

Modern Slavery Act 2015 – Slavery and Human Trafficking Statement – Consolidates actions for the financial periods ending December 2017 and December 2018

Introduction

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.

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.

This statement is made on behalf of Angel Trains Limited (**ATL**), The Great Rolling Stock Company Limited (**TGRSCL**) and the companies that are part of the ATG for the purposes of the Act.

Overview of ATG organisation and operations

ATG is committed to the principles underpinning the Anti-Slavery and Human Trafficking Policy issued by ATL dated March 2017 (detailed below) and the approach that has been adopted to further its objectives. However, the steps taken as part of this statement relate to ATG's core operational entities, which includes ATL, TGRSCL and other subsidiaries (Angel Leasing Company Limited, Angel Locomotive Leasing Limited). Other relevant ATG companies for the purposes of the Act include Angel Trains Group Limited and Willow Rolling Stock UK Limited which operate solely as holding companies. Accordingly, the steps taken by our operational entities, as set out in this Statement, enable these holding companies to meet applicable obligations (and/or support the intention of the Act more generally).

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 all 18 franchised operators and open access operators in the UK.

ATL's asset base comprises over 4,469 vehicles, with a combined value of over £3.4 billion. 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. ATL has an annual turnover in excess of £36m. During the course of the 2018 financial period covered by this statement, TGRSCL also reached 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 Technical Director;
- finance, legal, company secretariat, operational risk and IT services which report to the Chief Financial Officer (**CFO**).

TGRSCL is the holding company of the majority of ATL's passenger rolling stock, excluding vehicles purchased since 2008.

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

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 initial 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 to review and support the implementation 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.

In the context of Modern Slavery, our Anti-Slavery and Human Trafficking Policy is applicable to our core operating company, ATL, and its employees and ATL's relationships with its customers, suppliers and business partners. This policy details ATL'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 135 professional, technical and support staff at its headquarters in Victoria, London and its second office in Derby. Our primary business operations and direct supply chain relationships are based in 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.
- Our Whistleblowing Policy provides 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.
- ATL Anti-Slavery and Human Trafficking Policy was launched through an internal communication and a statement from our CEO and, when assessed as appropriate, was communicated to suppliers. 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 acknowledge receipt of it and confirm that they have read it.

Our operations and supply chain

We have commenced implementing 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.

Since the publication of our last statement, ATL has taken the following steps:

- Sent a copy of our Anti-Slavery and Human Trafficking Policy to strategic suppliers which we have identified as a potential (albeit low) risk.
- ATL has begun the process of inserting Anti-Slavery and Human Trafficking Policy clauses in our supplier contracts.

Going forward, ATG is committed to the review of the Anti-Slavery and Human Trafficking Policy to address relevant issues, including, by way of example, child labour.

As TGRSCL forms a significant part of ATL's supply chain, we have continued to focus on ATL as the primary operating entity of ATG. We will continue to consider the scope of ATG's approach to combat modern slavery and seek to incorporate TGRSCL's operations and any particular business risks into this scope.

We will continue to scope and assess the profile of ATL's direct supply chain relationships, which include direct key supply chains comprising manufacturers and maintainers of rolling stock, suppliers of parts and technical consultancy service companies and continue to carry out a due diligence exercise prior to entering into new supplier contracts. We will engage with ATL's key direct suppliers about this approach and consider further the use of audit clauses in strategic supplier contracts.

While we will not engage suppliers who knowingly participate in the crime of Modern Slavery, we are committed to assessing any instances of non-compliance regarding Modern Slavery and human trafficking on a case-by-case basis. Where possible we will work with our suppliers, customers and business partners to ensure they better understand their obligations and the serious impact Modern Slavery has.

As stated, ATL's Whistleblowing Policy provides a channel of communication for staff who have concerns and our Anti-Slavery and Human Trafficking Policy details the escalation point for contractors, suppliers and other business partners.

Our effectiveness in combating Modern Slavery and Human Trafficking

We use the following key performance indicators (KPIs) to measure our effectiveness:

- Staff confirmation they have read and understood our Anti-Slavery and Human Trafficking policy
- Formal acknowledgment of our approach by a number of strategic contractors and suppliers we have engaged with on the issue of Modern Slavery
- Training delivered to staff
- Inclusion of appropriate Anti-Slavery and Human Trafficking provisions in higher risk direct supplier contracts
- Queries, issues or concern raised and/or reported to our compliance team and/or our Board

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.



Kevin Tribley
Chief Executive Officer
of ATGL, TGRSCL, ATL and Willow Rolling Stock UK Limited
18 January 2019