



Sustainability Report

2020 - 2021

angel ^{Trains}

Rail People
Real Expertise

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Sustainability Report

2020 - 2021

Foreword

FROM MALCOLM BROWN



This is Angel Trains' first annual sustainability report which reflects the increasing importance of sustainability matters to all stakeholders of our business. Sustainability is central to what we do and we understand that engagement and management of sustainability issues creates stakeholder value and demonstrates our responsible business culture. It is Angel Trains' mission to seek continual improvement and be benchmarked against global environmental, social and governance standards.

Rail is a low carbon mode of transport, that has much to be proud of, but as Chair of the industry's Decarbonisation Taskforce it was clear to me that there is more we can do, and must do. The Traction Decarbonisation Network Strategy (TDNS) has made clear that electrification will be an important element to a decarbonised railway but will need to be supported by new traction technologies such as hydrogen and battery. I'm proud of Angel Trains' continued investment in new electric trains and research and development of hybrid propulsion systems which is supportive of this strategy.

The COVID-19 pandemic led to 2020 being a uniquely challenging year but it highlighted the resilience of Angel Trains in its continuity of support to customers and suppliers. Our people are crucial to the success of Angel Trains and throughout the pandemic we have put health, safety and wellbeing first.

Throughout 2020, our focus on corporate social responsibility has been maintained with the creation of our inclusion and diversity working group, mental health first aid team and our continual drive to train and develop our staff. I am also proud of the charitable giving by the business in support of Railway Children at a time when they needed it most.

I am looking forward to chairing the Sustainable Rail Executive to support the delivery and governance of a sustainable railway that will be central to the UK's transport system.

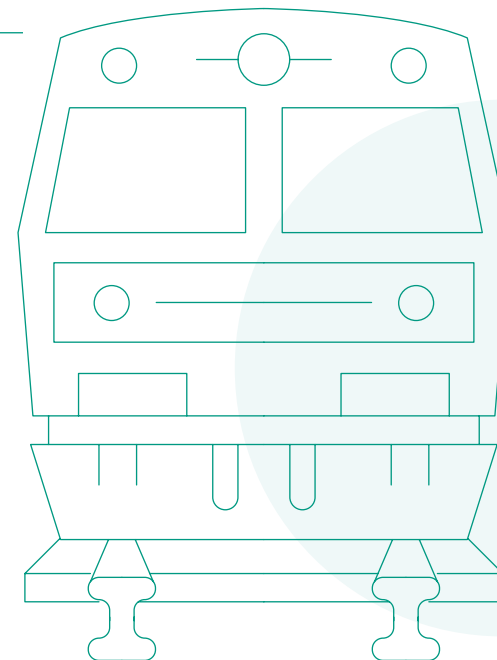
A handwritten signature in black ink, appearing to read 'Malcolm Brown', written in a cursive style.



About Angel Trains

About Us

Angel Trains is one of Britain's leading train asset management companies with a track record of an innovative and large scale investor in the railway industry. We are dedicated to supporting the train operating companies and through them, UK rail passengers.



Since 1994 Angel Trains has invested over £5 billion in new rolling stock and refurbishment programmes, supporting thousands of skilled jobs in the UK rail supply chain.

Based in London and Derby, we employ 138 professional staff and our expertise lies in our 'cradle to grave' approach to asset management, ensuring our fleets deliver their full potential throughout the asset life cycle. Our fleet includes high speed intercity trains and regional / commuter passenger multiple units.

With over 72 qualified engineers, making up over half of our employees, our team of experts work to deliver the best management programmes. Our customer-facing team of Account Managers, Contract Managers and dedicated Fleet Engineers

draws upon skills across the business to ensure we can respond quickly to customer needs. We're proud of our company culture, which values and empowers some of the most talented people in the rail industry.

Angel Trains is owned by a series of foreign investment groups and pension funds. In 2015 it was sold to a group led by Sydney-based investment manager AMP Capital, which is backed by firms including the Abu Dhabi Investment Authority, PensionDanmark and Swiss Life Asset Managers. The rest of the stake was sold to Canadian pension scheme investors PSP Investments. Angel Trains is owned by a number of infrastructure and pension funds. The current ownership structure is 65% AMP Capital, 30% PSP and 5% Amber Infrastructure.



Angel Trains has been integral to the UK railway network since 1994.



More than
£5
billion
invested in
rolling stock

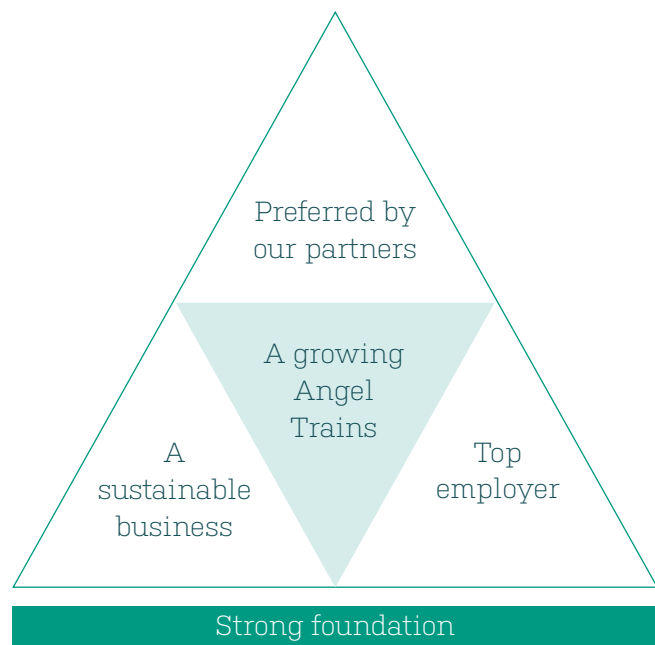
More than
£450
million
investment for
new builds and
enhancements in
the next two years



Since 2000
99%
of new train investment
in electric vehicles

More than
4,000
vehicles owned

More than
52%
of our team are qualified
engineers



Vision, Purpose and Values

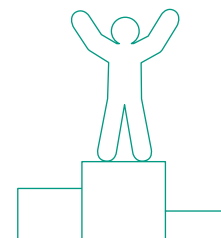
Our Vision, Purpose and Values statement forms the basis of our corporate culture and serves as a guide to colleagues of the expected conduct and behaviours around sustainability.

OUR VISION

To be the people the rail industry most want to work with.

“By 2025 we will have developed closer relationships with our key partners and diversified into 2 to 3 new markets.

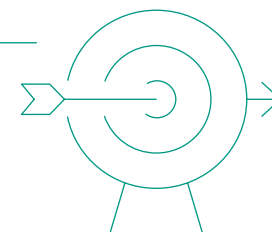
We will have proven solutions for decarbonisation available and being implemented. We will achieve this through a culture of innovation which will lead to success across a range of measures and positive recognition externally.”



OUR PURPOSE

Intelligently invested in engineering the brightest future for UK rail.

“Our purpose is to serve the rail industry by bringing private investment into rail assets and managing our assets innovatively and sustainably through their lifecycle”.

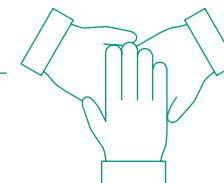


OUR VALUES

Rail already has sector leading green credentials but we recognise that our business activities and behaviour must seek continual improvement.

By being a sustainable and responsible business we hope to influence our colleagues to act in the same way and be an example to our wider stakeholders.

Every member of the Angel Trains team has a role to play in sustainability and it is a principle which is being embraced by our colleagues.



- ✓ We are People People
- ✓ We are Future Forward
- ✓ We are Always Accountable
- ✓ We are Together Better
- ✓ We are Problem Solvers



Our Approach to Sustainability

Commitments for a Sustainable Business

We believe that constantly improving our engagement in sustainability represents value and creates a balance between business financial objectives and social responsibility.

SUSTAINABLE DEVELOPMENT COMMITMENTS:

Angel Trains demonstrates its responsibility for our sustainable development and continuous improvement by making the following commitments:

Ensure that our vision, mission, values and ESG objectives are relevant, understood and communicated and that our employee's objectives are aligned to them.



Work together with our customers, suppliers and business partners to encourage them to adopt similar ESG principles and values.



Identify all material ESG risks in the business activities undertaken by the company ensuring that the risks are fully considered and managed in a responsible way.



Achieve high levels of ESG performance by making sustainability a core element of what we do and submitting our ESG activities to a recognised annual benchmarking assessment.



Set company targets for ESG matters which will be monitored, reported and disclosed to interested stakeholders.



Ensure that consideration of ESG risks and issues are part of the business decision making process.



Adopt high standards of corporate governance and ethics in our business conduct and behaviours.



Develop, implement and maintain an integrated sustainability management system.



Ensure that adequate resources are made available to achieve compliance with this policy.



Provide the appropriate instruction, training and support to Angel Trains staff on ESG matters.



Sustainability Framework

Angel Trains uses the United Nations (UN) Sustainable Development Goals (SDGs) as a framework to identify material ESG risks and opportunities that contribute to sustainable development.

The SDGs describe the ESG challenges that organisations face across the globe including, climate change, inequality, resource usage, business ethics to name a few.

There are 17 specific goals that breakdown into 169 targets. The 10 goals that are most relevant in the context of Angel Trains' operations are shown including specific target areas.



3 GOOD HEALTH AND WELL-BEING  <ul style="list-style-type: none"> • Employee health, safety and wellbeing • Health & Safety risk Assessment • Air quality 	5 GENDER EQUALITY  <ul style="list-style-type: none"> • Diversity and inclusion policy • Monitoring for gender pay gap • Flexible working
8 DECENT WORK AND ECONOMIC GROWTH  <ul style="list-style-type: none"> • Fair and local job creation • Strengthen capacity through supplier engagement • Decouple economic growth from consumption 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE  <ul style="list-style-type: none"> • Reliable and resilient infrastructure • Scientific research and upgrade technologies • Procurement to encourage innovation
11 SUSTAINABLE CITIES AND COMMUNITIES  <ul style="list-style-type: none"> • Reduce adverse impacts on cities – air quality • Inclusive and sustainable industrialisation • Reliable and resilient infrastructure 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION  <ul style="list-style-type: none"> • Sustainable and responsible resource plan • Zero waste to landfill • Scientific and technological capacity
13 CLIMATE ACTION  <ul style="list-style-type: none"> • Target net zero carbon emissions • Proactively manage GHG reduction • Proactively manage climate impacts on assets 	15 LIFE ON LAND  <ul style="list-style-type: none"> • Reduce terrestrial pollution • Reduce deforestation • Prevent loss of biodiversity
16 PEACE, JUSTICE AND STRONG INSTITUTIONS  <ul style="list-style-type: none"> • Zero tolerance to bribery • Zero tolerance to modern slavery • Comprehensive codes of conduct 	17 PARTNERSHIPS FOR THE GOALS  <ul style="list-style-type: none"> • Customer and supplier engagement • Employee engagement • Local community

ESG Materiality

Angel Trains identifies relevant and applicable sustainability issues through a materiality assessment.

The materiality process is an important element of sustainability management. It helps the business to ensure that Angel Trains' key environmental, social and governance impacts as well as issues most likely to impact the business's stakeholders are identified, prioritised and considered in reporting.

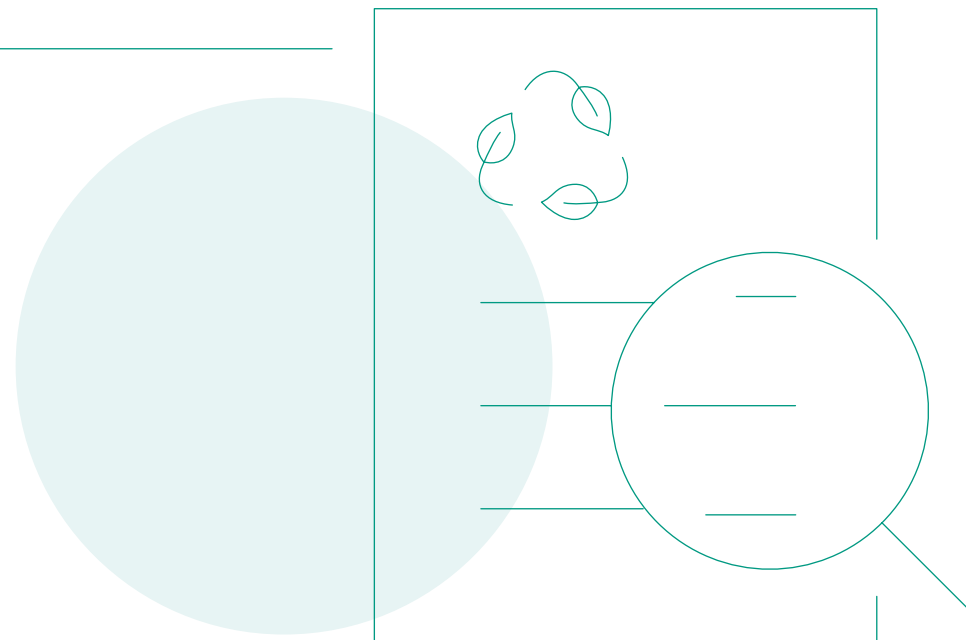
The materiality assessment has become a fundamental element of the Angel Trains annual sustainability review process and in 2020 we undertook a materiality assessment to identify the sustainability issues which matter the most to our stakeholders and have the highest significance for the business. The assessment included feedback from internal stakeholders from across the business and the results are shown in the 3 x 3 matrix.

In 2020 our key areas of focus were on cyber security, Health and safety, business continuity, decarbonisation and climate risk.

The COVID 19 pandemic also influenced business continuity, health and safety and the wellbeing of colleagues.

Materiality is reviewed annually to ensure that the findings remain current and relevant to the business's activities and services.

To improve in this area we are developing our own assessment for external stakeholders and we also support ESG information requests from our customers and investors.



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For Angel Trains, ESG materiality is an essential step to understanding those sustainability aspects that are important to the business and where we should target our efforts.

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ANGEL TRAINS | ESG MATERIALITY MATRIX

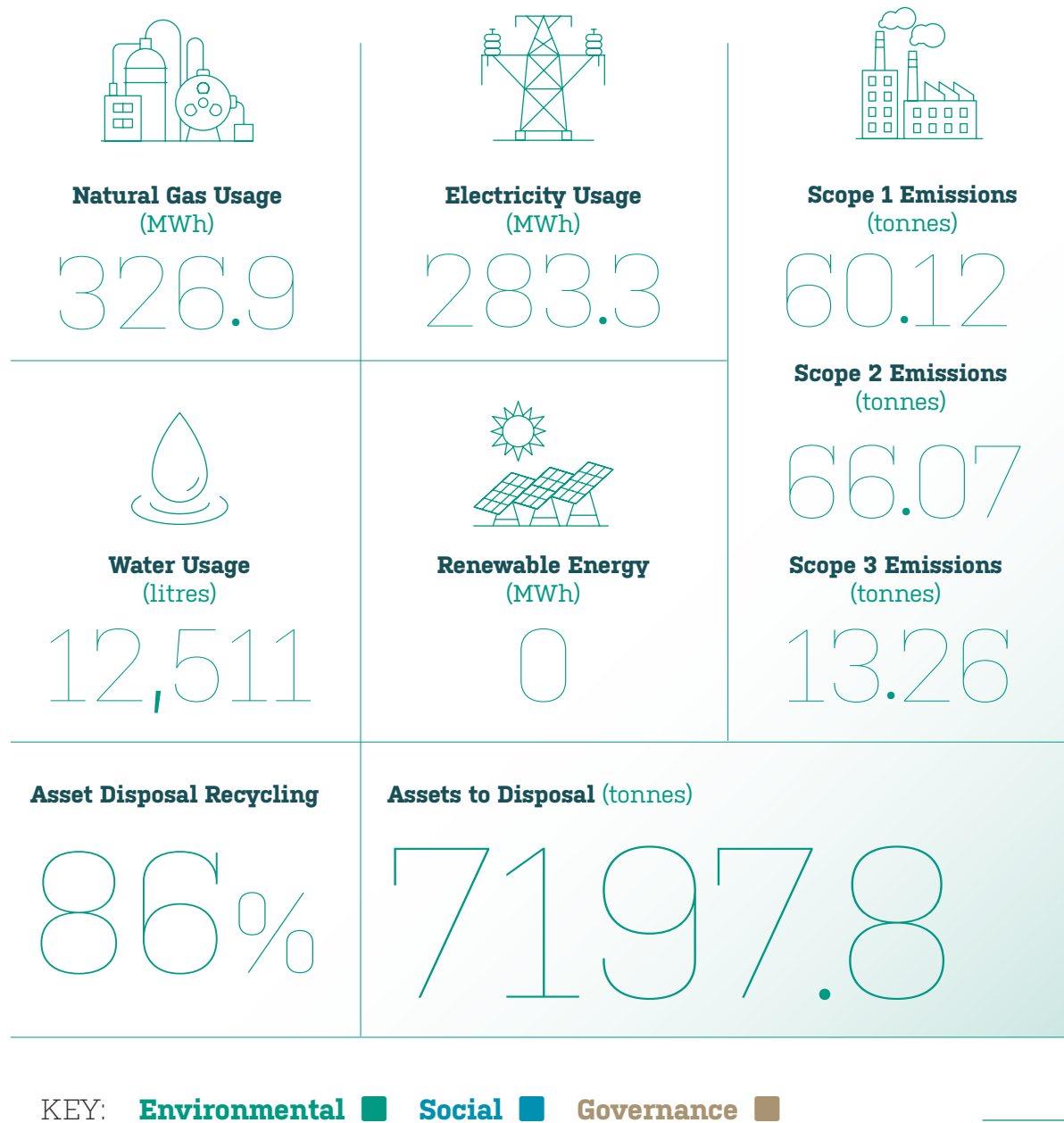
STAKEHOLDER IMPORTANCE		ANGEL TRAINS ESG MATERIALITY MATRIX		
		Major		
Significant				
Moderate				
		Moderate	Significant	Major
RELEVANCE TO ANGEL TRAINS				
<hr/>				
KEY: Environmental Social Governance				

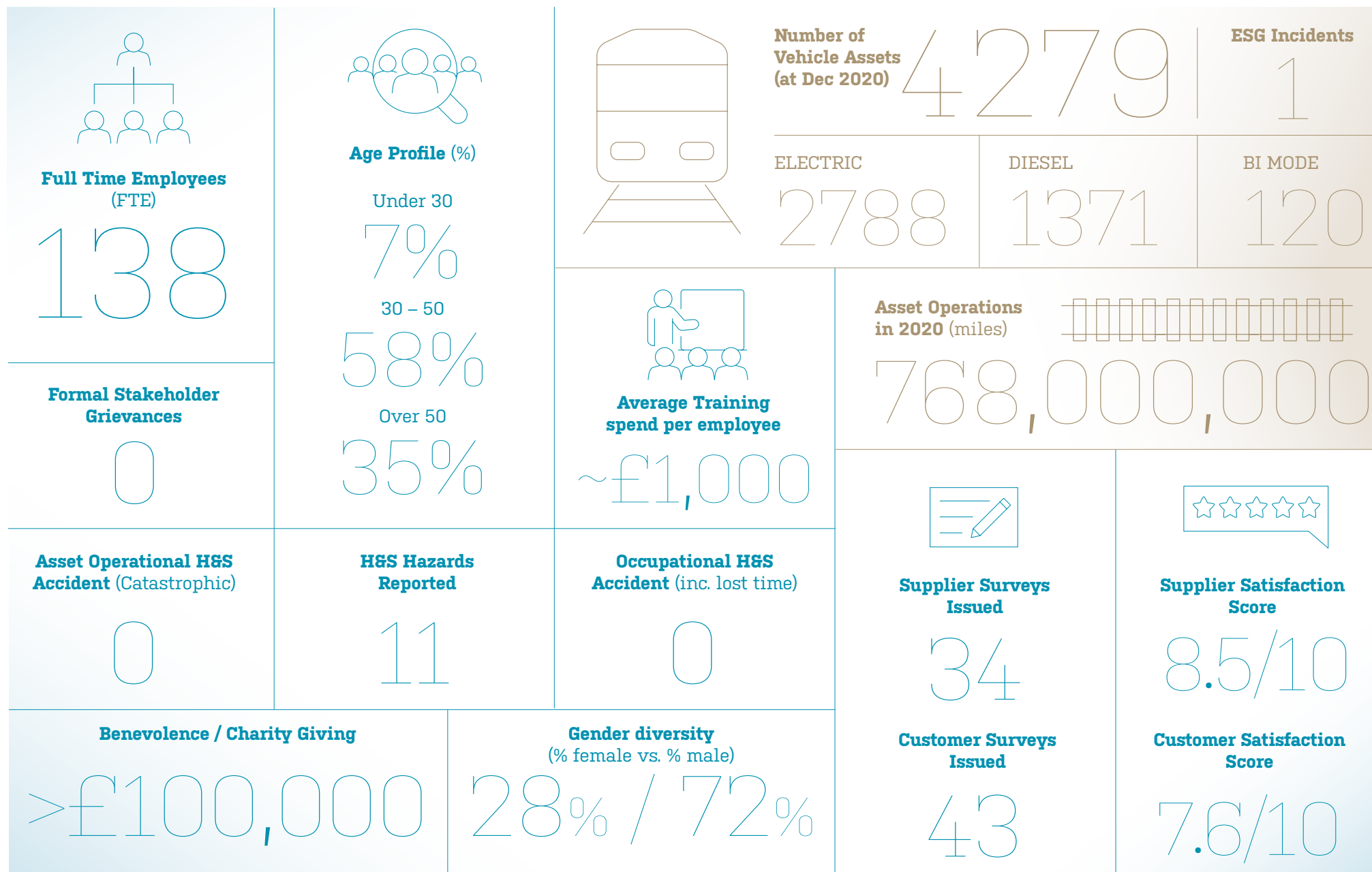
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Sustainability Indicators

In order to continually improve, we must be able to measure the environmental, social and governance footprint of our business activities.

The following details are indicators of sustainability aspects that are material to Angel Trains. All indicators relate to 1st January 2020 to 31st December 2020.



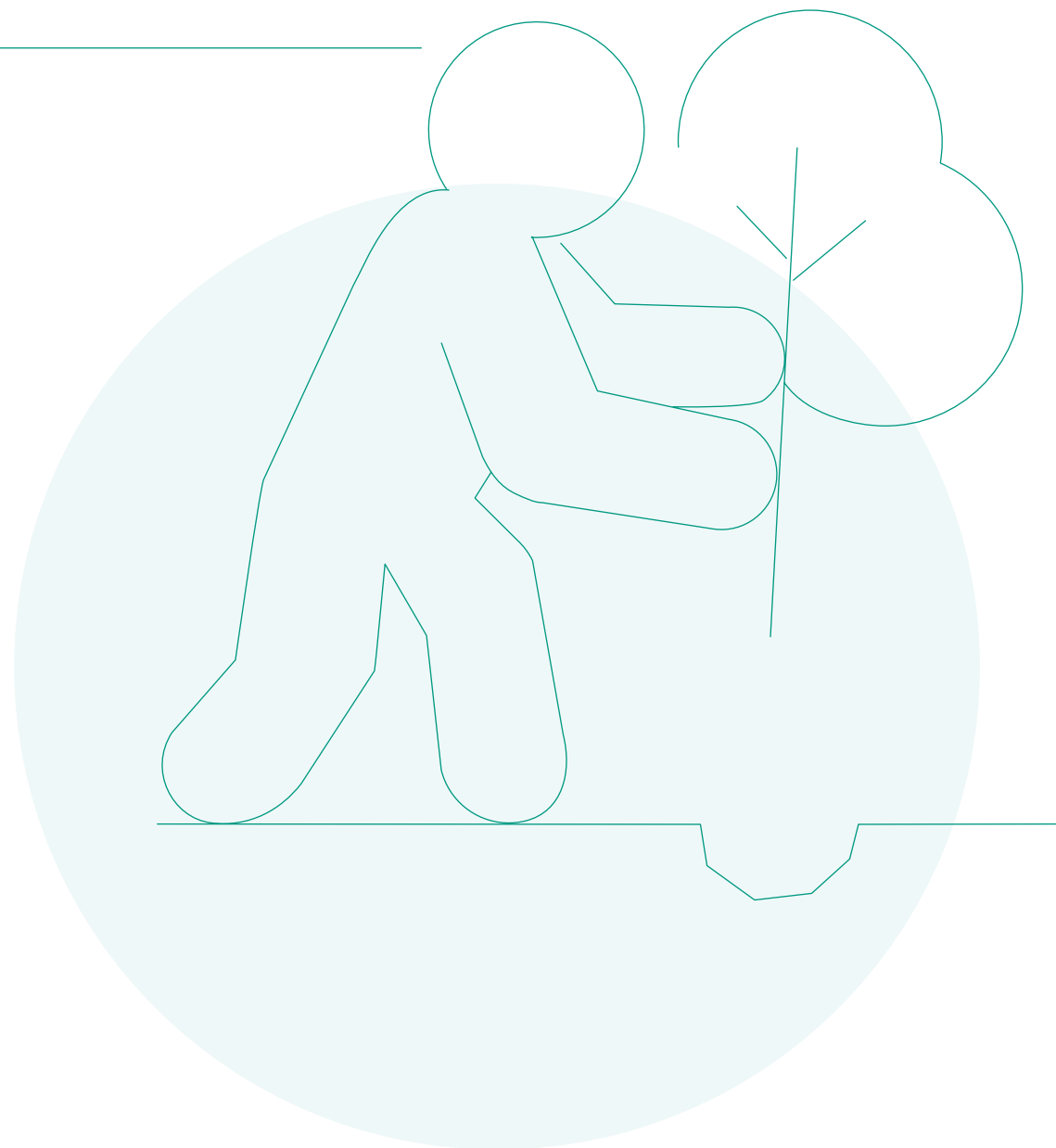


Sustainability Objectives & Targets

Our goal is have sustainability firmly embedded into the Angel Trains DNA. We want to live up to the commitments that we have made and be recognised as a responsible business within the railway industry.

On the next three pages we set out the objectives we will be working on over the next 3 years which are a mix of environmental social and governance themes.

Rail has significant potential to reduce the environmental impact of transportation, provide communities with social mobility and be an industry that develops people and skills through job creation. Angel Trains is keen to support and develop that potential.



SUSTAINABILITY OBJECTIVES & TARGETS

Environmental

Aim to move our office energy arrangements on to green tariffs to support renewable energy sources.

Establish a carbon calculator for both our electric and diesel rolling stock fleets.

Undertake preparations for specific TCFD climate risk reporting.

Improve waste management and monitoring from our office activities and from disposal of end-of-life vehicles.

Appoint a dedicated decarbonisation manager to lead decarbonisation initiatives to achieve a demonstrable carbon reduction from our current assets.

Assess the business environmental impact of staff working from home.

Continue with development and implementation of new technologies that reduce the contribution of our assets to local air pollution.

Establishing a route to carbon neutrality through carbon reduction initiatives and efficiencies .

Improve our data collection to report on Scope 1,2 and 3 emissions.



SUSTAINABILITY OBJECTIVES & TARGETS

Corporate Social Responsibility

Aim to achieve Investors in People Platinum accreditation by undertaking a reassessment in 2021.

Continue to support our chosen charity Railway Children through charitable giving and sponsored events.

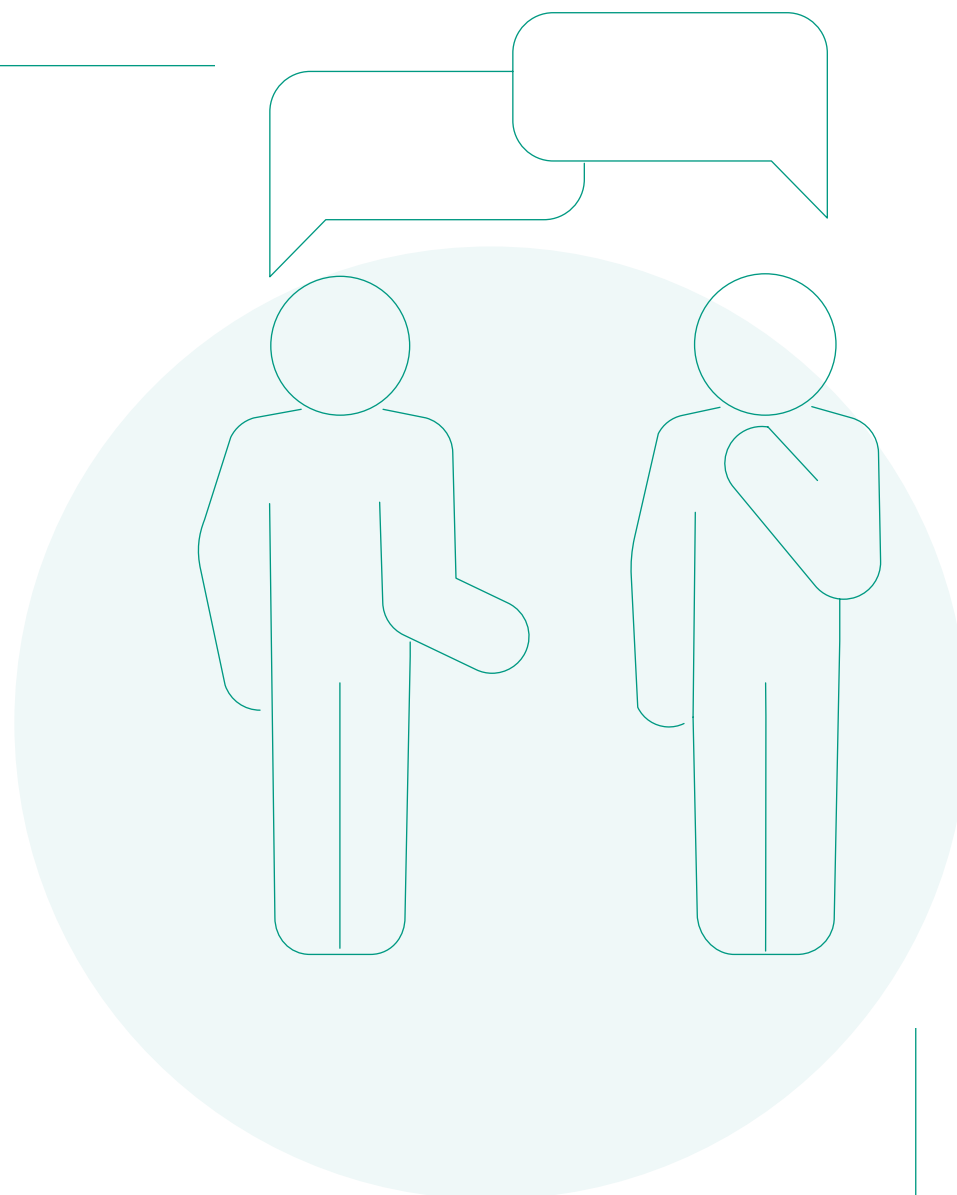
Aim to achieve Investors in Wellbeing accreditation by undertaking an assessment in 2021.

Maintain our 'Zero Accidents' performance.

Apply continuous improvement to our safety management system using the RM3 Risk Management Maturity Model developed by the Office of Rail and Road.

Grow inclusion and diversity through the company's newly formed working group.

Widen the scope of engagement with external stakeholders on ESG materiality.



SUSTAINABILITY OBJECTIVES & TARGETS

Corporate Governance

Develop cybersecurity for both office and vehicle asset systems.

Maintain ESG incidents at zero.

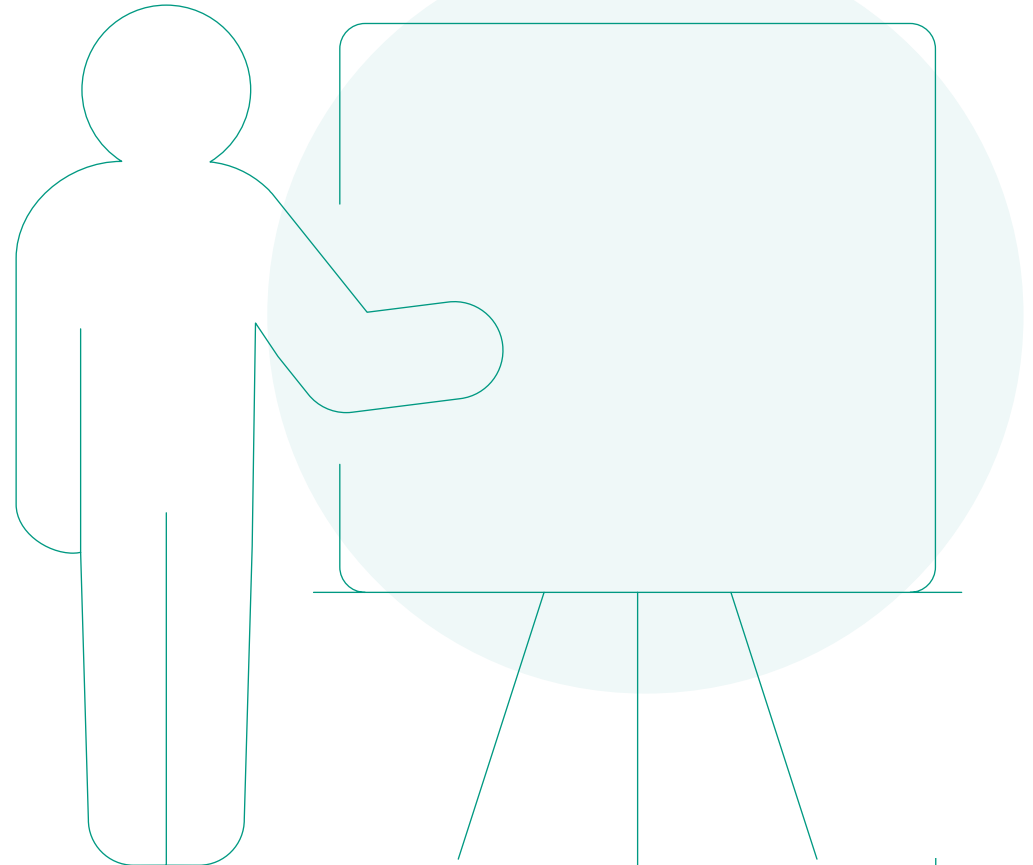
Improve sustainability disclosure and commitment communicated on the Angel Trains external website.

Commence annual reporting to disclose to stakeholders our sustainability objectives and progress.

Continue our participation with GRESB benchmarking.

Maintain an active Sustainability Steering Group to help steer sustainability efforts and set policy.

Embed sustainability values throughout the business through awareness training.



Sustainability Benchmarking

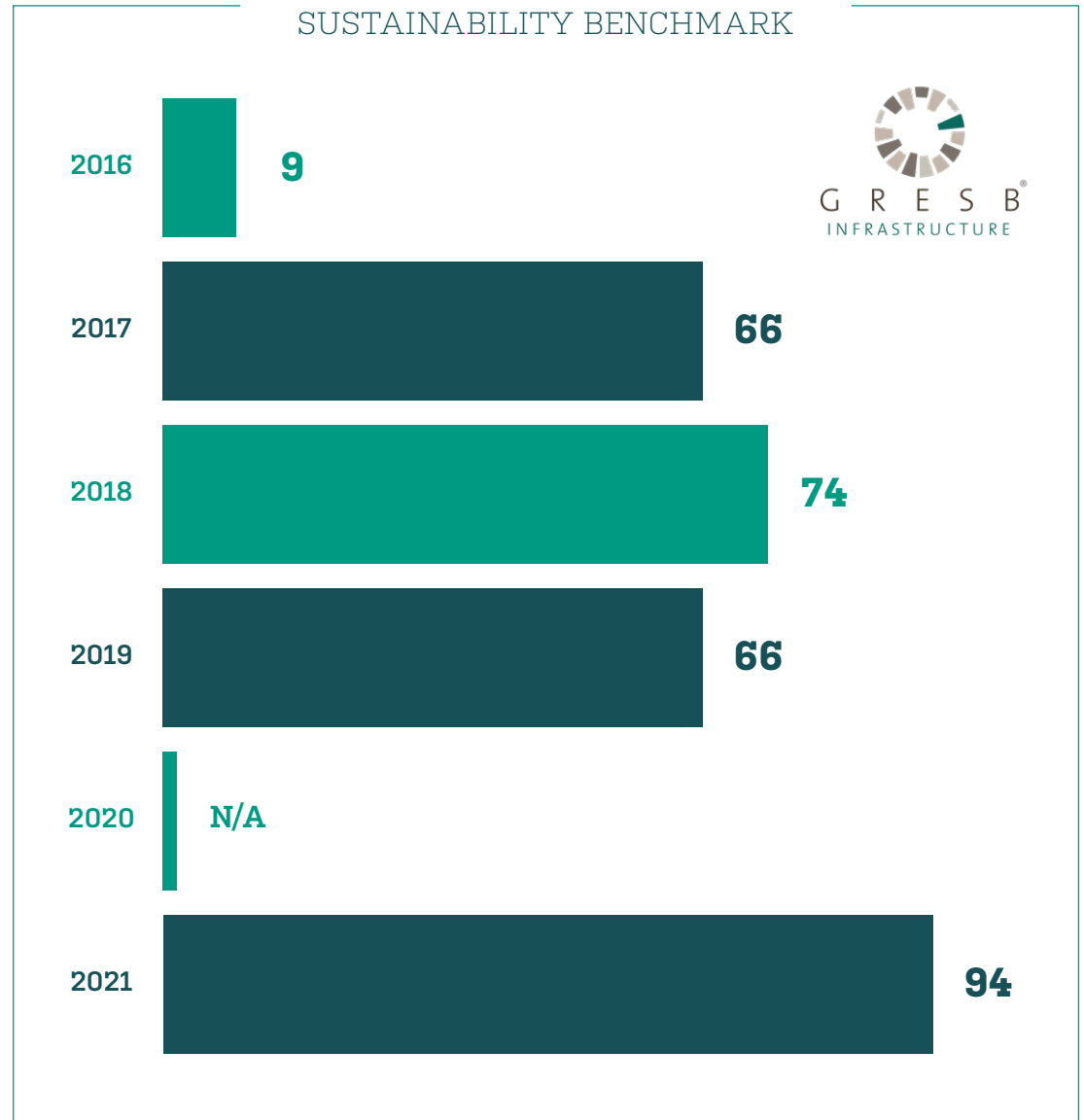
GRESB – Global Real Estate Sustainability Benchmark was established in 2009 and has become a leading ESG (Environmental Social Governance) benchmark for real estate and infrastructure investments from across the globe.

The benchmark process collects, evaluates and compares the environmental, social and governance performance of participating companies to provide standardised and validated data that can be used by investors to make decisions the lead to more responsible and sustainable investment.

Angel Trains' benchmark assessment is based on ESG factors that our stakeholders consider to be key aspects of sustainability performance of our business operations and rolling stock assets.

At Angel Trains we consider ESG issues to be core business issues and our participation in GRESB since 2016 gives us clear direction with the actions we can take to continually improve our ESG performance.

GRESB – GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK





Environment & Decarbonisation



Environment & Decarbonisation

The need to support our environment has never been greater and Angel Trains is taking significant steps to lower emissions which result from travel by rail, supporting the Government's target of reaching net zero by 2050.

Together we are working with our partners to deliver solutions that promote positive environmental change such as low carbon rolling stock technologies and enhanced passenger experience to promote modal shift.



Climate Resilience

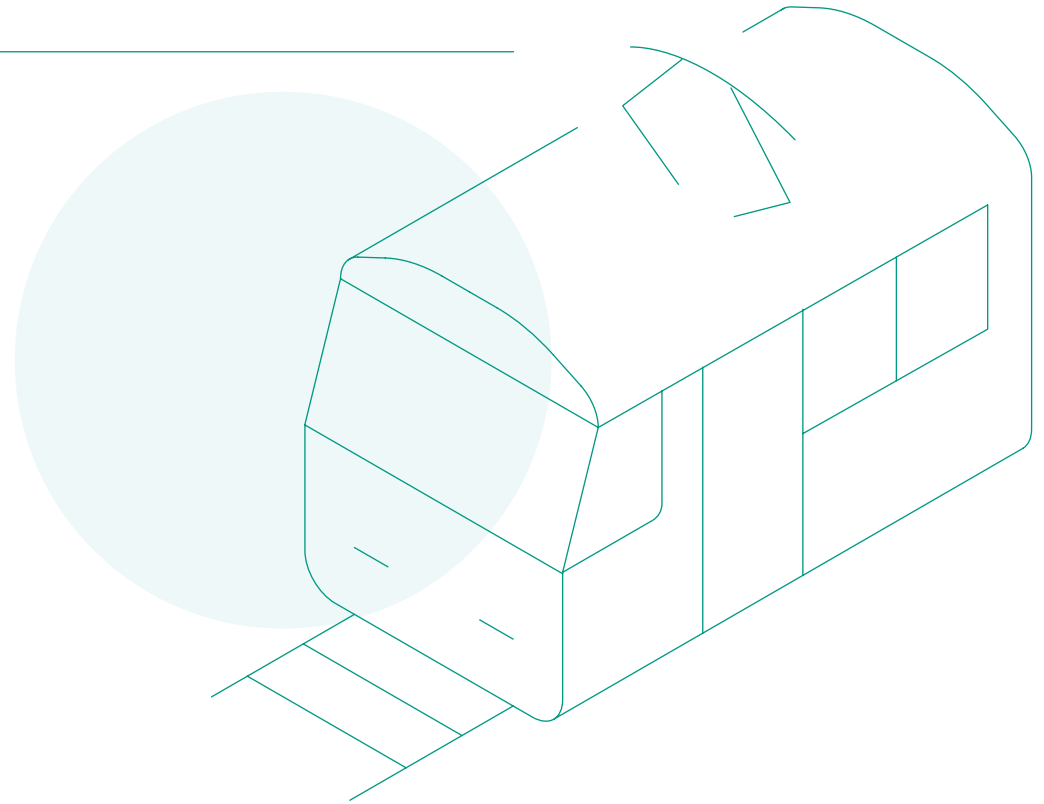
Climate change is the biggest threat we face globally. It is already having impacts on the environment and society and will increasingly impact on the economy too.

The consequences of climate risk were highlighted by the tragic events of the derailment at Carmont, Aberdeenshire on 12th August 2020. This demonstrated a need for the railway to make climate resilience a priority.

In 2020 we developed a carbon calculator for the diesel asset portfolio to estimate the carbon dioxide output from across the entire fleet which will identify our priorities. Quantifying GHG emissions helps Angel Trains to understand where its emissions sources are, how we contribute to industry emissions, and where we have opportunities to reduce our emissions.

We also developed a risk register to identify risks and opportunities associated with climate change.

Angel Trains ensures that its rolling stock is resilient to the physical effects of climate change through production of robust technical specifications, environmental testing of new build vehicles and implementation of appropriate maintenance activities including summerisation and winterisation programmes.



It is no longer a question of what's the business case, but what's the fastest and most efficient track to get to a net zero carbon railway.



"Levelling Up the North"

Asset Decarbonisation

New Build

As part of a £320m project, we financed the purchase of 24 x 5-car Class 802 bi-mode trains for TransPenine Express and Hull Trains.

The introduction of the Nova1 and Paragon fleets marked a significant milestone which will see major cities in the North connected with new-build trains that can switch seamlessly between electric and diesel power.

Built by Hitachi, the new traction technology reduces harmful emissions by 90%.

By procuring trains that are better for the environment and improve passenger experience, we are investing in a railway that will benefit rail travellers for generations to come.



"Transforming Passenger Experience in East Anglia"

Asset Decarbonisation

New Build

Our £900m procurement project for Greater Anglia financed 133 x 5-car Class 720 Aventra trains. These new electric trains support the wider decarbonisation strategy of electrification.

The new trains are replacing the operator's older Class 317 suburban fleets. With air-conditioning, real-time information screens, mains and USB sockets, underfloor heating and improved accessibility passenger door safety features, these new trains are set to transform journeys for thousands of rail travellers across the network.



"Financing the UK's Largest Train Refurbishment"

Asset Decarbonisation

New Build

Angel Trains is financing a £117m upgrade for Avanti West Coast which will involve the overhaul and maintenance of the operator's West Coast mainline fleet by manufacturer Alstom.

To encourage modal shift, 56 electric Pendolinos will be refurbished with comfortable seating, revamped toilets, better lighting, new interiors and installation of at-seat chargers and improved Wi-Fi throughout.

The planned upgrade to one of Britain's most iconic fleets will dramatically improve the passenger experience and is expected to create over 100 skilled jobs at Alstom's Widnes site as well as securing work at its depots across the UK.



Asset Decarbonisation

Existing Fleets

New trains are not the only solution and given the urgency of the decarbonisation challenge we also need to focus on the current fleet on the existing network. Introducing alternative propulsion technology is an opportunity to reduce carbon and move our fleets closer to zero carbon.

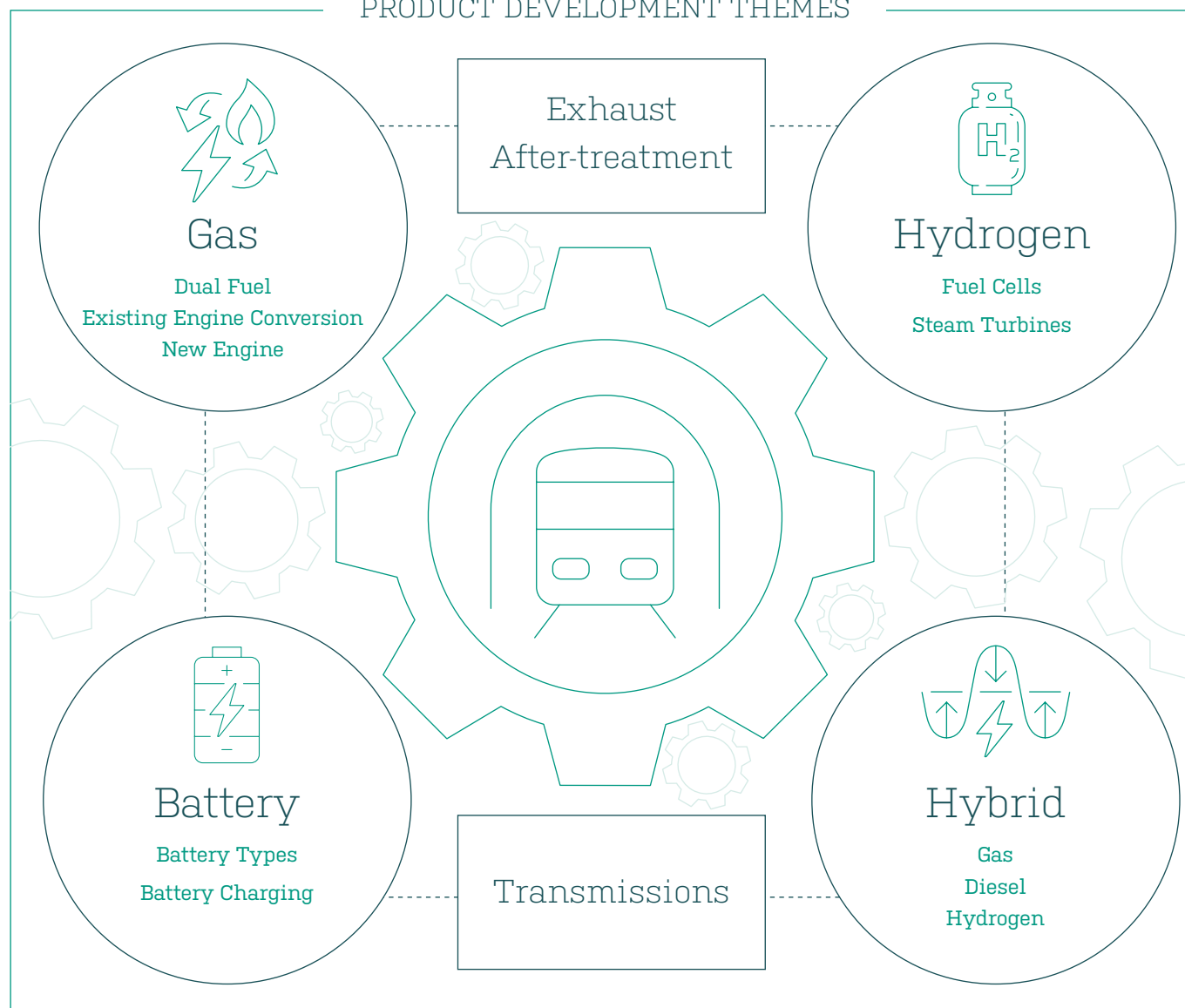
The Angel Trains' decarbonisation roadmap includes a selection of alternative traction power technologies in to which the product management team is focussing efforts. Reaching each of these stepping stones will involve research collaboration with industry partners and, where feasible, trials and implementation.



We are committed to delivering industry-leading solutions to create a greener, smarter and future-ready railway that meets customer and passenger needs.



PRODUCT DEVELOPMENT THEMES



Asset Decarbonisation Existing Fleets

As part of our commitment to making UK rail more sustainable, we have been converting a diesel multiple unit (DMU) to a low emission hybrid drive unit with our innovative self-charging battery technology. It is expected that this solution will deliver reduced emissions and operating costs, whilst improving performance for the operator and ultimately the passenger. The series hybrid architecture provide flexibility in design and application, allowing it to be applied to various fleets.

The solution is smarter through intelligent management of energy to enable maximum energy recovery and most efficient range extender engine running to give maximum overall efficiency. The solution is quieter through the use of smaller, modern range extender engines with less noise and vibration and battery only running in stations and other urban areas.

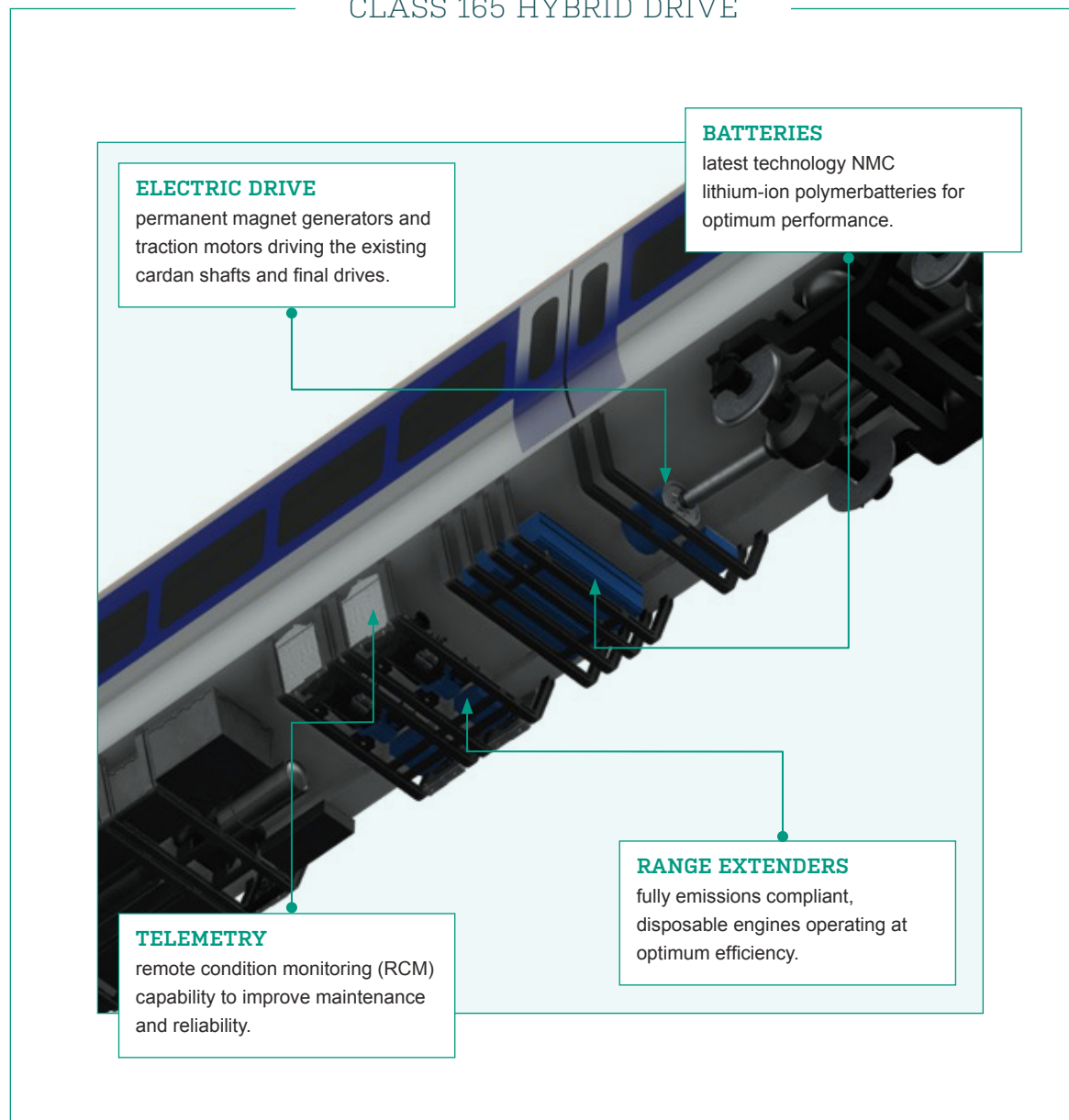
The solution is cleaner through the use of the latest emissions compliant engines that operate at their most efficient point to provide cleaner emissions, with zero emissions in station when running on battery alone.



The hybrid drive bridges the gap between diesel and fully electrified rail and can be adopted quickly without the need for infrastructure changes



CLASS 165 HYBRID DRIVE



Office Based Environmental Activities

Angel Trains has a small office footprint but still seeks to improve environmental performance.



We have introduced smarter printing, auto-switch off lights, waste segregation and initiatives to reduce single use plastics from purchased consumables. These initiatives are managed by our active office environmental committee which has the remit and responsibility for evaluating initiatives to achieve reductions in energy usage, emissions and waste.

To monitor and reduce our greenhouse gas emissions we need to fully understand the emissions created as a result of our operations. We have been tracking our Scope 1, 2 and 3 carbon emissions through our Facilities team and had our results checked and verified by a third party.

This is reported through the Streamlined Energy and Carbon Reporting (SECR) process.

For staff business travel we encourage the use of rail. This is more of an environmentally friendly means of travel and as a rail company it is important for our staff to get first hand experience of using the assets.

To support alternatives to the car, Angel Trains has shower and bike storage facilities at its office locations to encourage carbon free means of commuting such as cycling and walking.

Asset Disposals & Waste Management

When there is no further use for our rolling stock the redundant vehicles are sent to specialist contractors who manage their safe dismantling.

Disposal contractors are required to comply with Angel Trains' supplier approval process where all elements of the disposal process are examined to ensure compliance and to ensure that the waste from the end-of-life vehicles is disposed of responsibly.

The business has managed a number of rolling stock disposals throughout 2020 which have been undertaken using appropriate suppliers. Common components are reused as spare parts and much of the vehicle is recycled. We have also sold end-of-life vehicles to railway heritage groups with proceeds going to charity.

Class 317 Disposal



Class 142 Delivery to Heritage Railway

VEHICLES SCRAPPED IN 2020

Class 142

59 Vehicles
1,475 tonnes

Class 317

4 Vehicles
822 tonnes

Class 442

20 Vehicles
714.8 tonnes

Class 507/8

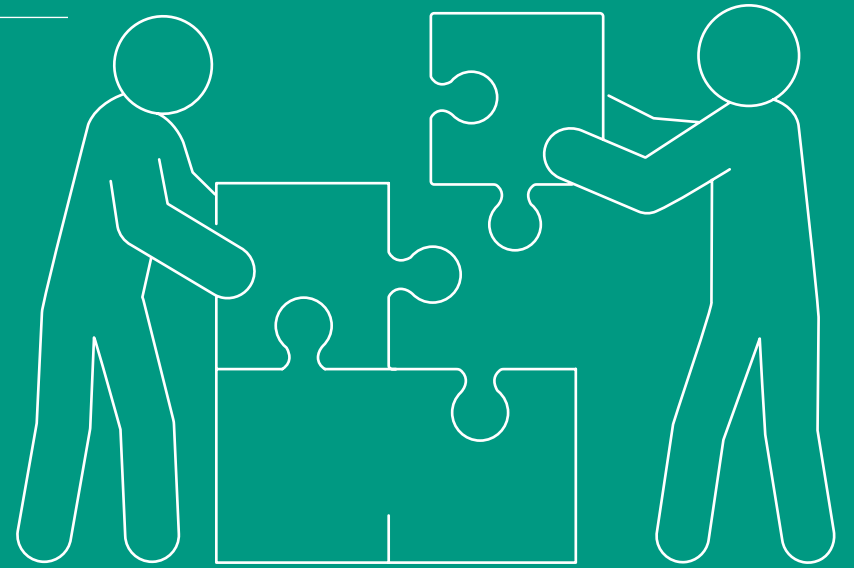
6 Vehicles
196 tonnes

HSTP

1 Vehicle
70 tonnes

Mk3 Trailer

110 Vehicles
3,920 tonnes



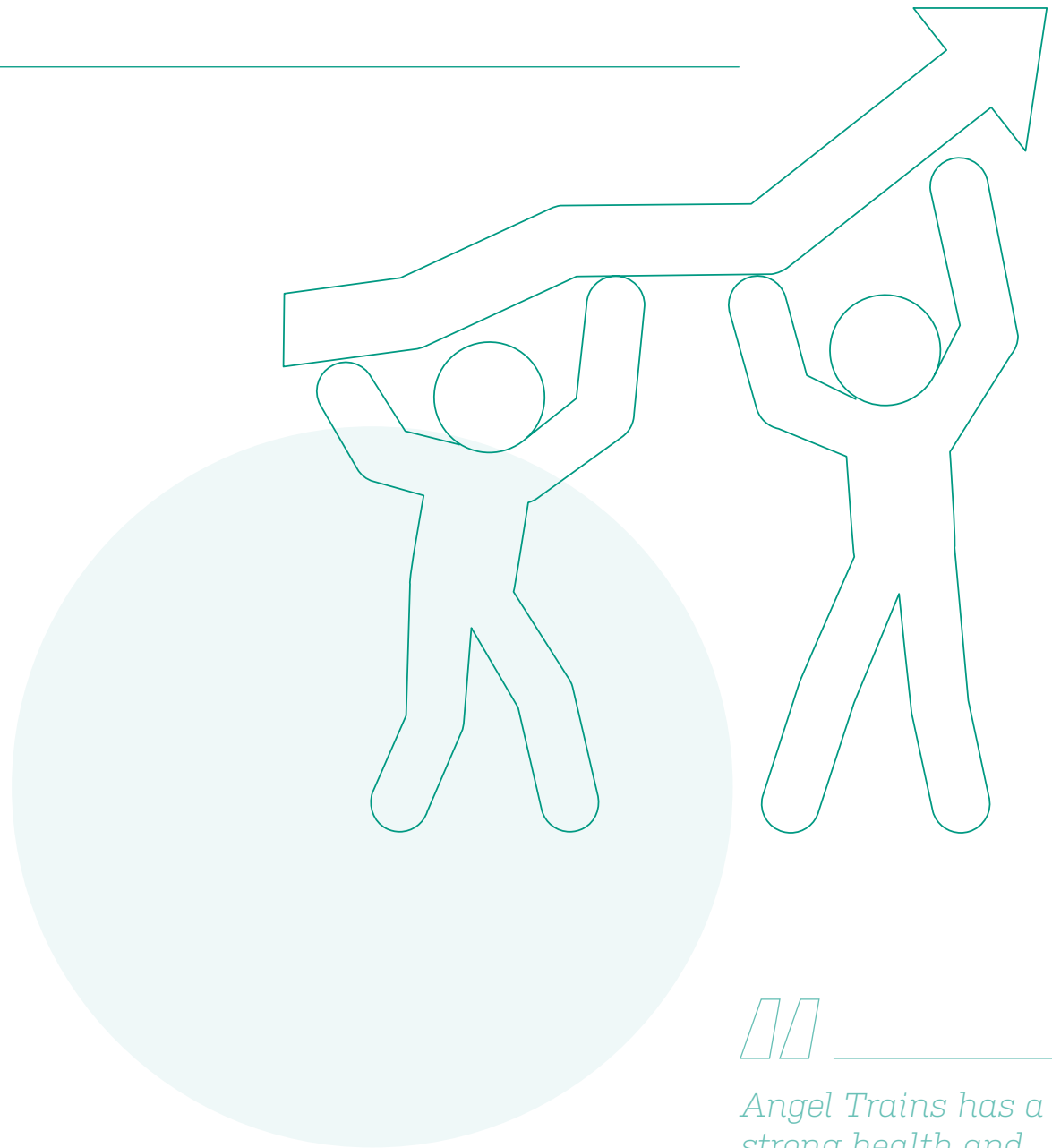
Corporate Social Responsibility

Our Culture

At Angel Trains we are committed to behaving in an ethical manner and providing a positive contribution to economic, community and people development.

We're proud that the work we do has huge benefits that go beyond just the environment. We believe in putting our people front and centre, investing in an internal culture that thrives on collaboration and a sense of community. We are passionate about wellbeing and ensuring that our teams are engaged and happy both in and outside of work, with flexible working arrangements and mental health resources.

Our social responsibilities also extend to our supply chain partners and UK rail passengers who benefit from our rolling stock assets. The supply chain is essential to the success of Angel Trains and we recognise that the maintenance and technical services needed to support our assets create skilled jobs across the supply chain.



Angel Trains has a strong health and safety culture



Health & Safety Culture

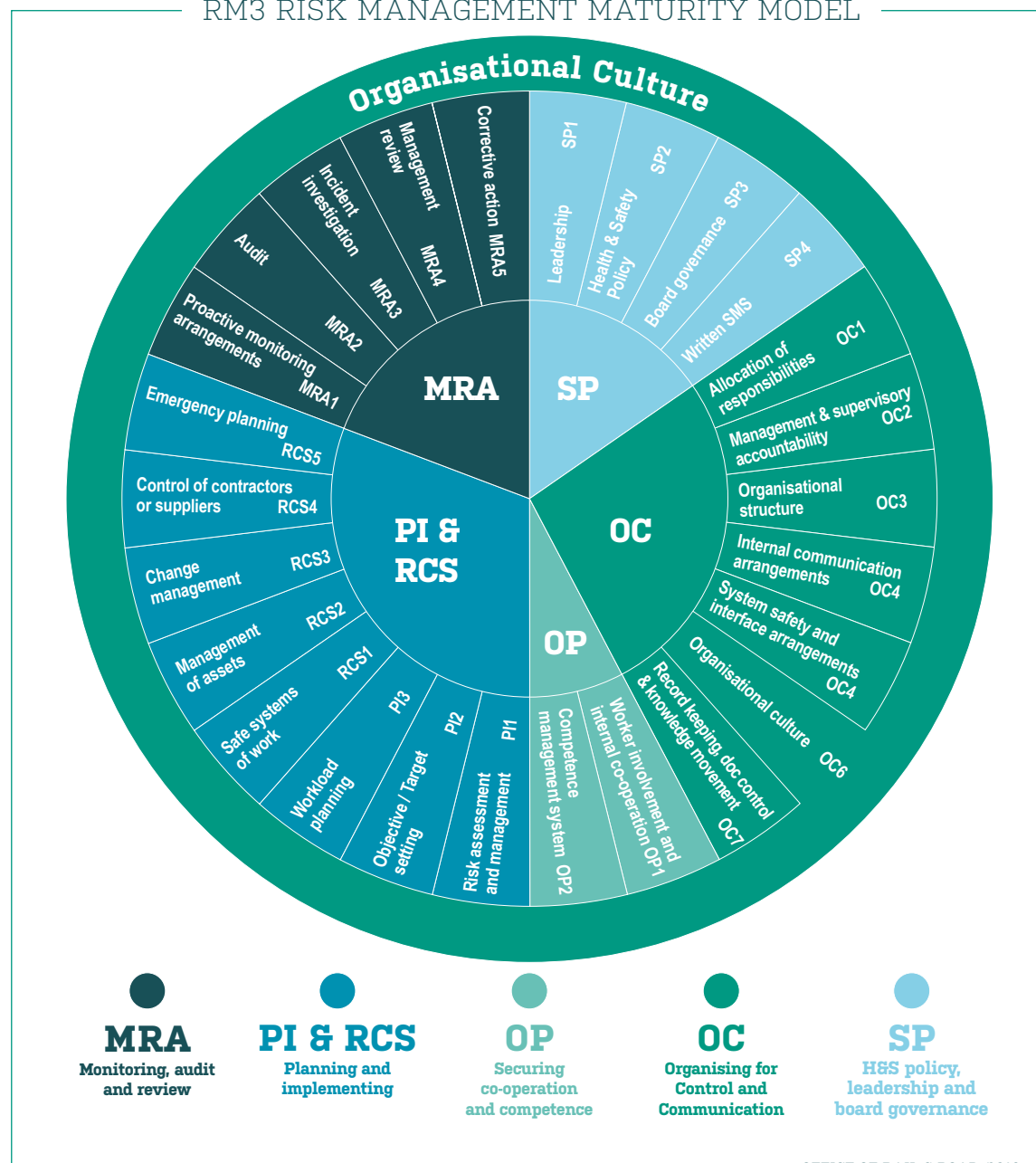
As a leading rolling stock asset manager, Angel Trains recognises that high standards of health and safety are essential and commits itself to maintaining this in line with our comprehensive safety management system.

Angel Trains has an annual health and safety plan which is aligned to the RM3 Risk Management Maturity Model developed by the Office of Rail and Road to drive excellence in Health and Safety.

The plan has been developed to assist the business in achieving key objectives in safety management so that we can continually improve our health and safety performance.

Angel Trains undertook the RSSB safety culture survey in 2020 and our results were top of our peer group demonstrating a very strong safety culture within the business.

RM3 RISK MANAGEMENT MATURITY MODEL



OFFICE OF RAIL & ROAD, 2019

COVID 19 Response

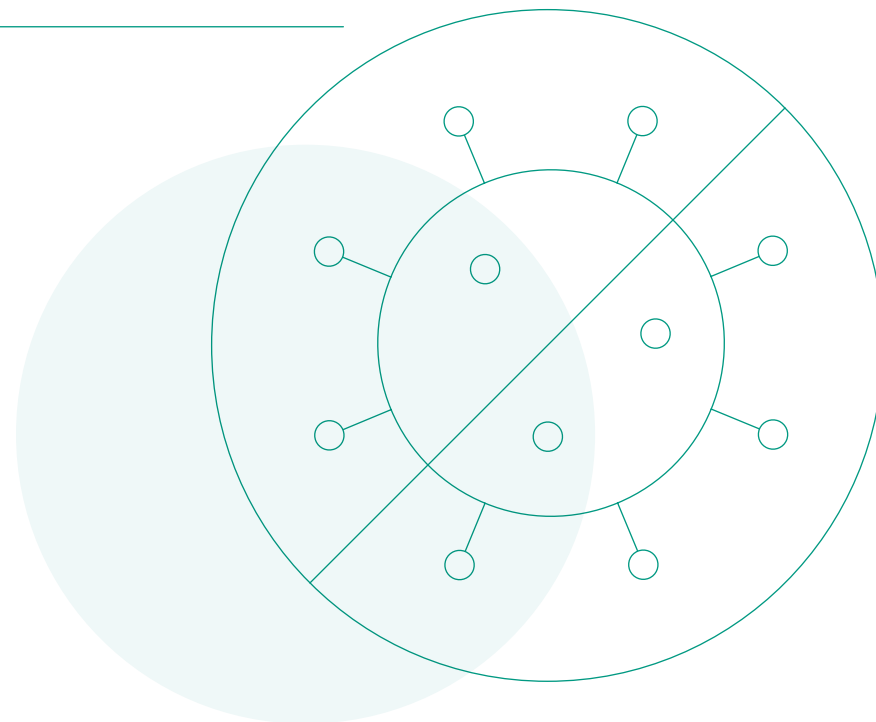
The COVID 19 pandemic created a real challenge for businesses world-wide to maintain business continuity.

Angel Trains responded in line with its business continuity plan and set out a home working policy putting the health, safety and welfare of colleagues first. Our COVID incident management team was tasked with implementing means of support to our employees during periods of lockdown and as restrictions changed.

Angel Trains has been diligent in supporting our colleagues throughout the COVID pandemic focussing on welfare, safe working practices, contributions to home energy costs and providing welfare gifts. Those colleagues with families to care for were treated with empathy and understanding and specific support was given to those feeling vulnerable or living alone.

We ensured that our staff were properly equipped to work from home safely by offering home office equipment and rolling out a Home Display Screen Equipment (DSE) survey. The company also undertook frequent surveys to engage with employees and monitor their physical and emotional wellbeing.

Angel Trains has also supported external partners throughout the COVID pandemic by reducing payment terms to suppliers, continuing with project delivery and setting up a COVID working group to explore mitigations for rolling stock including a virtual reality model demonstrating COVID risks and mitigations to share with the industry.



*Angel has done
as much as is
possible to support
my wellbeing
throughout the
COVID situation!*

Wellbeing

Angel Trains has an active Wellbeing Forum which meets regularly to identify and implement employee wellbeing initiatives.



In 2020 a new communication platform through Yammer was developed as a means for staff to connect socially whilst working remotely. Numerous activities were set up for staff to participate in remotely including cake baking, photography, walking for charity and cycling.

Throughout 2020 we launched a series of training and webinar sessions on wellness topics and tips for coping with remote working. These were helpful in ensuring that colleagues had the right support and supplemented our BUPA employee assistance scheme which is available to all employees who need counselling or addition support on any matter concerning them.

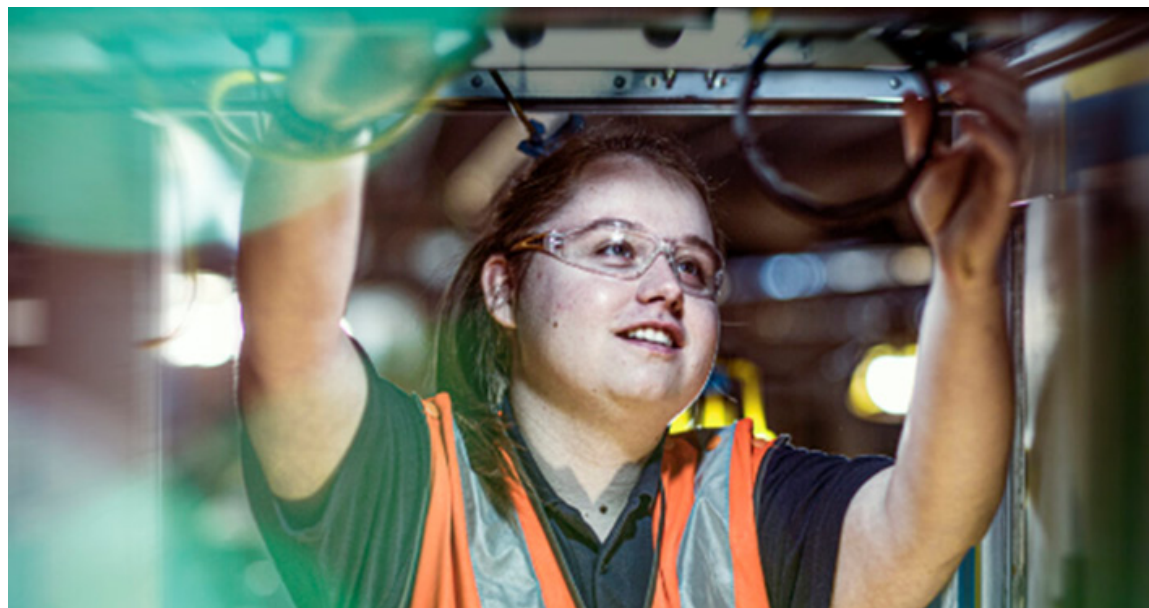
The company also selected volunteers from both our London and Derby offices to be trained in mental health first aid. The training gives them the ability to identify, understand and support people who are suffering from mental health issues.

Angel Trains also support employee health through a voluntary health insurance package and periodically the runs a 'Know Your Numbers' health screening programme where staff can be checked by a healthcare professional and given advice on wellbeing issues such as nutrition, exercise, sleep and relaxation.

Training & Professional Development

We pride ourselves on the calibre of our people, which is why we invest significantly in their professional and personal development. In 2020, the company invested circa £130,000 in learning and development and delivered approximately 430 employee training days.

We believe our role as an employer is to empower our workforce to make independent, informed decisions, giving them experiences and helping to develop their careers. From sponsorship of professional qualifications, to one-on-one mentoring and leadership training, we are committed to giving all our employees the opportunity to excel in their career and become experts in their field.



Developing Young Professionals

We are committed to nurturing the best young talent and dedicated graduate scheme is accredited by both the Institution of Mechanical Engineers and Institution of Engineering and Technology supporting employees towards chartership.

Our graduate scheme also offers placements with the supply chain and train operating companies delivering well rounded individuals for the industry. We also support apprenticeships in both technical and non-technical disciplines.

Angel Trains already holds Investors in People Gold standard and continues to uphold the values of that award.



We'd like to congratulate Angel Trains Ltd on their Gold standard. Such a high level of accreditation is the sign of great people management practice, and demonstrates a commitment to staff development and shows an organisation committed to being the very best it can be. Angel Trains Ltd should be extremely proud of their achievement.



PAUL DEVOY

HEAD OF INVESTORS IN PEOPLE



Rewarding Our Colleagues



Angel Trains offers its employees competitive remuneration packages, generous holiday allowance as well as bonus and pension schemes that are reviewed annually by our remuneration committee. Our staff are also encouraged to take part in social activities such as staff social engagements, team building, Christmas parties and celebrating successful projects.

Angel Trains provides £300 per head for staff team building each year to help people connect and perform.

We like to make sure that the working environment for colleagues is second to none. Angel Trains provides beverages and fresh fruit to staff and once a month has a drinks evening where colleagues can come together to socialise and connect. We also maintain business wide communication through regular employee surveys and company workshops.

The company maintains family-friendly work policies to support colleagues and the advances in IT technology to support remote working means that Angel Trains can be flexible in allowing staff to work from different locations that suit their lifestyle.

To support employees' health and contribute to sustainable travel, Angel Trains provides a cycle to work scheme to all permanent employees to make savings on the purchase of a bicycle and other associated accessories. The company also supports a Strava cycling club and participates in Love to Ride UK. In 2020, we launched our new "virtual managers' charter" which sets minimum standards that employees can expect for virtual working, including one-to-ones, team meetings, flexible working, and support. As with our existing charter, it builds on our values, intent based leadership principles, performance behaviours and the philosophy behind Investors in People.

Living Wage Employer

Angel Trains is proud to be accredited as a Living Wage employer. The living wage is a voluntary higher rate of pay which meets the basic cost of living in the UK.



WORLD CLASS WORKPLACE

Each year we undertake an externally run employee survey and over the past 3 years we have achieved an average response rate of 95% and an overall satisfaction rate of 85% which is well above the UK benchmark. These results are classified by Effectory as a World Class Workplace.



PERKBOX

Angel Trains provides Perkbox membership to permanent staff which is a scheme that provides discounts and other benefits from a wide range of shops, leisure facilities, cafes and restaurants.



Charity & Benevolence

At Angel Trains charity is important to us and we pride ourselves on helping others. We recognise that involvement with the community and volunteering can create happier and more committed employees who are more effective in the workplace.

Angel Trains has an established volunteering scheme where staff have paid days to volunteer to support work within the community. Together we have renovated local playgrounds, improved community allotments and cycled hundreds of miles for great causes. Through our Give As You Earn scheme we double match all employees' charitable contributions and in 2020 we received the platinum award for payroll giving by Charities Aid Foundation. We are proud of this achievement especially in a year constrained by the COVID 19 pandemic at a time when charitable contributions were at an all time low.

For over a decade we have supported Railway Children, a charity that provides protection and opportunity to at-risk children. During 2020 we climbed the Yorkshire Three Peaks and made a charitable donation from the sale of end-of-life rolling stock which amassed over £100,000. We were also pleased to support the National Railway Museum by donating a High Speed Train Power Car to be added to their exhibition.



Diversity & Inclusion

We recognise the need for greater diversity in the rail industry. We believe that drawing on talent from a wide variety of backgrounds will enable us to create competitive advantage and drive innovative solutions for our customers and the wider rail industry.

We value individuality and diversity in teamwork, which leads to success. Following the diversity and inclusion week in 2020 the business established a committee to develop our inclusive culture. This is represented by a range of staff from different parts of the business. As part of our commitment to investing in a diverse workforce, we support Women in Rail and participate in the Women in Rail Mentoring Programme. The scheme is run in collaboration with Moving Ahead and backs over 130 female professionals pursuing careers in the rail industry.

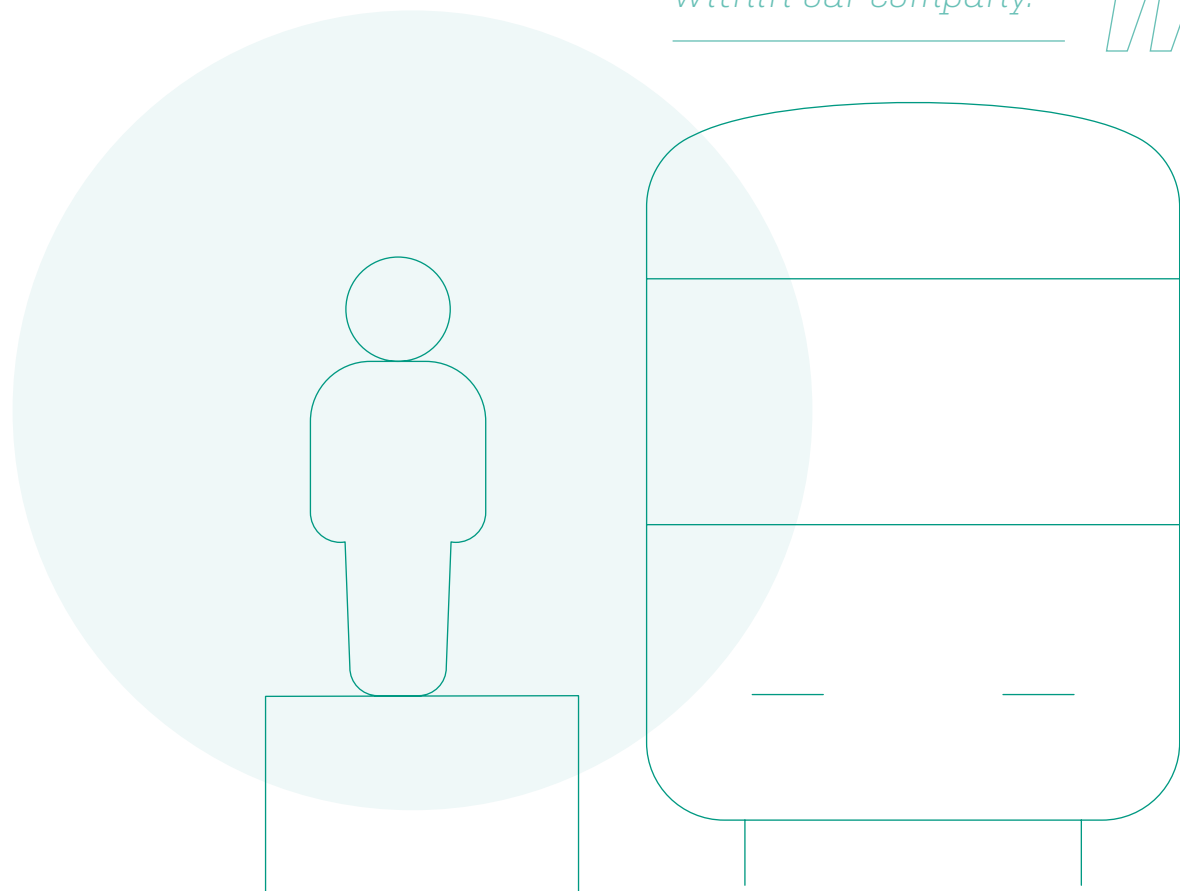
Rail Accessibility

To improve external inclusivity Angel Trains has been upgrading and building trains that satisfy all passengers' high expectations of modern, sustainable rail travel.

At the beginning of 2020 Angel Trains concluded its delivery of PRM TSI works that support rail accessibility for all. Our rolling stock was upgraded with features such as universal access toilets and passenger information systems to wheelchair access facilities and priority seating.



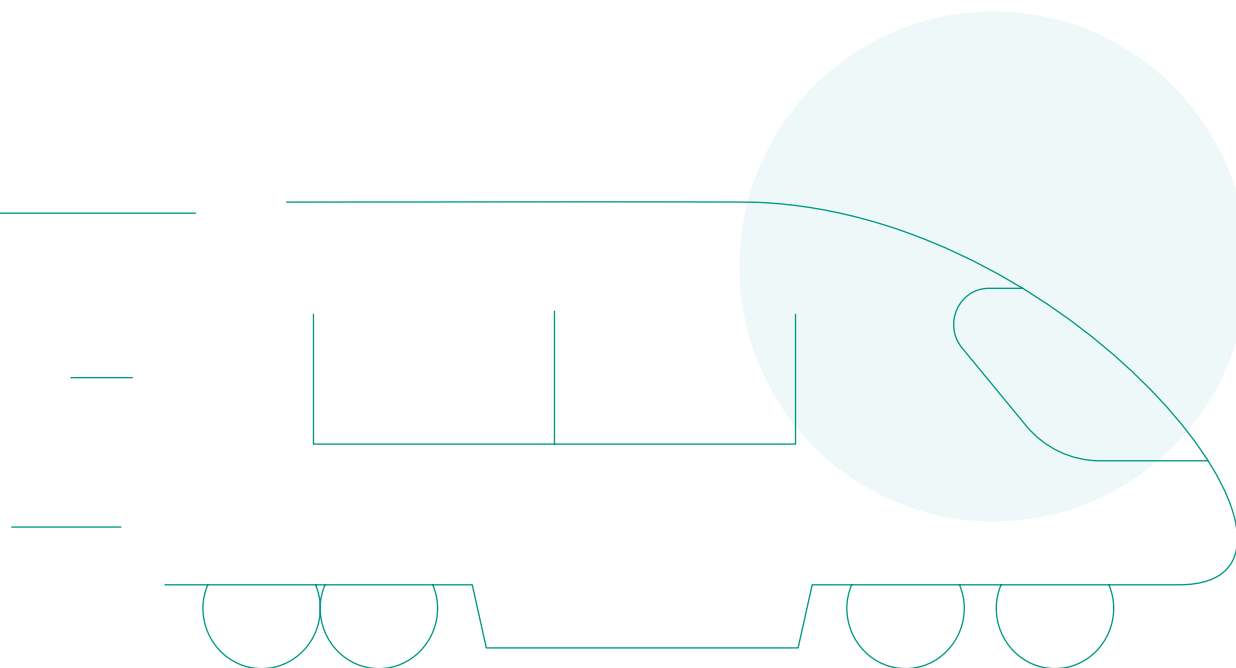
*Trains may be our business,
but it is people who are our
greatest asset and we pride
ourselves on the diversity
within our company.*



Supply Chain

Angel Trains owns and maintains over 4,000 rail vehicles, around one third of the UK's passenger rolling stock. We are committed to investing in fleets that meet the needs of today's passengers and our expert team is at the forefront of rail innovations, safety and reliability. Our cradle to grave rolling stock approach goes beyond procurement. We ensure each vehicle is maintained to the highest standards throughout its lifecycle, offering the best value for our customers.

Our suppliers are subject to a comprehensive supplier assessment which sets out the standard of behaviour which Angel Trains expects from its supply chain partners and this includes environmental, social and governance matters. Our heavy maintenance framework agreements contain ESG related requirements within them and we are committed to ensuring that our supply chain partners adhere to the same standards and sustainability principles as we do. Angel Trains creates long term relationships by working collaboratively with our supply chain partners. Communication is maintained through contract reviews, design reviews, safety meetings and an annual supplier survey programme. The company has supported the supply chain by maintaining project delivery throughout 2020 which has contributed to the continued employment of skilled staff. In 2021 it is our intention to undertake supplier ESG surveys to allow us to better understand issues and initiatives across our supply chain.



More than
1000
heavy maintenance overhauls
and components changes
managed per year.

More than
£50m
spent in supply
chain maintaining our
fleets per year.

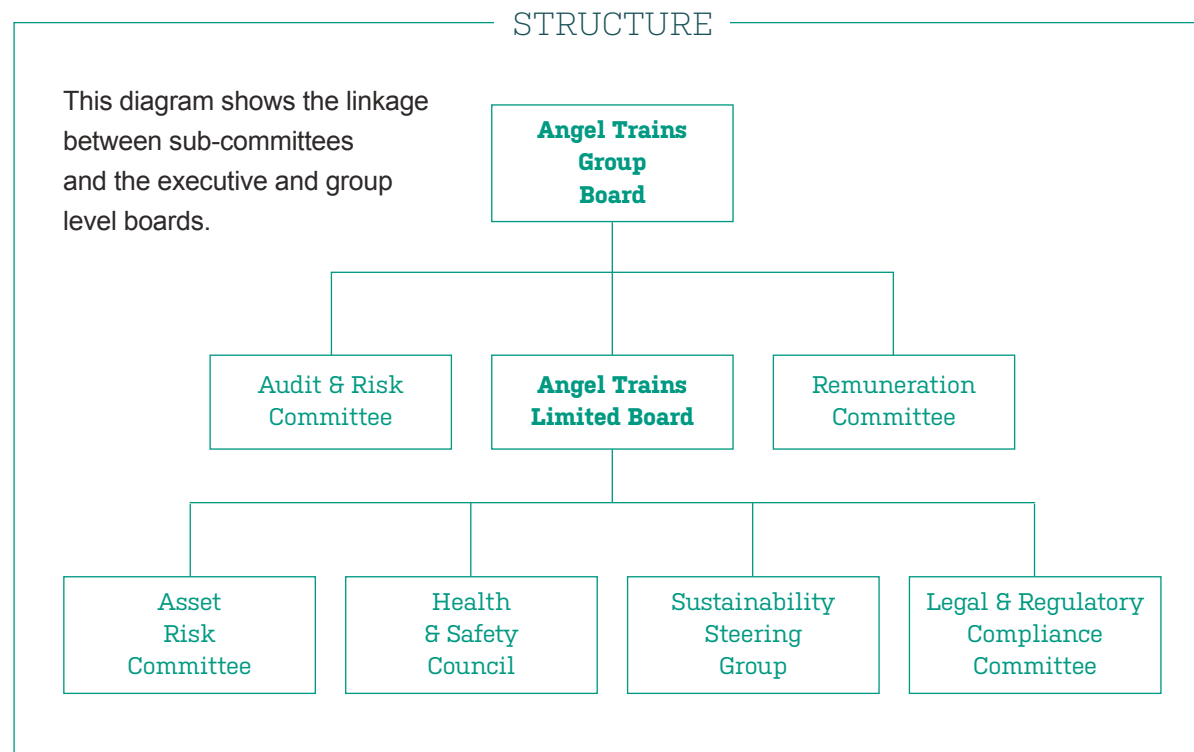


Corporate Governance

Governance Structure

The Angel Trains executive board meets formally on a weekly basis and maintains oversight of ESG matters. The executive board sits above a number of sub-committees that have a specific ESG purpose and remit.

Any ESG-related incidents or infringements that come to the company's attention are raised with a member of the executive board. The Angel Trains Group Board hold a monthly meeting where relevant ESG matters can be communicated with shareholders.



OUR EXECUTIVE BOARD



Malcolm Brown,
Chief Executive Officer



David Jordan,
Chief Operating Officer



Alan Lowe,
Chief Finance Officer



Matthew Prosser,
Asset Management Director

Sustainability Leadership

In 2020 a Sustainability Steering Group was formed to develop and define Angel Trains sustainability policy and initial materiality assessment. The group also has the responsibility for agreeing initiatives and ensuring that they are implemented, effective and maintained.

THE REMIT OF THE GROUP INCLUDES:

1. Establishing the sustainability vision, mission and values
2. Defining the ESG related policies
3. ESG risk management
4. Conducting internal and external materiality assessments on an annual basis to review issues material to Angel Trains.
5. Establishing sustainability objectives.
6. Highlighting the importance of sustainability to Angel Trains and demonstrating how colleagues can contribute to success.
7. Securing the availability of appropriate resources within the business.
8. Annual Benchmarking using GRESB and subsequent action plan.

SUSTAINABILITY STEERING GROUP



Andrew McManus
Head of HR &



Andrew Hicks
Head of Safety



Alistair Donnelly
Head of Procurement



Nesha Holas
Company Secretary



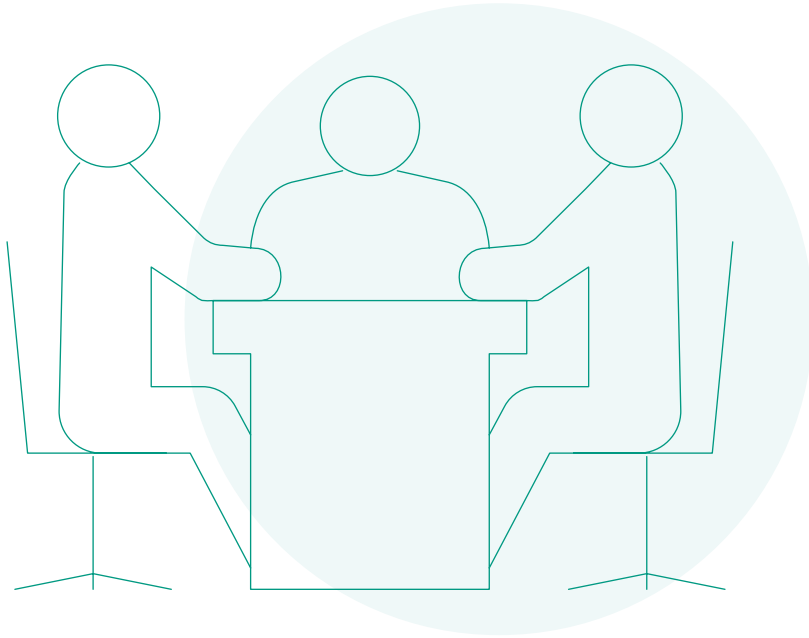
Barry Fox
Product Manager



Andy Hughes
Compliance Manager



Omar Razaq
Senior Legal Advisor



Our Policies

Angel Trains has developed a broad set of policies related to sustainability matters. Policies are important to help set direction and ensure that the business operates with the right behaviours and ethical standards.

All policies are made available to staff for reference to support their day-to-day activities. A selection of our policies includes:

Health & Safety

Our health and safety policy ensures appropriate working conditions for all employees and contractors and sets the requirements for maintaining a strong health and safety culture. The policy is underpinned by a written safety management system.

Dignity at Work / Code of Conduct

Our internal codes of conduct set out Angel Trains' business behaviour policy and the company's core working values.

Environment

This policy outlines the business's commitments to towards reducing its impact on the environment.

Modern slavery

Angel Trains zero tolerance to modern slavery and has a policy which sets out the conduct expected of colleagues and the supply chain partners.

Whistleblowing

Employees can raise any concerns about practices or behaviours within our business or the wider supply chain without fear of reprisals.

Anti-bribery

Angel Trains has zero tolerance to bribery and has a policy which sets out the conduct expected of colleagues and supply chain partners.

Human Resources

There is a full suite of HR policies to support employees and management.

Risk Management

Angel Trains has a risk management policy setting out the requirements for management of corporate risks through strategic and departmental risk registers.

Risk Management

Angel Trains maintains a risk management policy that defines our approach to corporate risk. Strategic and Departmental risk registers form part of our corporate risk management processes and manage ESG issues and risks that are material to the business. Angel Trains provides risk assessment, analysis, identification and mitigating action through its formal risk management process as set out below. The registers are periodically updated and shared with the Board and Audit and Risk Committee.

FORMAL RISK MANAGEMENT PROCESS

| 1 |

Risk Identification

Risks that could affect the business performance of Angel Trains are identified and documented in sufficient detail so that measures and mitigation actions can be established.

| 2 |

Determination of Gross Risk

The gross risk is determined from the product of the probability and severity of each assessed risk and the resulting risk factor is categorised using a 5 x 5 risk score matrix.

| 3 |

Risk Management

Determination of the risk control measures including existing and additional activities needed to reduce probability or severity of the risk

| 4 |

Determination of net risk

The net risk is determined from the product of the probability and severity of each assessed risk taking into account the existing mitigations. The resulting risk factor is categorised using a 5 x 5 risk score matrix.

| 5 |

Risk Reporting

The risk registers are fully documented and are reviewed and updated on a six monthly basis.

Cyber Security

Cyber attack poses a growing threat to the security and therefore the safety of infrastructure in the UK, including the railway network. The threat is evolving due to the advent of digital trains and new technologies that present vulnerabilities if protection is insufficient.

In 2020 Angel Trains set up a Cyber Steering Group to address the risks from office IT and on-train cyber security threats.

The group comprises colleagues from our IT, Engineering, Safety, Procurement and Project teams to ensure that we pull together complementary skills to tackle this important risk area. The group has been developing the on-train cyber policy, defining the digital architecture of our assets and setting out the plan for delivery of training to operational staff. Work has also been undertaken to set out the plan for our approach to risk management of on-train cyber related risks.

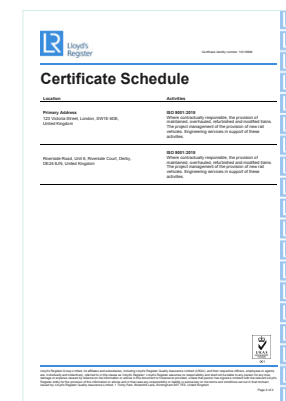


Certifications

Angel Trains is accredited to ISO 9001 : 2015

The requirements of ISO 9001 ensure that products and services meet the expectations of customers. In support of this certification the company maintains an Integrated Management Systems comprising of our operating procedures and guidance documents and the company also undertakes an

audit programme to enable continuous improvement in quality. Angel Trains is also accredited within the Railway Industry Supplier Assessment Scheme (RISAS). The process involves an independent assessment of our asset management activities to ensure that we have the appropriate processes, competence, resources, facilities and procedures.



Sustainability Report

2020-2021

You can find out more about Angel Trains by visiting our website:

www.angeltrains.co.uk

We welcome feedback from our stakeholders.

Should you have any comments, thoughts and ideas on how we might improve, please write to:

communications@angeltrains.co.uk

ANGEL TRAINS

123 Victoria Street
London
SW1E 6DE

