



# Group sustainability policy

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## Foreword

As a leading owner of UK railway rolling stock, we invest in maintaining the safety, quality and reliability of our assets, and in innovations that will support the UK's 2050 net zero goal. Through our technical expertise, strong relationships with our suppliers that help us foresee technological developments and our understanding of our customers' commercial priorities, we are uniquely positioned to help the UK Government deliver this ambition.

At Eversholt Rail, sustainability has always been embedded in how we manage our assets and business. Our approach to sustainability and managing environmental, social and governance (ESG) topics informs our investment strategy. This includes enabling innovations for our assets that align with the UK's decarbonisation agenda. We are also committed to managing our assets responsibly, providing a great workplace for our people and delivering results effectively and ethically.

## Introduction

Our business strategy, to defend and grow our portfolio whilst embracing the green agenda, is supported by the four pillars of our sustainability agenda:



**Innovating to support transport decarbonisation journey**



**Leading as a responsible asset owner**



**Providing a great workplace**



**Delivering results with integrity**

This policy sets out how we manage our assets and business sustainably. It also describes how the way we work delivers value to our staff, investors, customers, rail passengers and wider stakeholders.

The scope of this policy covers all our operations, and is endorsed by our CEO on behalf of the Parent Board.

## ESG governance

To ensure the effectiveness of our sustainability policy, we have a clear governance framework, supported by a suite of tools and procedures.

### Setting out clear roles for maintaining a sustainable business

At Eversholt Rail, we all have a part to play in maintaining sustainable business practices.



- **Parent Board:** Formed by two members of the management team at CKI, our parent company, and our CEO, the Parent Board is responsible for setting the Group's overall strategy and maintaining oversight of its activities.
- **Leadership Team:** Governance of our sustainability agenda and approach is overseen by the Leadership Team (LT), led by our CEO. The LT approves the strategy, and receives monthly updates on our progress against key sustainability programmes.
- **Operational committees of the LT:** Specific environmental, social and governance (ESG) topics are monitored by:
  - the **Risk and Compliance Committee (RCC)**, chaired by our Legal Director, monitors existing and emerging risks, including those relating to the Bribery Act, the Modern Slavery Act and cybersecurity. The RCC also receives quarterly reports on emerging ESG-related risks, and reviews proposed mitigation measures;
  - the **UK Rolling Stock and Balance Sheet Committee**, chaired by our CFO, oversees decisions around through-life asset management and investment in innovative, green technologies; and

- the **monthly Operational Safety Committee (OSC)**, chaired by our Client Services Director, is tasked with ensuring the effectiveness of our safety risk management and key controls.
- **Business Process Team:** Led by our Business Process Director, who sits on the LT and reports directly to our CEO, the team is responsible for effective development and implementation of our sustainability agenda. Our Senior Sustainability Manager supports all functions within the business to ensure relevant sustainability processes are embedded in the business.
- **Product Development Forum:** Our approach to managing climate-related risk and opportunities is supported by our Product Development Forum, a working group that monitors and assesses the technical feasibility of deploying innovative technologies. The forum then reports any recommendations around which technologies to consider investing in to the UK Rolling Stock and Balance Sheet Committee of the Leadership Team for further review and approvals.
- **All employees:** From driving innovation to support the transport industry's decarbonisation journey to leading as a responsible asset owner, we all have a part to play in delivering results in line with our sustainability agenda.

### Empowering our employees to drive sustainability

We want to make sure all our employees have a clear understanding of the behaviour we expect from them, including acting with integrity and respecting our differences, both when interacting with each other and with our stakeholders. These are set out in our Employee Handbook, issued to all new starters as part of their induction. The handbook is complemented with relevant training throughout the year around various ESG topics, including cybersecurity and how to prevent bribery and corruption.

Our robust series of policies and procedures complement this policy document and our Employee Handbook in setting out our commitment, the expected behaviours of our employees and desired ways of working to support individual ESG topics. These include our Anti-Bribery Policy, which outlines Eversholt Rail's zero-tolerance stance against bribery and corruption, and our Code of Practice, which sets out our service commitment to our customers, our complaints procedure for any breaches of our Code and the anti-competitive measures we take.



Find out more about our policies at:

<https://eversholtrail.co.uk/downloads>

## Our commitment to maintaining sustainable business practices

To help enable a modal shift to railway and further decarbonisation opportunities, our sustainability agenda sits at the heart of our core business.



### Innovating to support transport decarbonisation journey

We seek to deliver low-carbon solutions to position railway as the preferred method of transport – both for passengers and freight. We do this by:

- exploring opportunities to future-proof our existing assets and developing greener solutions, from hybridising diesel trains to extending the electric network range by adding batteries to electric trains;
- investing in new technologies that support a modal shift for passengers and freight through our innovative solutions, such as Revolution Very Light Rail (RVLR) and Swift Express Freight; and
- bringing systems-thinking as we explore alternative fuels like hydrogen, and working on opportunities with our partners to not only deliver hydrogen trains but also enable a rail network that can accommodate storage and easy access to fuelling.



### Providing a great workplace

Great people are key to our business strategy, and we want to be a great place to work. We do this by:

- supporting our people in building fulfilling careers through targeted learning and development initiatives that support growth for employees;
- fostering a culture of diversity and inclusion, as we continuously explore and implement ways to make our workplace more diverse and inclusive, including training and open engagement for employee feedback; and
- safeguarding employee safety and wellbeing, while striving to provide safe workspaces and investing in programmes and benefits that enhance the wellbeing of our people.



### Leading as a responsible asset owner

With decades of through-life asset management expertise, we leverage our purchasing power to own, lease and manage assets responsibly. We do this by:

- supporting safe and efficient rail services, as we deploy strong standards and processes that promote and continuously assess asset safety, and safe working practices of our suppliers;
- building and maintaining insight-driven relationships that keep us aligned with industry developments; and
- playing our part in driving a circular economy as we aim to efficiently store end-of-lease assets, explore ways to extend their life cycle and manage their safe disposal and recycling.



### Delivering results with integrity

We deliver results, and always strive to do so responsibly. We do this by:

- aligning with industry-leading standards, and adopting robust governance channels, such as policies and procedures, regular risk monitoring and management oversight; and
- promoting cybersecurity and protecting data privacy, through a range of procedures and checks, as well as equipping our employees with tools and knowledge that help us effectively manage any risk.

## Playing our part in a future-fit rail industry

We believe the rail industry can play a significant role in delivering the UK Government's net zero ambitions. A future-fit railway will also enable a modal shift, with more passengers and freight moving away from roads and air, to rail as a preferred mode of transport.

We have unique strengths to help power the UK's net zero agenda through our investment in green technologies and innovations. In particular, the supplier and customer relationships we have fostered will help us stay abreast of engineering excellence. These will also enable us to work with our partners and bring in systems-thinking, as rail can only be truly future-fit when the rolling stock and infrastructure solutions work well together.

We are also committed to continue monitoring and addressing what our stakeholders expect of us in delivering against our sustainability agenda. We will report our progress in a stand-alone sustainability report.

We have a robust set of policies to ensure we align with best practice and legislative requirements.



**You can download these from our website at:**

<https://eversholtrail.co.uk/downloads/>

From tailored training to help our employees enact our policies to management-level monitoring, we have a range of controls in place to uphold our culture of integrity. Our speak up procedure is available in our Employee Handbook, issued to all employees at the start of their employment and is also on our intranet. This includes details of Safecall, an independent, confidential external reporting service, available 24 hours a day, seven days a week. An employee reporting a concern has the ability to remain anonymous throughout the process, if they prefer to do so.



**Find out more about our ongoing ESG work at:**

<https://eversholtrail.co.uk/sustainability>

