keep our
communities safer

20X higher accident costs for road vs rail



There are also notably
fewer fatalities and injuries from rail accidents
compared to road accidents

Source: REPORT-ValueofRail2020-1.pdf



eliminating

330,150 tonnes
of CO2 which is equivalent to taking approximately
2,200 trucks
off the road equating to approximately
200,000 trips
every year.

Source: REPORT-ValueofRail2020-1.pdf



When combined,
the benefits would
reduce accident,
emission and health
costs nationally by
\$71.9 million a year.

Source: REPORT-ValueofRail2020-1.pdf

Pacific National Climate Change Strategy

Supporting transition to a low-carbon future

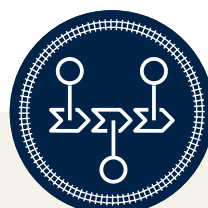
Driving carbon efficiency in Australia's supply chain via Pacific National's Road to Rail initiative

Government and industry engagement to support rail freight industry transition to a low carbon economy

Customer communication on our action on climate risk management

Improving fuel data collection and reporting practices

Customer carbon emissions reporting



Decarbonising our operations

Seeking solutions to reduce emissions through

Purchase of carbon neutral inputs

Efficiency projects

Low carbon mobile assets

Energy efficient properties

Low carbon diesels

Alternate locomotive energy sources



Building climate resilience

Mitigating the risks of climate change on Pacific National

Complete climate change risk assessment

Enhanced consideration of transitional and physical climate risks

Develop Climate Transition Action Plan



Engagement and collaboration

Identifying, testing, and deploying low-emissions technology in our operations

Assessing alternative fuel options for terminal assets

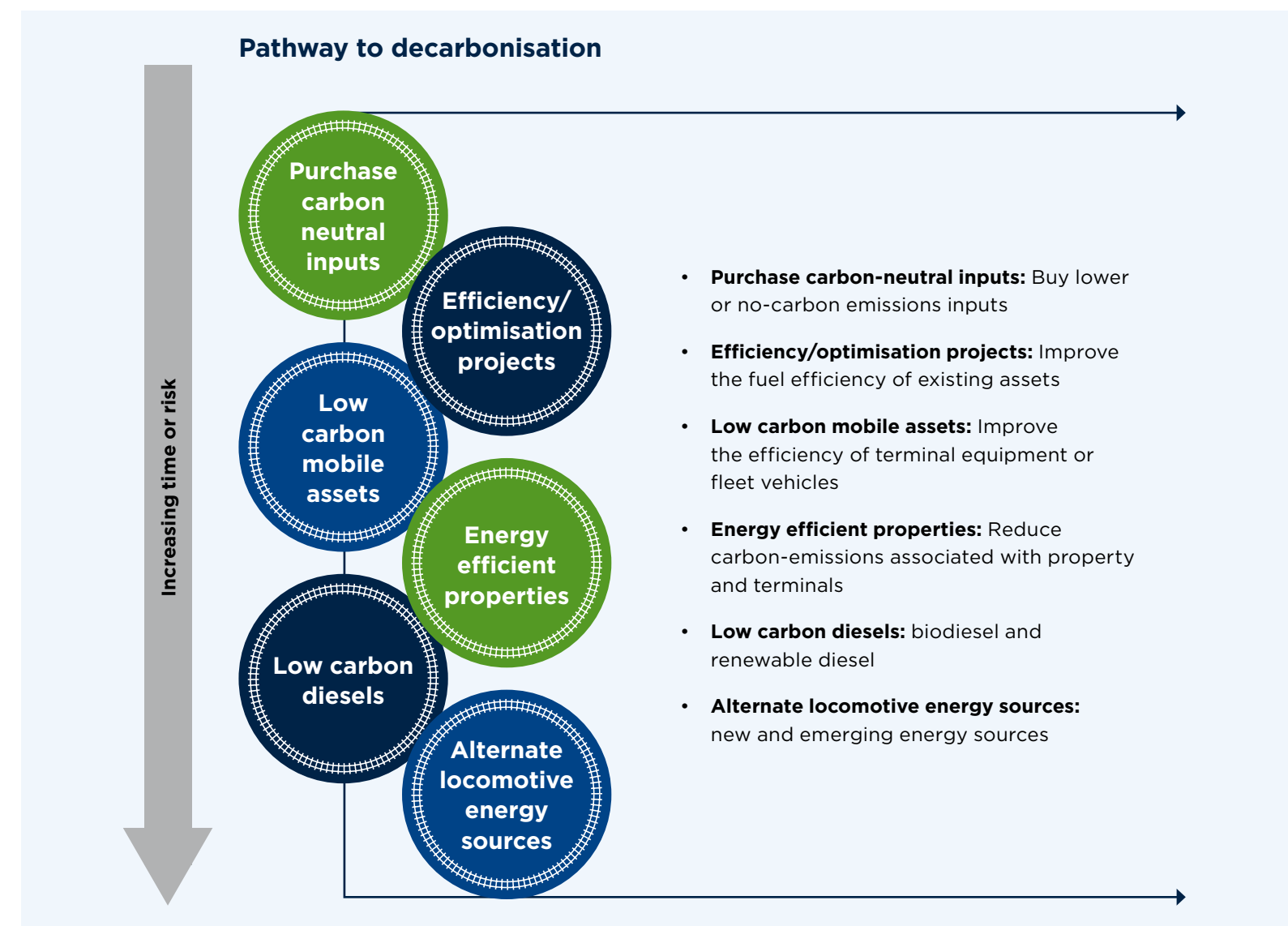
Working with fuel providers on availability of biofuels

Exploring alternative locomotive energy opportunities with industry organisations



Decarbonising our operations

Our pathway to decarbonisation encompasses six workstreams to which we are deploying a variety of solutions as outlined below.





Trip Optimizer™

We continue implementation of the Trip Optimizer program. Trip Optimizer is the equivalent of smart cruise control in trains as it reduces sub-optimal fuel burn and improves consistency of driving.

- 100% of our active intermodal NR class locomotive fleet are fitted with Trip Optimizer.
- 40% of train journeys (fitted with Trip Optimizer) in FY25 (7,600 trips) used the technology, a 30% improvement compared to FY24.

Fuel efficiency programs

Fuel efficiency is a critical component of our sustainability strategy and decarbonisation efforts. We are committed to optimising our operations to minimise fuel consumption, including by:

- Right-sizing our service offerings to meet demand and transport more freight with fewer locomotives, reducing fuel consumption.
- Implement fuel-saving technologies, such as our locomotive Off-lining program in Queensland to turn off locomotive horsepower when not required.
- Leverage data-driven insights, such as the Driver Support program – now fully operational in Queensland and New South Wales – which provides valuable locomotive operating data to identify opportunities to implement locomotive Off-lining and other optimisation initiatives, resulting in reduced fuel consumption as well as broader operational efficiencies.

Loco Idling reduction program

Our Loco Idling program is a key initiative aimed at reducing diesel consumption, greenhouse gas and noise emissions, and maintenance costs.

By implementing enhanced shutdown procedures for locomotives when not in operation, reducing the incidence of allowing them to idle in terminals, we recorded a reduction of 70,000 idling hours across our fleet last year.

Inline fuelling

Inline fuelling allows for continuous fuelling of locomotive tanks during long-haul operations, enabling improved arrival and delivery times to our terminals as well as supporting double stacking activities.

The original project scope has been refined to focus on 94 Class locomotives on East-West services. Previous trial assets are being upgraded to meet current standards, with proof of concept to be demonstrated through asset re-certification, trial locomotive fit-outs, and validation of the system's ability to enable non-stop services.

Locomotive fleet strategy

We are introducing Australia's most technologically advanced and fuel-efficient diesel 94 Class locomotive to our fleet. The 94 Class locomotive has been assembled in Newcastle, New South Wales, demonstrating our commitment to Australian manufacturing. It will rejuvenate the locomotive fleet and contribute to Pacific National's long-term low carbon efforts. The 94 Class will be operating from Melbourne to Adelaide from the second half of calendar year 2025.

The new locomotives will deliver multiple benefits to our business:



Land, air and water management

Minimising our impact on the environment includes controlling noise pollution, reducing particulate emissions and preventing hydrocarbon spills.

We have continued to improve our environmental risk management practices to manage our footprint across air, water and land. This allows for a more consistent, proactive, risk and data-driven approach to reduce the impact our activities have on the environment and communities in which we operate.

Environmental Management Strategy

We have made progress in each of the three priority areas of our Environmental Management Strategy.

Priority 1: Embed environmental management into key organisational governance frameworks

We track key performance metrics, including environmental pollution incidents, complaints, waste, water, and energy consumption. Our performance is also monitored under a rolling HSE Assurance Program across our entire operation.

Priority 2: Improve organisational awareness and build environmental management capability

We have updated our environmental management training materials and community grievance processes including:

- Environmental Awareness and Environmental Spill Awareness and Response training package
- Community Complaints and Feedback webform and hotline
- Streamlining communication channels.

Priority 3: Establish baselines, set targets, and drive continual improvement

We have focused on quantifying our environmental footprint through a comprehensive baselining program. A data-driven approach is allowing us to better understand our impact and address challenges in real-time.

The program's first phase to document environmental information across our sites based on risk is complete.

The second phase will be completed in FY26 and will involve:

- incorporating further analysis into improvement programs
- consolidating data to improve accessibility and visibility
- developing training registers
- upskilling and training packages for environmental management.

Environmental compliance

We can report a significant improvement in our environmental performance and community engagement in FY25. Highlights include:

- 18% decrease in environmental incidents year-on-year, with most being minor spills of product, fuel and oils within controlled environments.
- 14% decrease in community complaints, following implementation of wheel squeal program which resulted in a decrease in rail noise.

We aim to maintain a strong reputation and build trust with our stakeholders. In FY25:

- There were zero environmental regulatory compliance investigations.
- There were no actions or orders from environmental regulatory agencies across our operations.
- Regulators were notified on four occasions following environmental incidents with the potential to cause environmental harm (Incidents reported are outlined in Appendix A).

Waste and resource management

Wagon scrapping

We regularly assess the age, condition, and lifespan of our wagons and support the recovery and reuse of redundant wagons including recycling the steel through a specialised service provider. This contributes to:

- reduced warehouse footprint for storage of parts
- fewer unnecessary locomotive movements to keep yards at appropriate capacity levels

We are now considering assets beyond wagons, locomotives and redundant infrastructure, to achieve further benefits.



Water use

We are committed to reducing unnecessary consumption of potable water. Sixty-six megalitres were consumed in our operations in FY25, which represents an 18 per cent decrease versus FY24.

Our Townsville and Nebo sites now have train washdown water recycling systems, representing one of the ways we are improving water use efficiency through water saving infrastructure. We are working to improve the quality of our water usage data. This will allow us to ensure water usage reported is accurate and informs opportunities for improvement.

Wheel Squeal Rectification

Our wheel squeal rectification program is a dedicated initiative aimed at minimising noise from our wagons as they navigate tight rail curves in populated areas. As a responsible rail operator, we monitor and improve wagon steering performance, measured as angle of attack, in line with specific standards and regulations.

We have been actively completing the implementation of our wagon modification program, targeting more than 600 priority wagons. 67 per cent of these wagons have either been successfully modified or decommissioned. A comprehensive analysis of pre-modification and post-modification data reveals significant improvements in:

- steering performance – enhanced wagon stability and control
- wheel squeal reduction – substantial decrease in noise levels

Locomotive Noise Management and Air Emissions

Given the national reach of our fleet, it is essential the conditions introduced by one state are reflected across the entire fleet to ensure consistency and compliance. As required by our NSW Environment Protection Licence (EPL), we undertake locomotive noise testing after each major overhaul of our locomotive engines.

Noise testing and compliance

We have undertaken noise testing on more than 150 locomotives across six different locomotive classes, achieving consistently high compliance rates. In instances where non-compliances have been identified, we have established a systematic process to review and analyse results and trends across locomotive classes.

Air emissions and new locomotive introductions

As a rail operator, we are required to demonstrate adherence to stringent air emission limits when introducing new classes of locomotive on the NSW rail network. We have successfully demonstrated to the NSW Environment Protection Authority (EPA) that our upcoming 94 Class locomotive meets and exceeds the relevant type testing criteria¹⁶.

¹⁶ USA EPA Tier 2 line-haul cycle weighted average emissions limits for Particulate Matter (PM)) leveraging a Tier 4 engine platform



Our People and Communities

Maintain a culture that provides a safe workplace for our people, supports all forms of diversity and promotes effective engagement across the communities in which we work.

Health, safety and wellbeing

By prioritising employee health, safety, and wellbeing we are fostering a strong safety culture that reduces workplace injuries and health risks and builds a productive and safe work environment.

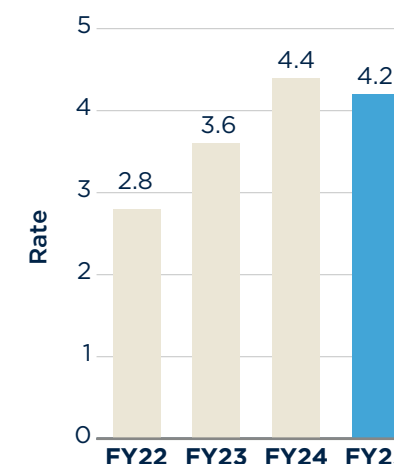


We regularly assess our health and safety standards and our focus on critical risk management to keep our people physically and mentally safe.

In FY25, our Recordable Injury Frequency Rate (RIFR), Proceed Authority Exceedance (PAE) and Significant Incidents (SI) all decreased in line with our focus on injury prevention, critical risk areas and the effectiveness of improved control measures. We will maintain our emphasis on further improving those results to ensure a safe and reliable operating environment.

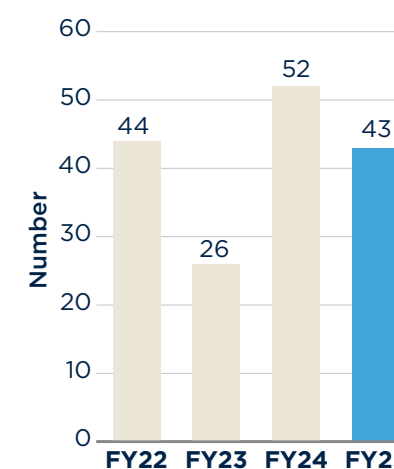
Recordable Injury Frequency Rate

Our Recordable Injury Frequency Rate (RIFR) has demonstrated a positive downward trend, improving from 4.4 in FY24 to 4.2 in FY25. Although our current rate remains higher than the 2.8 recorded in FY22, this improvement underscores our sustained commitment to injury prevention. Our analysis reveals that slips, trips, and falls continue to be a primary cause of injuries, largely due to the nature of our work environment and the unpredictability of weather events. In response, we have maintained our emphasis on mitigating these risks through targeted initiatives which remain a key part of our safety strategy. These included the refresh of our “Safely Every Day” brand and targeted Hazardous Manual Handling Program for our maintenance crew.



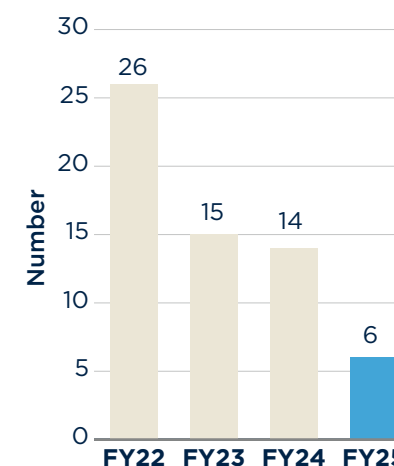
Proceed Authority Exceedance

In FY25, the Proceed Authority Exceedance (PAE) result was 43, representing an improvement from 52 in FY24. However, this result still exceeds the 26 achieved in FY23. PAE performance remains a critical area of focus for our business. Work has been undertaken to review and update the In Cab Behaviour procedures, which will be rolled out in FY26. We have also introduced the use of a simulation room to support PAE mitigation training through dedicated, in-person instruction in a non-critical environment. In addition, a PAE Awareness Program has been launched, including the development of a PAE prevention video aligned with updated PAE prevention procedures. These initiatives aim to reinforce safe driving behaviours, improve decision-making under pressure, and reduce the likelihood of PAE events across our network.



Significant Incidents

The Significant Incidents (SI) rate for FY25 was 6, continuing a positive downward trend from 26 in FY22. This total includes both internal and external incidents. The reduction in Pacific National's internal SIs reflects a strong focus on critical risk areas and the effectiveness of improved control measures. For external and non-PN incidents, Pacific National continues to collaborate with industry partners to promote physical rail separation and drive community education, with the goal of further reducing third-party incidents and maintaining this positive trajectory.



Enhancements to HSE Risk Management Framework

In FY25, Pacific National built upon the significant improvements made to its Health, safety and environment risk management framework by focusing on the integration of these practices into daily operations. Key efforts included:

- **Consistently applying the framework:** Particularly through the development of control action plans during risk reviews, to maintain a high level of risk management.
- **Proactive monitoring and management:** Leveraging the consolidated risk registers in CAMMS and the RiskHub to support proactive monitoring and management of operational risks across the business. Formal risk review forums are held regularly, involving cross-functional safety and operational teams. During these forums, risk insights are explored through discussions focused on underlying causes, evaluating controls effectiveness and identifying gaps. This process supports a forward-looking approach to risk management, where lessons learnt, near misses and emerging risks are used to refined existing controls and develop control action plans.¹⁷
- **Psychosocial harm reduction:** Continuing the implementation of psychosocial risk assessments, ensuring these risks are identified, assessed, and managed as part of the broader HSE risk management approach.

- **Fatigue risk management:** Making significant progress in embedding fatigue risks into the broader risk management framework, including the development of a new draft fatigue risk management program built through comprehensive data analysis, alignment with industry best practices, and in consultation with Safety Science experts. The program also incorporated key fatigue risk principles outlined by the Office of the National Rail Safety Regulator (ONRSR) to ensure regulatory alignment and operational relevance. The work reflects a shift toward a more systematic and evidence-based approach to fatigue management.

Implementing these initiatives demonstrates our commitment to protecting the health and wellbeing of our workforce and ensuring a safer and more efficient operational environment.

HSE Management System improvement

Pacific National continued to enhance our HSE management system through digital automation and process improvements.

While FY24 focused on reviewing HSE related documentation to ensure it was fit-for-purpose, we have taken further steps in FY25 towards modernising our systems, introducing online forms and tools, and implementing QR codes to improve accessibility to information, support better decision making, and improve document management.

While we continue to review and update our safety management system to make sure it aligns with best practice and meets regulatory requirements, our attention is now turning to speeding up the use of technology – specifically by replacing manual processes with greater automation.

Brilliant at the Basics

The Brilliant at the Basics program is an enabling program at Pacific National that reinforces the importance of strong health, safety, and environment foundations. The program is supported by the Safety Team and provides practical tools, guidance, and coaching to frontline leaders and teams to help embed core safety practices.

The initiative allows us to provide clear guidance on the essential core skills to effectively implement our health, safety, and environmental management system to new and existing operational leaders. The program contributes to onboarding tools for new leaders and is scalable to accommodate different levels of leadership maturity. Leaders are offered personalised development through self-assessments and tailored learning pathways.

By doing this we ensure that HSE capability remains strong and consistent across all levels of operational leadership.

Communicating and engaging with workers on HSE

We have embedded a structured, consistent approach to worker engagement on HSE throughout FY25, with monthly themes delivering timely, relevant messaging across the organisation and key partners. Multiple channels – including team forums and digital platforms – maximised reach and helped embed a proactive safety culture. This approach will continue in FY26, reinforcing key messages, promoting shared learning, and supporting a safer, more informed workforce.

¹⁷ CAMMS and RiskHub are our incident management systems. Both are provided by an Australian-founded software company that provides integrated solutions for risk management, compliance, and strategic planning.



Mental health and wellbeing

In October 2024, Pacific National launched Sonder, a comprehensive Employee Assistance Program (EAP). The program aims to enhance mental health and wellbeing support for our people, demonstrating the company's commitment to a supportive work environment.

Sonder addresses the growing need for mental health support in the high-stress rail freight industry, providing employees with immediate and professional assistance to manage stress, improve mental health, and maintain overall wellbeing.

Through Sonder, our people and their immediate families, can access free of charge:

- confidential counselling
- mental health resources
- crisis intervention support
- innovative digital tools
- user-friendly app for easy access to support services.

Mental Health First Aid (MHFA)

Pacific National's MHFA program fosters a culture of openness and support, breaking down the stigma associated with mental health. This initiative complements our broader mental health strategies, ensuring that our employees have access to comprehensive support systems. The program aims to train our workforce with the knowledge and skills necessary to support colleagues experiencing mental health issues, identify early signs, provide initial help, and guide individuals toward appropriate professional support.

In March 2025, our Mental Health and Wellbeing program was recognised with the **Best Health and Wellbeing Program for a Large Organisation** award at the Hunter Valley Safety Awards, acknowledging our ongoing commitment to supporting the mental health of our people.

Peer Connect champions

Peer Connect is a network of employees who can offer immediate support and guidance to their workmates. Peer Connect Champions are volunteers trained by Pacific National Mental Health First Aid Instructor in how to connect employees with health professionals. Through regular training, champions have been equipped to identify and respond to colleagues' mental health and wellbeing needs.

The program has contributed to a noticeable improvement in workplace morale and mental health. By encouraging open conversations and providing accessible support, the Peer Connect program is a crucial component of Pacific National's approach to employee welfare.

Partnership with Healthy Business

We are committed to the health and wellbeing of our intermodal train drivers and have extended our partnership with Healthy Business to provide personalised coaching and support. This initiative, rolled out across our operations in Victoria, New South Wales, and Queensland in FY25, addresses the unique challenges and work habits that can impact intermodal drivers' fitness and health.

Key benefits include tailored support and guidance for a healthy lifestyle and stress management techniques resulting in improved overall wellbeing. Services provided to our teams extend to physical health assessments such as cholesterol, blood pressure, and blood glucose monitoring, support for managing musculoskeletal issues, improving sleep hygiene, maintaining a healthy diet, and addressing stress and mental wellbeing.

By investing in this confidential and personalised program, we are helping ensure our intermodal drivers are well equipped to meet the demands of their roles.



Community engagement

Actively engaging with local communities and responding to their feedback helps Pacific National to build trust with stakeholders and contributes to a long-term social license to operate

Our community contributions and support are guided by the Community Giving Strategy and Community Giving Framework. These formalise our commitment to making contributions to marginalised and disadvantaged groups and the communities we operate in and rail through.

Strengthening First Nations Disaster Resilience with Australian Red Cross

Pacific National has established a fruitful and ongoing partnership with Australian Red Cross to support the vital work of the First Nations Community Disaster Resilience Teams.

In FY25, Pacific National provided \$160,000 in financial support, empowering teams with the autonomy, resources, and tools needed to manage the physical and psychosocial impacts of natural hazards and disasters.

As a result of our support, Australian Red Cross deliver multiple community engagement and recruitment events, where they proactively speak to local communities about preparing, recovering and responding to extreme weather disasters. These are some examples of how we've enabled social impact support throughout the year:

Presence at key community events

The Australian Red Cross First Nations team participated in significant events like ANZAC Day and the Elders Memorial Day during Reconciliation Week, ensuring that Australian Red Cross remains engaged within the community. This presence reinforces their role as a leading humanitarian organisation and demonstrates their ongoing respect and support for First Nations peoples.

Many Aboriginal and Torres Strait Islander people served in early conflicts but were not formally recognised. While perspectives on Reconciliation may vary across communities, for Australian Red Cross, the focus is on walking alongside First Nations peoples and genuinely listening to their voices.

Volunteer training and recruitment in regional NSW

Recruitment activities of First Nations people, ensures that during times of need local communities are supported and cared for appropriately. Regular training sessions support the cultural development of new volunteers, ensuring that everyone involved with Australian Red Cross understands, respects, and values First Nations culture.

Cross-Cultural evenings

Hosting cross-cultural evenings at community centres brings together seasonal workers and local community members, including Elders. These sessions offer opportunities to share stories, build cultural knowledge, and foster deeper community connections.

Engaging through local community radio

In small towns connecting with the local community is essential. Through regular participation in segments on the local community radio station Australian Red Cross Emergency Services, raise awareness about the broader Red Cross movement, building stronger local connections.



How Foodbank creates value

Foodbank acts as a 'pantry to the charity sector in Australia'. It sources food from farmers, manufacturers and retailers and partners with food companies, community organisations and volunteers to coordinate the distribution of food. In 2024, Foodbank distributed over 42.6M kgs of food and groceries, the equivalent to over 76 million meals to support around 1.2 million households experiencing food insecurity and approximately 3,320 schools to provide food to children.

In FY25 Pacific National contributed to Foodbank's efforts via our customer, Linfox. Linfox moved three TEU of food on Pacific National Melbourne to Perth services, with Pacific National donating discounted freight services to the value of \$10,500.

Westpac Rescue Helicopter Service



Rescue Helicopter Services Supported by Pacific National

In 2025, the Westpac Rescue Helicopter Service (WRHS) marked 50 years of delivering critical emergency aeromedical services across New South Wales. Pacific National contributed over \$50,000 through fundraising and sponsorship efforts in FY25, supporting WRHS's life-saving work.

Operating a fleet of four helicopters from bases in Belmont, Tamworth, and Lithgow, WRHS serves 1.5 million people – responding to search and rescue missions, inter-hospital transfers, and urgent pre-hospital emergencies. Importantly, funds raised in local communities stay in those communities, directly supporting missions that benefit the regions participating in charity events. WRHS acknowledged Pacific National's support, stating:

"The contribution of funds from Pacific National supports our fundraising activities, which in turn support our operations. As a registered charity, fundraising remains vital to our sustainability, growth, and standards of excellence. Funds are invested in our facilities, training, equipment, people, and the latest technologies that allow us to deliver the highest standard of care to every patient."

IndigiGrow

At a time when Australia's native ecosystems are under serious threat and biodiversity is at critically low levels, IndigiGrow is working to restore native habitats by planting seeds of both nature and Indigenous culture.

IndigiGrow regenerates endangered native plants and ecosystems to rebuild biodiversity and reconnect young First Nations people to Country. Through hands-on training and meaningful employment through apprenticeships, participants learn the ways of their ancestors to care for the land, reconnecting culture, community, and Country.

Since 2022, Pacific National employees have joined the IndigiGrow team for a day of learning and connecting, this year contributing the equivalent of \$6,300 in volunteer time.



Inclusion and diversity

A diverse and inclusive workplace helps us include diverse perspectives into decision-making and provide an environment where our people can be their authentic selves.

Reconciliation Action Plan

Our *Reflect Reconciliation Action Plan (RAP)* completed in FY25 laid the foundation for future reconciliation initiatives by embedding the principles of respect, relationships and opportunities into our workplace culture.



In completing our first RAP, Pacific National has taken deliberate and impactful steps to:

1. **Build relationships** with Aboriginal and Torres Strait Islander stakeholders and organisations in the communities where we operate, such as with Australian Red Cross First Nations Resilience Team.
2. **Celebrate cultural events** such as National Reconciliation Week and NAIDOC Week, encouraging staff participation and awareness.
3. **Promote cultural learning**, through our Evolve webinars and Indigigrow volunteer days to increase understanding of Aboriginal and Torres Strait Islander histories, cultures and rights.
4. **Support employment and supplier diversity**, by setting recruitment targets and investigating partnerships with Aboriginal and Torres Strait Islander-owned businesses.
5. **Strengthen governance**, through the formation of a RAP Working Group and transparent reporting of our progress.

We are committed to continuing our reconciliation journey and are preparing to embark on the next phase. The RAP Working Group will soon commence scoping our next Reconciliation Action Plan, which will focus on innovation and be known as the "Innovate RAP". This new plan will involve:

- Implementing innovative strategies to promote reconciliation
- Deeper engagement with Indigenous communities
- Fostering stronger relationships.

Our *Reflect Reconciliation Action Plan* is available on our website.

Refresh Inclusion & Diversity Policy

In June 2025, we launched a revised policy, reaffirming our commitment to a sustainable and inclusive culture that promotes wellbeing and delivers better outcomes. We believe diversity improves decision-making and provides a competitive advantage.

The Inclusion and Diversity policy will guide our efforts to build a more inclusive workplace. The policy sets the standards of behaviour expected of all Pacific National employees, contractors, consultants, and stakeholders, including the CEO, Executive, and Board, to foster an inclusive culture and workplace.

Our approach to Inclusion and Diversity is built around three key pillars that create a workplace where everyone feels valued, respected, and engaged. These include:

- **Belonging:** fostering an inclusive culture through recognition, positive experiences, and respectful behaviour
- **Dedicated Initiatives:** supporting employees with disability and access, First Nations employees, and gender equity
- **Employee Networks:** self-managed networks, including pride and culture, for employees to connect and support one another.

We have launched a Neurodiversity Toolkit designed to meet the growing demand for information and support on neurodiversity in the workplace. We are also working with the Australian Disability Network to develop an access and inclusion plan, enhancing our culture, environment, and systems to improve access and inclusion for employees with disabilities.

By prioritising inclusion and diversity, we aim to build a stronger, more resilient organisation that benefits both our people and our business.

Pacific National recognised as a top employer for gender equity

Pacific National has been awarded a place in the Top 101 Employers list for the second consecutive year, recognising our commitment to creating a workplace where women can thrive. This places us in the top two per cent of more than 5,000 workplaces ranked on the WORK180 platform.

Our inclusion is based on WORK180's rigorous diversity, equity, and inclusion assessment, which evaluates our employee benefits and offerings in areas such as:

- Flexible work arrangements
- Leadership representation
- Parental leave policies
- Other initiatives that support gender equity.

Our Talent & Acquisition team has completed WORK180's Gender Equity Sourcing Accreditation program, equipping us with the skills and knowledge needed to attract a diverse workforce.

In FY25 there was a three per cent increase in our annual WORK180 DEI Assessment score, from 58 per cent to 61 per cent. This improvement reflects our ongoing efforts to create a more inclusive and supportive work environment, and we remain committed to continuing this important work.



PN Connect | Women's Series: empowering female employees

Pacific National's PN Connect | Women's Series is a dedicated program to foster connections and relationships among female employees, while also attracting top female talent to join the Pacific National team.

Now in its third year, 35 female employees participated in workshops and networking events in FY25 that facilitated meaningful dialogue and fostered a supportive community.

The program focuses on building essential skills, including:

- Social capital: Developing professional networks and relationships that can help advance careers
- Resilience: Cultivating the ability to navigate challenges and setbacks with confidence and determination
- Effective communication: Enhancing verbal and non-verbal communication skills to drive success in the workplace
- Self-reflection: Encouraging employees to reflect on their strengths, weaknesses, and goals, and develop a growth mindset.

By providing a platform for female employees to connect, learn, and grow, the PN Connect | Women's Series aims to create a more inclusive and supportive work environment.

Respect at Work Program

Pacific National is committed to creating a safe and inclusive work environment. Key FY25 initiatives in our Respect at Work Program include:

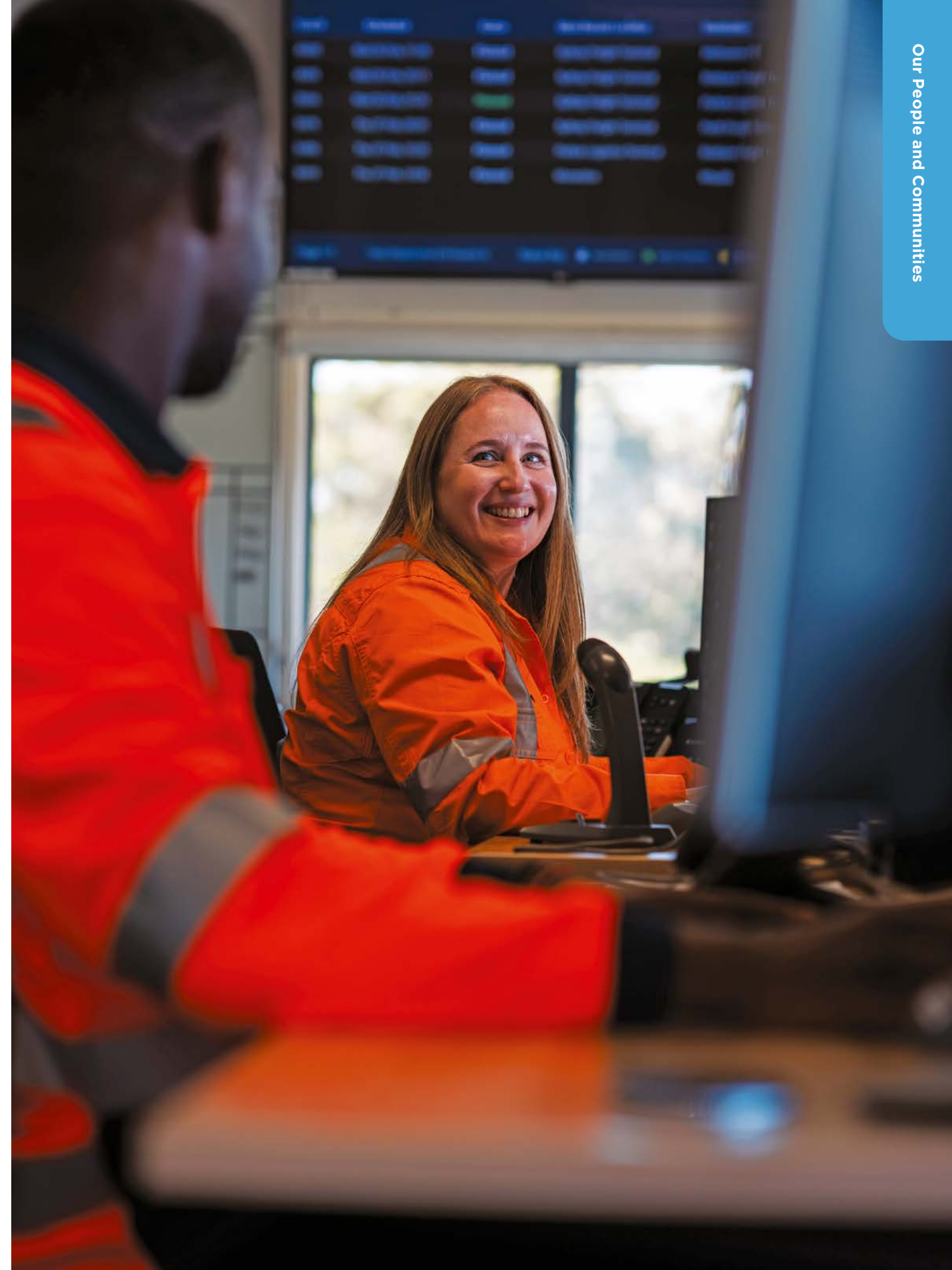
- Respect@PN Policy: Promoting respect, preventing harassment, and fostering a positive workplace culture.
- Mandatory Training: 90 per cent of employees have completed online training on Respect at Work and Code of Conduct.
- Sexual Harassment Risk Management Program: Proactively identifying and minimising risks of harassment.
- Prevention Plan and Risk Register: Consulting with workforce to develop a plan that outlines measures to prevent harassment, including policy guidance, training, and reporting channels.

Speak Up

Pacific National's confidential reporting system allows employees to raise concerns safely, including reports of sexual harassment. We encourage employees to speak up when they have reasonable grounds for concern about:

- Inappropriate behaviour breaching our Code of Conduct, Respect at Pacific National policies, or Health, Safety, and Environment policies.
- Behaviour creating an unsafe, disrespectful, or harmful workplace, such as harassment, bullying, or discrimination.
- Serious misconduct, including illegal, dishonest, or unethical actions that may damage the company or its people.

Multiple reporting channels are available to ensure employees can report concerns easily and confidentially.





Our Partners

Drive resilience and sustainability through our supply chain and use industry partnerships to drive our collective sustainability goals.

Industry collaboration and advocacy

We are active in collaborating with industry peers to drive progress on shared sustainability objectives such as co-funding research, promoting decarbonisation and rail safety, and advocating for policies supporting lower-carbon freight solutions.



Industry collaboration to advance rail safety

Pacific National hosted a full day rail freight industry event in May 2025 to promote and advance safety across the sector among rail safety professionals, industry leaders, regulators, and technology providers.

Pacific National shared key insights and learnings from its safety initiatives, including advancements in fatigue risk management, health and wellbeing programs for train crews, and the exploration of emerging technologies to enhance situational awareness.

The initiative was part of our effort and focus on health and safety performance at our company and across our sector.

Our customer experience score rose from

6.64 in 2022 to
7.47 in 2024



Up to
90% of services
delivered on time

Customers have reported improvements in
**communication,
issue resolution
and operational
reliability**



Pacific National Customer Portal

Almost two years ago, we set out to update our Intermodal booking portal with the goal of making our rail freight services easy to interact with. We engaged with our customers to understand what we can do better and as a result developed a new booking portal that serves approximately 350 of our Intermodal customers, representing the largest group of freight forwarders in the country.

Our customers now interact with an improved dashboard that provides all information needed to manage their logistics. We streamlined processes to reduce multiple fields of data entry to a few clicks. One of the new features is a self-serve carbon emissions reporting function that allows customers to calculate the emission benefits of hauling by rail rather than road. In FY26, we will deploy a mobile app designed to give our customers even easier access to managing their freight requirements.

We believe that digital applications and solutions are key to better operational performance and service delivery. We have been investing in new technologies to ensure rail remains the preferred mode of transport in Australia's intermodal freight mix.

Improving Customer Experience

Pacific National is playing a critical role in shaping the future of freight in Australia. We are strong advocates for sustainable supply chains, actively partnering with government and industry bodies to drive infrastructure investment, influence policy, and deliver climate-resilient freight solutions that benefit both customers and the broader economy.

At the same time, Pacific National's Intermodal customers are experiencing meaningful improvements in service, with customer experience scores rising from 6.64 in 2022 to 7.47 in 2024¹⁸.

Satisfaction with customer relationships are now described as 'almost universal', with up to 90 per cent of services delivered on time. Customers have highlighted improvements in communication, issue resolution, and operational reliability.

¹⁸ PN Wave 3 Customer experience Intermodal Insights Report, August 2024. Our customer experience surveys are bi-annual. Our team engaged 68 customers, including 24 senior respondents and 44 frontline respondents, with 62 per cent disclosure rate.



Supply chain sustainability and resilience

It's important for Pacific National to work with reliable suppliers who share our sustainability goals, enabling us to also support their progress towards sustainability and ensure smooth, ongoing service.

Supply Nation membership

This year, we have become a member of Supply Nation, Australia's largest national listing verified of Aboriginal and Torres Strait Islander businesses. The platform will enable us to connect and engage with over 5,000 certified and registered enterprises. Joining Supply Nation strengthens our commitment to supplier diversity and advancing goals included in our Reconciliation Action Plan (RAP).



Human rights and modern slavery

Pacific National supports human rights by following laws, preventing modern slavery, ensuring fair labour, and keeping workplaces safe.

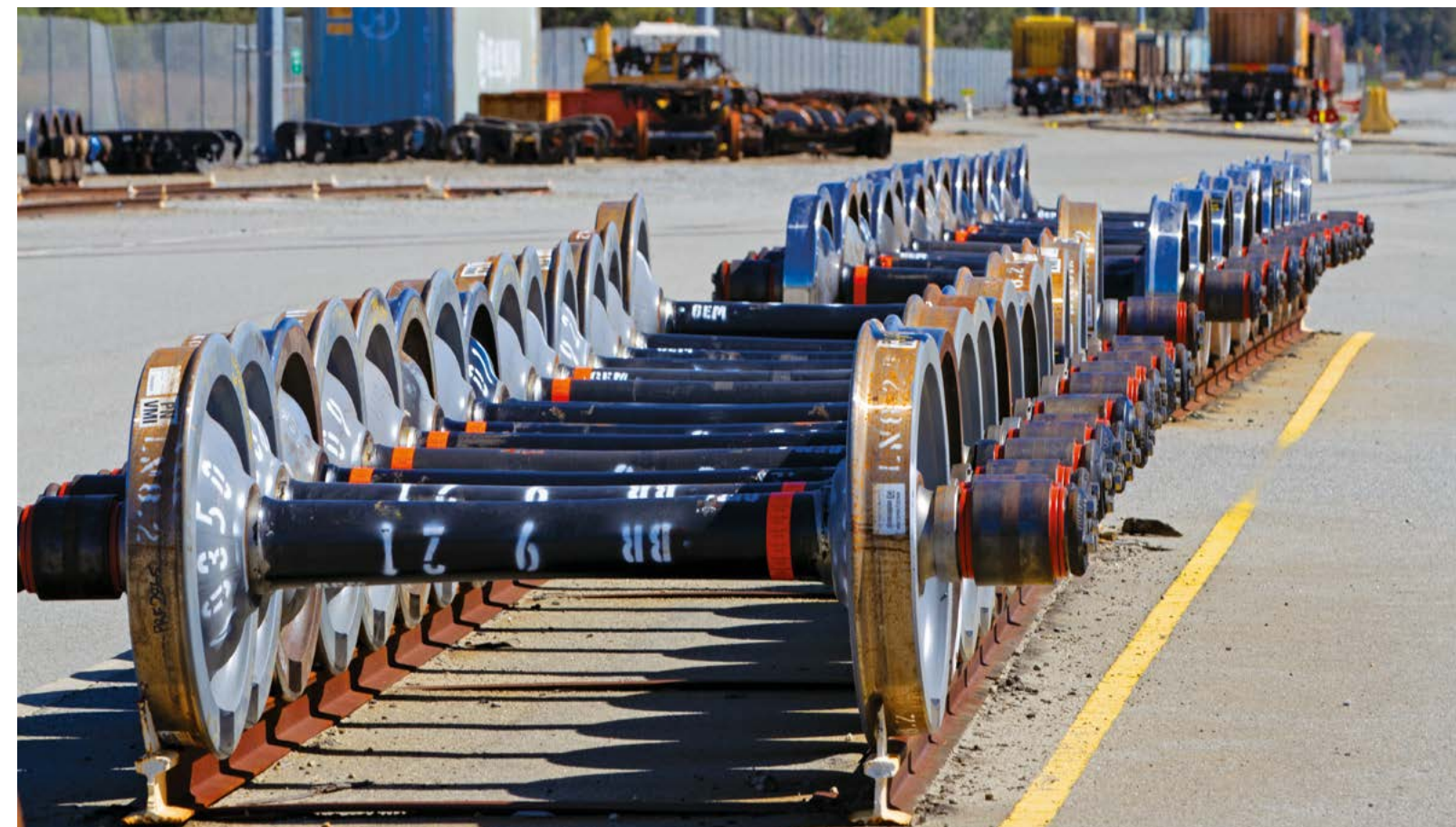
Modern Slavery Statement

Pacific National's Modern Slavery Statement for 2023-2024 sets out the actions we have taken to manage the risk of slavery practices arising in our operations and supply chain. Our modern slavery approach is based on transparent policies and practices that communicate our support for human rights in all our business practices.

Modern Slavery Training Module

Continuously improving our human rights and modern slavery management practices is important to delivering on our company values. Our team understood that Pacific National needs to build internal capability to better manage modern slavery risks within our operations and supply chain. This year, we launched a new Modern Slavery Awareness eLearning module to all our employees. The training package provides education on key modern slavery matters, form definitions, to identifying warning signs and risks, legal obligations Pacific National has to fulfill under the Modern Slavery Act, and our approach to human rights management. Employees from Operations, Procurement, HSE, People & Culture and Leadership have successfully completed the module.

For further information on our capabilities to combat modern slavery and protect fundamental human rights for all who interact with us, you can access our Statement on our website.



Performance data

Our environment

Greenhouse gas emissions and decarbonisation

Greenhouse gas emissions

Metric(s)	Unit	GRI	FY25	FY24	FY23
Total Greenhouse Gas Emissions (GHG) Scope 1 + 2	tCO ₂ e	GRI 305-1	801,685	849,006	892,272
Scope 1 ¹⁹	tCO ₂ e	GRI 305-1a	728,189	770,622	810,685
Scope 2 ²⁰	tCO ₂ e	GRI 305-2a	73,496	78,384	81,587
Scope 3 ²¹	tCO ₂ e	GRI 305-3a	553,417	565,113	534,846
Pacific National Scope 1 – Emissions Intensity ²²	tCO ₂ e/mNTK	GRI 305-4a	16.1	16.2	17.1

Energy

Metric(s)	Unit	GRI	FY25	FY24	FY23
Total electricity consumed	Kwh	GRI 302-1c (i)	104,412,010	108,165,791	112,010,031
Total fuel consumed from non-renewable resources ²³	GJ	GRI 302-1a	10,384,704	10,998,488	11,565,173
Total energy consumption ²⁴	GJ	GRI 302-1e	10,760,587	11,387,892	11,968,414
Energy Intensity	GJ / mNTK	GRI 302-3a	238	239	251.7

19 Includes emissions from diesel, LPG, petrol, oils and grease consumption.

20 Includes emissions from electricity consumption. Calculated using the location-based method required under the NGER Scheme. This method reflects the average emissions intensity of the grid on which energy consumption occurs.

21 Includes emissions from purchased goods and services,captial goods, fuel- and energy-related activities,waste generated in operations, business travel

22 Emissions Intensity: Scope 1 emissions/million net-tonne kilometres. NTKs are reported as Financial NTKs, and is representative of billed tonnes according to customer invoices.

23 Includes diesel, petrol, LPG, oils and grease consumption. Excludes electricity.

24 Total energy consumption within the organisation = (Non-renewable fuel consumed) + (Renewable fuel consumed) + (Electricity, heating, cooling, and steam purchased for consumption) + (Self-generated electricity, heating, cooling, and steam, which are not consumed) - (Electricity, heating, cooling, and steam sold)

Other

Metric(s)	Unit of Measure (UOM)	GRI	FY25	FY24	FY23
Nitrogen oxides (NOx) ²⁵	Tonnes		126.33	131.53	175.6
Sulfur oxides (SOx) ²⁵	Tonnes		0.052	0.055	0.072
Net tonne Kilometres (millions) ²⁶	mNTK		45,100	48,000	48,000

Land, air and water management

Waste

Metric(s)	Unit of Measure (UOM)	GRI	FY25	FY24	FY23
Total Waste Generated	Metric tonnes	GRI 306-3a	2,804	2,476	2,021
Total non-hazardous waste generated	Metric tonnes	GRI 306-4a	602	611	546
Total hazardous waste generated ²⁷	Metric tonnes	GRI 306-4b	2,202	1,865	1,475
Waste directed to disposal ²⁸	Metric tonnes	GRI 306-5a	977	734	697
Waste recycled ²⁸	Metric tonnes	GRI 306-3a	1,827	1,742	1,325
Assets waste generated and recycled ²⁹	Metric tonnes	GRI 306-3a	16,845	16,048	4,644
Waste generated – E-waste	Metric tonnes	GRI 306-3a	8	5	0

Environmental incidents

Metric(s)	Unit of Measure (UOM)	GRI	FY25	FY24	FY23
Environmental Incidents	#		191	213	196

25 NOx and SOx figures as reported in Pacific National’s National Pollutant Inventory (NPI) reports.

26 NTKs are reported as Financial NTKs, and is representative of billed tonnes according to customer invoices. NTKs are rounded to the nearest hundred million.

27 Oil and oil contaminated wastes, liquid waste sewerage, sludge, prescribed waste

28 Refer to Restatement of information under GRI content index 2-4

29 Includes wagons, locomotive and other assets recycled

Water

Metric(s)	Unit of Measure (UOM)	GRI	FY25	FY24	FY23
Water consumption	Megalitres	GRI 303-5a	66	80	138

Our people and communities

Inclusion and diversity

Employees

Metric (s)	Unit	GRI	FY25		FY24		FY23	
Full Time Equivalent Employees Pacific National (PN) Total ³⁰	#	GRI 401 / 405	3223.9		3,451.6		3,405.3	
PN Total: Workforce by Region ³¹	#, %	GRI 401-1a	3,323	100%	3,541	100%	3,509	100%
Major cities	#, %	GRI 401-1A	1,346	41%	1,484	42%	1,459	42%
Regional areas	#, %	GRI 401-1A	1,977	59%	2,057	58%	2,050	58%
Total: New Employee Hires	#	GRI 401-11a	234		494		644	
New Employee Hires (Age)	#, %	GRI 401-1a	234	100%	494	100%	644	100%
Under 30 years old	#, %	GRI 401-1a	61	26%	105	21%	138	21%
30–50 years old	#, %	GRI 401-1a	139	59%	295	60%	387	60%
Over 50 years old	#, %	GRI 401-1a	34	15%	94	19%	119	18%
New Employee Hires (Gender)	#, %	GRI 401-1a	234	100%	494	100%	644	100%
Male	#, %	GRI 401-1a	150	64%	350	71%	487	76%
Female	#, %	GRI 401-1a	69	29%	138	28%	157	24%
Unknown	#, %	GRI 401-1a	15	6%	6	1%	0	0%
% of new recruits of Aboriginal or Torres Strait Islander background	#, %		13	6%	21	4%	40	6%
Employee Turnover	#, %	GRI 401-1a	476		435		459	
Turnover Rate ³²	%		14%		12%		13%	
Employee Turnover (Age)	#, %	GRI 401-1b	476	100%	435	100%	459	100%
Under 30 years old	%	GRI 401-1b	30	6%	33	8%	38	8%
30–50 years old	%	GRI 401-1b	229	48%	210	48%	228	50%
Over 50 years old	%	GRI 401-1b	217	46%	192	44%	193	42%

30 FTE is the sum of active full-time, part-time, casual and on-demand employees paid directly by Pacific National, and excludes employees from these categories who are on Leave of Absence (LOA), suspended, or terminated. FTE excludes contractors who worked for PN via third party agencies

31 Regional workforce based on employee’s work location. A regional area is identified as areas outside of major Australian cities.

32 Workforce (total headcount) is calculated using the total headcount (not FTE) of employees and includes active, LOA and suspended; Full-time, Part-time, PN paid Casuals (casual & on demand). Workforce excludes workers compensation (WCP). As a percentage of headcount

Metric (s)	Unit	GRI	FY25		FY24		FY23	
Employee Turnover (Gender)	#, %	GRI 401-1b	476	1	435	100%	459	100%
Male	#, %	GRI 401-1b	364	76%	357	82%	368	80%
Female	#, %	GRI 401-1b	111	23%	77	18%	91	20%
Unknown	#, %	GRI 401-1b	1	0%	1	0%	0	0%

Parental leave

Metric (s)	Unit	GRI	FY25		FY24		FY23	
Total number of employees entitled to Parental Leave	#, %	GRI 401-3a	3,186	96%	3188	90%	2873	82%
Total number of employees that took Parental Leave	#, %	GRI 401-3b	117	4%	123	4%	94	3%
Male	#	GRI 401-3b	80	68%	84	68%	65	69%
Female	#	GRI 401-3b	37	32%	39	32%	29	31%
Total number of employees that returned to work in the reporting period after parental leave ended	#, %	GRI 401-3c	115	98%	122	99%	94	100%
Male	#	GRI 401-3c	80	100%	84	69%	65	100%
Female	#	GRI 401-3c	35	95%	38	31%	29	100%

Inclusion and diversity³³

Metric (s)	Unit	GRI	FY25		FY24		FY23	
Female representation in the workforce	#, %	GRI 405-1b	592	18%	625	17.7%	568	16.2%
Females represented in Leadership positions ³⁴	#, %	GRI 405-1a	69	20%	72	18%	74	18%
Board Representation (Gender)	#, %	GRI 405-1a	10	100%	10	100%	10	100%
Male	#, %	GRI 405-1a	8	80%	8	80%	8	80%
Female	#, %	GRI 405-1a	2	20%	2	20%	2	20%
Board Representation (Age)	#, %		10	100%	10	100%	10	100%
Under 30 years old	#, %	GRI 405-1a	0	0%	0	0%	0	0%
30–50 years old	#, %	GRI 405-1a	2	20%	2	20%	1	10%
Over 50 years old	#, %	GRI 405-1a	8	80%	8	80%	9	90%

33 As a % of headcount

34 Includes females in executive and manager roles.

Metric (s)	Unit	GRI	FY25		FY24		FY23	
Executive Leadership Representation (Gender) ³⁵	#, %	GRI 405-1a	9	100%	8	100%	7	100%
Male	#, %	GRI 405-1a	8	89%	5	63%	5	71%
Female	#, %	GRI 405-1a	1	11%	3	38%	2	29%
Executive Leadership Representation (Age)	#, %		9	100%	8	100%	7	100%
Under 30 years old	#, %	GRI 405-1a	0	0%	0	0%	0	0%
30–50 years old	#, %	GRI 405-1a	5	56%	4	50%	3	43%
Over 50 years old	#, %	GRI 405-1a	4	44%	4	50%	4	57%
Leadership/Manager Team Representation (Gender) ³⁶	#, %	GRI 405-1a	330	1	387	100%	396	100%
Male	#, %	GRI 405-1a	264	80%	318	82%	324	82%
Female	#, %	GRI 405-1a	65	20%	69	18%	72	18%
Leadership/Manager Team Representation (Age)	#, %		330	100%	387	100%	396	100%
Under 30 years old	#, %	GRI 405-1a	5	2%	3	1%	6	2%
30–50 years old	#, %	GRI 405-1a	207	63%	253	65%	261	66%
Over 50 years old	#, %	GRI 405-1a	118	36%	131	34%	129	33%
Workforce Representation (Gender)	#, %	GRI 405-1a	3,323	100%	3,541	100%	3,509	100%
Male	#, %	GRI 405-1a	2,712	82%	2,911	82%	2,941	84%
Female	#, %	GRI 405-1a	592	18%	625	18%	568	16%
Unknown	#, %	GRI 405-1a	19	1%	5	0%	0	0%
Workforce Representation (Age)	#, %		3,323	100%	3,541	100%	3,509	100%
Under 30 years old	#, %	GRI 405-1a	272	8%	311	9%	304	9%
30–50 years old	#, %	GRI 405-1a	1,842	55%	1,922	54%	1873	53%
Over 50 years old	#, %	GRI 405-1a	1,209	36%	1,308	37%	1332	38%

35 Executive Leadership is the executive management including but not limited to; Chief Executive officer, Group Executive – Bulk/Coal, Group Executive – Intermodal, Chief Financial Officer, Chief Legal Officer, Chief People and Culture Officer, Chief Commercial Strategy, Chief Technology & Transformation and Chief of HSE & Sustainability Officer.

36 An individual is identified in a leadership or management position when they have a position designed/created to have a direct report.

Health, safety and wellbeing

Metric(s)	Unit	GRI	FY25	FY24	FY23
Number of fatalities as a result of work-related injury ³⁷	#	GRI 403-9a	0	2	0
Significant Incidents – Number of potential level 1 and 2 incidents (excluding fatalities) ³⁸	#	GRI 403-9a (ii)	6	14	15
Number of Recordable work-related injuries ³⁹	#	GRI 403-9a (iii)	28	31	25
Recordable Injury Frequency Rate (RIFR) ⁴⁰	#	GRI 403-9	4.2	4.4	3.6
Number of First Aid incidents	#		74	82	63
Number of Medically Treated Injuries	#		17	17	15
Number of Lost Time incidents/injuries	#		11	12	10
Number of Near Misses	#		1,051	1,079	1,132
Rate of fatalities			0	0.3	0.0
All Injury Frequency Rate			44.37	45.3	39.1
Near Miss Frequency Rate (NMFR) ⁴¹			159.2	154.6	161.4
Signal Passed at Danger Events (SPAD) ⁴²	#		43	52	26

37 A work-related event or exposure resulting in the death of a Pacific National employee or contractor.

38 Potential Level 1 – Critical – An incident resulting in, or potential to result in multiple fatalities OR serious injury resulting in irreversible impairment or disablement >30% of body to more than 10 persons. Potential Level 2 – Major – An incident resulting in, or potential to result in a single fatality OR serious injury resulting in irreversible impairment or disablement >30% of body to one or more persons.

39 An injury or illness classified either as a medical treatment injury (MTI), lost time injury (LTI) or Fatality (FAT) involving a PN employee, or contractor.

40 RIFR is calculated as the total number of recordable injuries per million hours worked.

41 No of Near Misses/hours worked x 1,000,000

42 Any incident where rolling stock passes without authority through a signal displaying a stop indication or a stop aspect including but not limited to fixed signals, stop boards, hand signals, or black or improperly displayed signals; or exceeds the limits of authorised movements including in-cab indicators, paper-based and electronic “occupancy authorities” and encroachment on a protected worksite.

Metric(s)	Unit	GRI	FY25	FY24	FY23
Total Employee Hours	#	GRI 403-9a (v)	6,603,165	6,980,151	7,011,538
Employee Hours	#	GRI 403-9a (v)	5,985,817	5,963,617	5,857,639
Contractor Hours	#	GRI 403-9b (v)	617,348	1,016,534	1,153,899
Number of incidents required to be reported to the ONRSR ⁴³	#		2,456	2,791	1,195
Number of PN collision/derailments or other events involving on-rail equipment ⁴⁴	#		111	161	155
Number of NCR's received from ONRSR and/or Comcare and/or any other external regulatory audit and or inspection	#		1	5	17

Community engagement

Community complaints

Metric(s)	Unit of Measure (UOM)	GRI	FY25	FY24	FY23
Total number of Community complaints ⁴⁵	#		107	124	229

43 Cat A, B & C Notifiable Occurences (as per schedule 1a RSNL Regulation)

44 Rail Operational Safety Incident data

45 A community complaint is complaint that is lodged by an person/stakeholder in relation to activites or performance of Pacific National operations, including operations/activities on mainline rail network. Categories of complaints include air, noise, and other.

Our partners

Supply chain sustainability and resilience

Procurement

Metric(s)	Unit	GRI	FY25	FY24	FY23
Total Supplier Spend	\$AU		\$1,553,881,108	\$1,590,630,251	\$1,646,131,249
Supplier spend in Regional Areas (outside metropolitan cities)	\$AU		\$38,776,214	\$40,927,697	\$46,245,064
Percentage of new suppliers that were screened using environmental criteria	%	GRI 308-1a	11.50%	9%	4.5%
Number of suppliers assessed for environmental impacts	#	GRI 308-2a	530	466	458
Number of suppliers identified as having significant actual and potential negative environmental impacts	#	GRI 308-2b	1	1	2
Number of significant actual and potential negative environmental impacts identified in the supply chain	#	GRI 308-2c	0	1	2
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	%	GRI 308-2d	0	0	0.1%
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why	%	GRI 308-2e	0	0	0

Appendix A

Environmental compliance – regulatory reporting

July 2024, a failed bolt and flange seal resulted in the loss of diesel fuel to ground at the Cook provisioning facility in South Australia (SA). The SA Environment Protection Authority (EPA) was notified of the event and incident response was initiated. Initial remediation measures were undertaken, and subsequent investigations determined no material environmental harm. Reinstatement works are continuing with the approval of SA EPA.

December 2024, a pipework failure at the Cook provisioning facility caused the release of diesel fuel to ground affecting both Pacific National and ARTC property. The SA EPA was notified of the event and incident response was initiated. Initial remediation measures were undertaken, and subsequent investigations determined no material environmental harm. Reinstatement work is ongoing with the approval of SA EPA.

February 2025, A diesel fuel release resulted from damage caused to a locomotive after striking a tree. The event was reported to the NSW EPA via ARTC. The incident was subsequently managed by ARTC as the network operator with no regulatory action initiated.

February 2025, A hydrogen peroxide leak inside a container resulted in combustion just outside the West Kalgoorlie terminal. Preliminary notification was given to Western Australia (WA) Department of Water and Environmental Regulation (DWER) given the potential to result in environmental harm. Rapid incident response ensured any damage was minimised. The event did not result in any environmental harm. No regulatory action was initiated.

Appendix B

FY25 physical risk assessment methodology

Analysis was conducted under the following climate scenarios: Low emissions, Paris-aligned world (SSP1-2.6), middle of the road, plus-2-degree world (SSP2-4.5); and a high emissions, plus-4-degree world (SSP5-8.5). The analysis considered flood depths at rail points under 1 in 100-year flood scenarios to identify locations where rail movements would be interrupted and rails damaged, or where coal mining operations would be reduced. Heat exposure was modelled under the SSP 2 – 4.5 scenario, comparable to the middle road scenario. Using the same dataset of rail points, the number of days above 35 Celsius were modelled under the SSP2-4.5 scenario in future time periods in addition to the baseline. Assuming that some reduction in volume is implicit in current operational volumes, the focus of the analysis is on the increase in the number of high temperature days on key rail routes.

GRI Content Index

Statement of use

Pacific National Holdings Pty Ltd has reported the information cited in this GRI content index for the period of 1 July 2024 – 30 June 2025 with reference to the GRI Standards.

GRI 1 used GRI 1: Foundation 2021

GRI Standard	Scope	Disclosure	Disclosure name	Location	Page number	Comments and Omissions
GRI 2	The organisation and its reporting practices	2-1	Organisational details	About this report; GRI Index	Inside cover, GRI Index	Location of headquarters: 2-4 Blue St, North Sydney NSW 2060
		2-2	Entities included in the organisation's sustainability reporting	About this report; GRI Index	Inside cover; GRI Index	For this Sustainability report, information collected for Pacific National Holdings Pty Ltd and its subsidiaries has been consolidated and presented as information for Pacific National. Material topics have been defined for Pacific National including all its entities. Reporting period for Sustainability reporting is the same as Pacific National's financial reporting.
		2-3	Reporting period, frequency and contact point	About this report GRI Index	Inside cover; GRI Index	Pacific National aims to publish an annual sustainability report. For questions about this report, please contact PN_communications@pacificnational.com.au

GRI Standard	Scope	Disclosure	Disclosure name	Location	Page number	Comments and Omissions
GRI 2	The organisation and its reporting practices	2-4	Restatements of information	GRI Index; Performance data: Our environment		Data for waste directed to disposal (GRI 306-5a) and waste recycled (GRI 306-3a) has been restated for FY23 and FY24. Pacific National has identified an error in waste data reported due to an external reporting software anomaly. As a result, the amount of waste directed to disposal has decreased while the amount of waste recycled has increased. For waste directed to disposal, the amount reported has been amended from 2,204 metric tonnes to 734 metric tonnes for FY24 and 1,897 metric tonnes to 697 metric tonnes for FY23. For waste recycled, the amount reported has been increased from 272 metric tonnes to 1,742 metric tonnes in FY24 and from 124 metric tonnes to 1,325 metric tonnes in FY23
		2-5	External assurance	About this report Statement of Limited Assurance	Inside cover; 78-81	KPMG provided limited external assurance.
		2-6	Activities, value chain and other business relationships	About Pacific National; Our Partners: Human rights and modern slavery	6-10; 61	
	Activities and workers	2-7	Employees	About Pacific National; Performance Data: Our people and communities	6; 64	
		2-9	Governance structure and composition	Our Enablers: Governance structure and process; Our Enablers: Risk management; Our Environment: Climate resilience	16-18; 20; 25	
	Governance	2-12	Role of the highest governance body in overseeing the management of impacts	Our Enablers: Governance structure and process; Our Environment: Climate resilience	16-18; 25	

GRI Standard	Scope	Disclosure	Disclosure name	Location	Page number	Comments and Omissions
GRI 2	Governance	2-13	Delegation of responsibility for managing impacts	Our Enablers: Governance structure and process; Our Environment: Climate resilience	16-18; 25	
		2-14	Role of the highest governance body in sustainability reporting	About this report; Chief Executive Officer Commitment; Our Enablers: Governance structure and process	Inside cover; 2-3; 16-18	
		2-16	Communication of critical concerns	Our Enablers: Policy Governance Framework	19	
	Strategies, policies and practices	2-22	Statement on sustainable development strategy	Chief Executive Officer Commitment	2-3	
		2-23	Policy commitments	Our Enablers: Policy Governance Framework; Our Partners: Human rights and modern slavery	19; 61	https://pacificnational.com.au/content/resource-hub
		2-27	Compliance with laws and regulations	Appendix A: Environmental compliance – regulatory reporting	69	
	Stakeholder engagement	2-29	Approach to stakeholder engagement	The Pacific National Sustainability Strategy: Materiality assessment	12	
GRI 3	Material topics	3-1	Process to determine material topics	The Pacific National Sustainability Strategy: Materiality assessment	12, 13	
		3-2	List of material topics	The Pacific National Sustainability Strategy: Materiality assessment	12, 13	
GRI 204	Procurement practices	3-3	Topic management disclosures	Our Partners: Human rights and modern slavery	24	
		204-1	Proportion of spending on local suppliers	Performance data: Our partners	68	Pacific National's definition of 'local' include: locations outside of metropolitan cities.

GRI Standard	Scope	Disclosure	Disclosure name	Location	Page number	Comments and Omissions
GRI 302	Energy	3-3	Topic management disclosures	Our Environment: Greenhouse gas emissions and decarbonisation; Our Environment: Pacific National Climate Change Strategy	33; 38-41	
		302-1	Energy consumption within the organisation	Performance data: Our environment	62	
		302-3	Energy intensity	Performance data: Our environment	62	
GRI 303	Water and effluents	3-3	Topic management disclosures	Our Environment: Land, air and water management	42	
		303-5	Water consumption	Performance Data: Our Environment	63	
GRI 305	Emissions	3-3	Topic management disclosures	Our Environment: Climate resilience; Our Environment: Greenhouse gas emissions and decarbonisation	24-26; 30-32; 33-41	
		305-1	Direct (Scope 1) GHG emissions	Our Environment: Greenhouse gas emissions and decarbonisation; Performance data: Our environment	33; 62	
		305-2	Energy indirect (Scope 2) GHG emissions	Our Environment: Greenhouse gas emissions and decarbonisation; Performance data: Our environment	33; 62	
		305-3	Other indirect (Scope 3) GHG emission	Our Environment: Greenhouse gas emissions and decarbonisation; Performance data: Our environment	33; 62	
		305-4	GHG emissions intensity	Performance data: Our environment	62	
		305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Performance data: Our environment	62	

GRI Standard	Scope	Disclosure	Disclosure name	Location	Page number	Comments and Omissions
GRI 306	Waste	3-3	Topic management disclosures	Our Environment: Land, air and water management	43, 44	
		306-3	Waste generated	Performance data: Our environment	63	
		306-4	Waste diverted from disposal	Performance data: Our environment	63	
		306-5	Waste directed to disposal	Performance data: Our environment	63	
GRI 308	Supplier environmental assessment	3-3	Topic management disclosures	Our Partners: Supply chain sustainability and resilience	60	
		308-1	New suppliers that were screened using environmental criteria	Performance Data: Our partners	68	
		308-2	Negative environmental impacts in the supply chain and actions taken	Performance Data: Our partners	68	
GRI 401	Employment	3-3	Topic management disclosures	Our People and Communities: Mental health and wellbeing	50	
		401-1	New employee hires and employee turnover	Performance data: Our people and communities	64	
		401-3	Parental Leave	Performance data: Our people and communities	65	

GRI Standard	Scope	Disclosure	Disclosure name	Location	Page number	Comments and Omissions
GRI 403	Occupational health & safety	3-3	Topic management disclosures	Our People and Communities: Health, safety and wellbeing	46-49	
		403-1	Occupational health and safety management system	Our People and Communities: Health, safety and wellbeing	48	
		403-2	Hazard identification, risk assessment, and incident investigation	Our People and Communities: Health, safety and wellbeing	48	
		403-6	Promotion of worker health	Our People and Communities: Health, safety and wellbeing; Our People and Communities: Mental health and wellbeing	49,50	
		403-8	Workers covered by an occupational health and safety management system	GRI Index	GRI Index	All Pacific National workers are covered by the health and safety management system.
		403-9	Work-related injuries	Our People and Communities: Health, safety and wellbeing; Performance data: Our people and communities	46-47; 67	Data included includes metrics tracked by Pacific National, in addition to GRI Standards disclosures.
GRI 404	Training and education	3-3	Topic management disclosures	Our People and Communities: Health, safety and wellbeing	49, 50	
		404-2	Programs for upgrading employee skills and transition assistance programs	Our People and Communities: Health, safety and wellbeing	49, 50	
GRI 405	Diversity and equal opportunity	3-3	Topic management disclosures	Our People and Communities: Inclusion and diversity	54-56	
		405-1	Diversity of governance bodies and employees	Performance Data: Our people and communities	65-66	

GRI Standard	Scope	Disclosure	Disclosure name	Location	Page number	Comments and Omissions
GRI 413	Local communities	3-3	Topic management disclosures	Our People and Communities: Community engagement	51-53	
		413-1	Operations with local community engagement, impact assessments, and development programs	GRI Index	GRI Index	Data on percentage of operations with implemented local community engagement, impact assessments, and/or development programs is not currently tracked.
		413-2	Operations with significant actual and potential negative impacts on local communities	GRI Index	GRI Index	Data on operations with significant actual and potential negative impacts on local communities is not currently tracked. Pacific National provided the number of community complaints the Data and Performance section on Environmental Footprint.

ASRS Content Index

The below table presents Pacific National’s progress towards publishing climate-related disclosures prepared in accordance with AASB S2 Climate-related Disclosures, which is the mandatory Australian Sustainability Reporting Standard (ASRS) that has been issued by the Australian Accounting Standards Board (AASB). Full set of disclosures will be published by Pacific National in FY26.

Governance		
Board oversight of climate-related risks and opportunities		Pages 16–18, 25
Role of management in assessing and managing climate-related risks and opportunities		Pages 16–18, 25
Strategy		
Climate-related risks and opportunities		Pages 25, 27–32
Business model and value chain		Pages 27–32
Strategy and decision-making		Page 25, 36–41
Financial position, financial performance and cash flows		Not disclosed in this reporting cycle
Climate resilience		Not disclosed in this reporting cycle
Risk management		
Process for identifying and assessing climate-related risks		Page 26, 27, 30
How climate-related risks are integrated into overall risk management framework		Pages 20, 26
Metrics & targets		
Climate-related metrics		Page 26, 33, 62
Climate-related targets		Page 26

Statement of Limited Assurance



Independent Limited Assurance Report to the Directors of Pacific National Holdings Pty Ltd

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Information Subject to Limited Assurance as set out below, has not been prepared by Pacific National Holdings Pty Ltd (Pacific National), in all material respects, in accordance with Pacific National Holdings Pty Ltd’s Basis of Preparation for the year ended 30 June 2025

Information Subject to Assurance

Pacific National engaged KPMG to perform a limited assurance engagement in relation to the following information as presented in the Sustainability Report on the Pacific National website.

Information Subject to Limited Assurance	Reported value
Total Scope 1 Greenhouse Gas (GHG) Emissions	728,189 tCO ₂ -e
Total scope 2 Greenhouse Gas (GHG) Emissions	73,496 tCO ₂ -e
Financial Net-tonnes-kilometres (NTKs)	45,100 mNTK
Intensity: Scope 1 GHG Emissions / million financed net-tonne kilometres	16.1 tCO ₂ -e/mNTK
Community complaints	107
Number of fatalities as a result of work-related event/injury	0
Number of potential Level 1 and 2 incidents (excluding fatalities) (significant incidents count including Non PN controlled events)	6
Signal Passed at Danger (SPAD) Events	43
Recordable Injury Frequency Rate	4.2
Number of recordable work-related injuries	28
Total employee hours worked (contractor & employees)	6,603,165
Full time equivalent employees	3,223.9
Regional workforce representation	59%
Female representation in the workforce	18%
Female representation on the Board	20%
Female representation in Executive leadership	11%
Female represented in Leadership/Manager positions	20%
% of new recruits of Aboriginal or Torres Strait Islander origin	6%
Leadership team: Under 30 years old	2%
Leadership team: 30 – 50 years old	63%

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Information Subject to Limited Assurance	Reported value
Leadership team: Over 50 years old	36%
Workforce: under 30 years old	8%
Workforce: 30 -50 years old	55%
Workforce: Over 50 years old	36%
Workforce: Employee turnover	14%

Criteria Used as the Basis of Reporting

We assessed the information subject to assurance against the Criteria. The Information Subject to Assurance needs to be read and understood together with the Criteria, being Pacific National’s Basis of Preparation (criteria).

Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ASAE 3000) and ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements* (ASAE 3410). We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In accordance with ASAE 3000 we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the Information Subject to Assurance, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- enquiries with relevant Pacific National personnel to understand the internal controls, governance structure and reporting process of the information subject to assurance;
- reconciling information subject to assurance to underlying data sources on a sample basis;
- testing the arithmetic accuracy of a sample of calculations of the Information Subject to Assurance;
- reviews of relevant documentation including Pacific National’s Basis of Preparation;
- walkthroughs of the Information Subject to Assurance to source documentation;
- evaluating the appropriateness of the criteria with respect to the Information Subject to Assurance; and
- reviewed the Sustainability Report in its entirety to ensure it is consistent with our overall knowledge of assurance engagement.



Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or material misstatement in the Information Subject to Assurance may occur and not be detected. Non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance conclusion.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Pacific National.

Use of this Assurance Report

This report has been prepared solely for the Directors of Pacific National for the purpose of assisting the Directors in reporting certain ESG-related performance data and may not be suitable for another purpose.

Management’s Responsibility

Management are responsible for:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring, evaluating and preparing the Information Subject to Assurance;
- preparing and presenting the Information Subject to Assurance in accordance with the criteria;
- ensuring that those criteria are relevant and appropriate to Pacific National and the intended users; and
- establishing and maintaining systems, processes and internal controls that enable the preparation and presentation of the information subject to assurance that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the Information Subject to Assurance for the 30 June 2025, and to issue an assurance report that includes our conclusion based on the procedures we have performed and evidence we have obtained.



Our Independence and Quality Management

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Management 1 to design, implement and operate a system of quality management.

KPMG

KPMG

5 September 2025

Glossary

ACCU	Australian carbon credit units
ANCAP	Australasian New Car Assessment Program
ARA	Australasian Railway Association
ARTC	Australian Rail Track Corporation
B@TB	Brilliant at the Basics, Pacific National's training in the basics of HSE management
Bulk freight	Freight that is loaded directly onto its mode of transport
Carbon	Used as shorthand for greenhouse gases
CIPS	Chartered Institute of Procurement and Supply
CO₂ e	Carbon dioxide equivalent is the standard unit of measure as used by the United Nations Intergovernmental Panel on Climate Change to compare the potential impact of greenhouse gases on global warming using the same basis.
DCCEEW	Department of Climate Change, Energy, the Environment and Water
EPA	Environmental Protection Authority
EPL	Environmental Protection Licence
ESG	Environment, Social and Governance
FTE	Full-time equivalent
FY22	Financial Year 2022 (1 July 2021 – 30 June 2022)
FY23	Financial Year 2022 (1 July 2022 – 30 June 2023)
FY24	Financial year 2023 (1 July 2023 – 30 June 2024)
GHG	Greenhouse Gas
GRI	Global Reporting Initiative Standards
HSE	Health, Safety, and Environment
HSEMS	Health Safety Environment Management System
IMEX	Pacific National's import and export rail services between regional and metropolitan areas and Australia's key container ports.
Inland Rail	The Inland Rail is the 1,700km freight rail project that will connect Melbourne and Brisbane through regional Victoria, New South Wales, and Queensland.
Intermodal freight	The transportation of freight in an intermodal container or vehicle, using multiple modes of transportation.
Intermodal facility	A facility where freight loaded onto intermodal containers and transferred seamlessly between trains, trucks and cargo ships.
LGBTQIA+	Lesbian, gay, bisexual, transgender, queer, questioning, intersex, asexual, and the + holds space for the expanding and new understanding of different parts of the very diverse gender and sexual identities.
Materiality assessment	Assessing the impact of a company's business activities on the economy, the environment, and people, including human right impacts.

Material topics	A prioritised list of the material issues and the selected threshold for reporting.
MHFA	Mental Health First Aiders
mNTK	Net Tonne Kilometres/employee
MSCI	Morgan Stanley Capital International. It is an investment research firm that provides stock indexes, portfolio risk and performance analytics, and governance tools to institutional investors and hedge funds.
NABERS	National Australian Built Environment Rating System
NGER	National Greenhouse and Energy Reporting Scheme, single national framework for reporting company information about: greenhouse gas emissions, energy production, and energy consumption.
NGFS	Network for Greening the Financial System, it is a network of 114 central banks and financial supervisors that aims to accelerate the scaling up of green finance and develop recommendations for central banks' role for climate change.
NTK	Net Tonne Kilometres
ONRSR	Office of the National Rail Safety Regulator
PAE	Proceed Authority Exceedance
PNA	Pacific National Approach, provides clear direction about Pacific National's purpose, philosophy, vision, priorities and values
RAP	Reconciliation Action Plan
RIFR	Recordable Injury Frequency Rate
Road to Rail	Shifting supply chain transport from high emission road transport to less intensive rail.
Scope 1	Scope 1 emissions are direct emissions from owned or controlled sources.
Scope 2	Scope 2 emissions are indirect emissions from the generation of purchased energy.
Scope 3	Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.
SSP2-4.5	'SSP' stands for Shared Socio-economic Pathways. SSPs are the latest version of 'what if' scenarios used to explore the consequences of greenhouse gases accumulating in the atmosphere. SSP2-4.5 is the intermediate GHG emissions scenario, with CO2 emissions remaining at current levels until 2050, then falling but not reaching net zero by 2100.
SSP5-8.5	'SSP' stands for Shared Socio-economic Pathways. SSPs are the latest version of 'what if' scenarios used to explore the consequences of greenhouse gases accumulating in the atmosphere. SSP5-8.5 is a fossil fuel-driven development scenario, assumes a rise in temperatures to 4.4°C by 2100.
t	Tonnes
TCFD	Taskforce on Climate-related Financial Disclosures
TEU	Twenty foot equivalent unit, a measure of cargo capacity based on the volume of a 20-foot-long intermodal container, a standard-sized metal box which can be easily transferred between different modes of transportation.
WGEA	Workplace Gender Equality Agency
WM Program	Wagon modification program
UNSDG	United Nations Sustainable Development Goals

Disclaimers

Statements about future events

This report contains statements about future events and expectations that are forward-looking statements. These statements typically contain words such as “may”, “should”, “expects”, “believes”, “intends”, “estimates”, “forecast”, “predicts”, “goals”, “target”, “aims” and “anticipates” and words of similar import.

Forward-looking statements are based on assumptions regarding Pacific National’s financial position, business strategies, plans and objectives of management for future operations and development, and the environment in which Pacific National will operate.

Any statement in this report that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause Pacific National’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

None of the future projections, expectations, estimates or prospects in this report should be taken as forecasts or promises, nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct, complete or exhaustive or, in the case of the assumptions, fully stated in this report.

Pacific National assumes no obligations to update the forward-looking statements contained in this report to reflect actual results, change in financial condition, status or affairs, changes in assumptions or changes in events, factors, conditions or circumstances affecting these statements.

All financial values are in Australian dollars.

Sustainability targets and forecasting model

This report contains analysis of carbon emission modelling and Sustainability targets. The analysis that informs this report was undertaken by Pacific National with the support of a third party. It is based on the information available at the date of this report and through Pacific National’s business planning processes. Modelling is not a prediction of what may eventuate and does not represent a definitive outcome.

Reliance

All endeavours have been made to ensure the accuracy of the information in this report at the date of publication. Information in this report is subject to change without notice. Pacific National is under no obligation to review or update this report to reflect circumstances or events that arise after its publication.



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