

Modern Slavery Act 2015 – Slavery and Human Trafficking Statement – Consolidates actions for the financial period ending December 2021

Introduction

The Angel Trains Group (**ATG**) has a zero-tolerance approach to Modern Slavery. We believe in acting ethically and with integrity in all our business dealings and relationships. We are committed to implementing and maintaining effective systems and controls to ensure Modern Slavery is not taking place anywhere in our own business and to combat the risk of Modern Slavery taking place in our supply chains.

We are also committed to ensuring that there is transparency in our own business and in our approach to tackling Modern Slavery throughout our supply chains, consistent with our disclosure obligations under the Modern Slavery Act 2015 (**Act**). We expect the same high standards from all of our contractors, suppliers and other business partners.

Modern Slavery is a crime and a violation of fundamental human rights. It can take various forms, including slavery, servitude, forced and compulsory labour, child labour and human trafficking, all of which have in common the deprivation of a person's liberty and freedom by another in order to exploit them for personal or commercial gain.

This statement is made on behalf of Angel Trains Limited (**ATL**), Angel Trains Group Limited (**ATGL**), The Great Rolling Stock Company PLC (**TGRSC**), Angel Trains Rolling Stock Limited (**ATRS**L) and Angel Leasing Company Limited (**ALCL**).

Overview of ATG organisation and operations

ATG is committed to the principles underpinning the Anti-Slavery and Human Trafficking Policy issued by ATL as the primary operating entity, and to the approach that has been adopted to further the policy objectives.

The steps taken as part of this statement relate to ATG's core operational entities, which include ATL, TGRSC, ATRS L and ALCL. ATGL is the direct holding company of the core operational entities. Angel Locomotive Leasing Limited and Angel Trains Group Limited (UK) are non-operational, dormant entities. Following a corporate restructuring last year, Willow Rolling Stock UK Limited has been dissolved.

ATL was formed in 1994 as one of three rolling stock companies in preparation for the privatisation of the UK rail industry and is one of the UK's leading train leasing specialists, leasing rolling stock to 17 operators in the UK.

The company has invested £5 billion in new rolling stock and refurbishment programmes since 1994 and is one of the largest private investors in the UK rail industry. Each of ATL, TGRSC, ATRS L and ALCL has an annual turnover in excess of £36m, the financial threshold under the Act.

The business of ATL is organised into 3 main business areas:

- procurement, commercial and customer support which report to the Chief Operating Officer (**COO**);
- fleet, projects, safety and products which report to the Asset Management Director; and
- finance, legal, company secretariat, operational risk and IT services which report to the Chief Financial Officer (**CFO**).

The COO, CFO, Asset Management Director and Human Resources business areas all report to the Chief Executive Officer (**CEO**). ATL, TGRSC, ATRSL and ALCL operate through a unified management structure.

In January 2022 ATL purchased the entire shareholding in Readypower Group Limited.

Our Approach

To properly and transparently address the risks of Modern Slavery, ATL has developed a risk-based approach to identify and assess the risk of Modern Slavery within our business and supply chains. Our focus has been on the operations of ATL in England, which is where our offices and staff are located and its business and turnover is generated.

Since the Act came into effect on 31 March 2016 we have:

- made the ATL Board aware of the requirements of the Act; and
- established a dedicated internal multi-disciplinary compliance team and working group, which continues to review and support the implementation and development of our approach.

As a major investor in the railway industry in the UK, ATL participates in various industry groups and has action plans to tackle many of the topics and issues that impact today's railway and support responsible business conduct.

In the context of Modern Slavery, our Anti-Slavery and Human Trafficking Policy is applicable to our core operational entities, employees, and ATG's relationships with its customers, suppliers and business partners. This policy details ATG's high ethical standards and seeks to support achieving impact and change by clearly communicating the expectation that our suppliers hold their own supply chain to those same standards.

Our Business

ATL employs over 130 professional, technical and support staff at its headquarters in Victoria, London and its second office in Derby. Our primary business operations and direct first tier supply chain relationships are predominantly based in the UK with indirect second tier supply chain relationships extending outside the UK.

- ATL has a robust hiring process; our Human Resources Department uses reputable recruitment agencies and avoids the use of casual labour to minimise risks to ATL's internal operations.
- We have a whistleblowing procedure, providing a channel of communication for staff who have concerns.
- We have a Health & Safety Policy in place which ensures employees are working in a safe environment.
- Our Anti-Slavery and Human Trafficking Policy was launched through an internal communication and a statement from our CEO. As part of our induction process, new members of staff are provided with a copy of our Anti-Slavery and Human Trafficking Policy and required to confirm their receipt and understanding of it.

Our operations and supply chain

We implemented our risk-based approach to identify and assess the risk of Modern Slavery by reviewing ATL's core business operations and its direct supply chain. As part of our approach, we constituted a multi-disciplinary team and conducted an initial risk analysis of our customers and direct supply chain, which informed our assessment of relevant risks in conjunction with our overall assessment of Modern Slavery risks in the context of our business.

TGRSC, ATRSL and ALCL form a significant part of ATL's supply chain. Whilst we focus on ATL as the primary operating entity of ATG, TGRSC's, ATRSL's and ALCL's operations have been taken account of in the establishment, and review, of our approach to Modern Slavery.

ATL's other direct supply chain relationships include direct key supply chains comprising manufacturers and maintainers of rolling stock, suppliers of parts, movement contractors, storage service providers and technical consultancy service companies. The initial risk analysis helped us to identify twenty key direct suppliers who might pose a risk, albeit low and this is being further developed in light of our experience dealing with allegations of Modern Slavery associated with indirect suppliers as detailed below.

The key suppliers were identified based on their ability to support and assist in the delivery of ATL's core business objectives. These suppliers are proven within the UK rail industry and have track records for treating employees fairly.

Details of the steps we have taken following such analysis, and the steps we will take in the year ahead, are set out in the next section.

Where ATG becomes aware of allegations of Modern Slavery associated with our direct suppliers, we recognise that termination of such relationships is one of a range of responses and may not be the most sustainable or effective response. ATG seeks to review allegations and risks and, where appropriate, work with suppliers to resolve them. This includes engaging with key suppliers to take a similar approach with their own suppliers. Where necessary and appropriate, including in respect of a situation of legal or ATG policy non-compliance, ATG will take steps to cease engagement and/or the business relationship.

Our effectiveness in combating Modern Slavery and Human Trafficking

Over the last financial period ending December 2021, ATL has taken the following steps to support the continuing review and development of our risk management approach:

- undertaken the annual review of our Anti-Slavery and Human Trafficking Policy;
- confirmed with all new staff that they have read and understood our current Anti-Slavery and Human Trafficking Policy;
- consolidated staff awareness and understanding of Modern Slavery risks and our risk management approach, including through our internal communications initiative and a further all-staff training session;

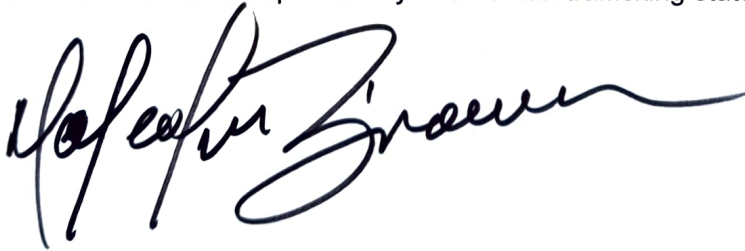
- met with strategic direct suppliers to the ATL businesses, undertook regular and systematic visits to key supplier facilities, and conducted routine contract/project reviews;
- re-emphasised our commitment to engage new direct suppliers who are credible, ethical and have a track record of treating employees fairly;
- continued our programme of including Anti-Slavery and Human Trafficking clauses in; i) new direct supplier contracts; and ii) new contracts with other counterparts with whom ATL (and group companies) have business relationships, such as consultants, customers and business partners;
- monitored the dedicated channel of communication for reporting of any concerns related to Modern Slavery;
- confirmed that over the course of this period no new reports concerning Modern Slavery were communicated to ATL via our dedicated email address for reporting or otherwise;
- actively monitored the situation with respect to the allegation identified during 2020 and continued to engage with our direct supply chain concerning demonstrable responsible engagement by our counterparts with Modern Slavery risk management including through independent review and an updated report; and
- monitored action taken by the UK government (including guidance) in relation to higher risk jurisdictions and the Act, more generally, to inform the continuing review and development of our Modern Slavery risk management approach.

In the financial year ahead, we will use the following steps as key performance indicators (KPIs) to measure our effectiveness:

- prepare an assessment and integration plan for the implementation of ATL's Modern Slavery risk management approach to the recently acquired Readypower Group Limited;
- undertake the annual review of our Anti-Slavery and Human Trafficking Policy;
- confirm with all new staff that they have read and understood our current Anti-Slavery and Human Trafficking Policy;
- meet with strategic direct suppliers to the ATL businesses, undertake regular and systematic visits to key supplier facilities, and conduct routine contract/project reviews;
- re-emphasise our commitment to engage new direct suppliers who are credible, ethical and have a track record of treating employees fairly;
- continue our programme of including Anti-Slavery and Human Trafficking clauses in new direct supplier contracts, and new contracts with other counterparts with whom ATL (and group companies) have business relationships, such as consultants, customers and business partners;

- conduct a further risk analysis of our customers and direct supply chain, to confirm/update our initial assessment of relevant risks;
- following such analysis, consider further engagement on Modern Slavery risks and mitigate the same with our customers and direct supply chain;
- monitor the dedicated channel of communication for reporting of any concerns related to Modern Slavery;
- report queries, issues or concerns raised to our compliance team through our dedicated reporting mechanism (or other routes) to our Board;
- proactively deal with queries, issues or concerns raised, to ensure demonstrable responsible engagement by our counterparts, and compliance with the high ethical standards we expect from our contractors, suppliers and business partners;
- continue to monitor the situation with respect to the allegation identified during 2020 and engage with our direct supply chain to ensure demonstrable responsible engagement by our counterparts;
- continue to consider UK Government guidance with respect to dealing with Modern Slavery risks, including monitoring any action taken concerning higher risk jurisdictions and the Act, more generally, to inform the continuing review and development of our risk management approach; and
- support and participate in, as appropriate, business or transport industry initiatives to combat Modern Slavery.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement.

A handwritten signature in black ink, appearing to read 'Malcolm Brown', with a long, sweeping horizontal line extending to the right.

Malcolm Brown
Chief Executive Officer
of ATGL, ATL, TGRSC, ATRSL and ALCL

1st March 2022